1 2 3	Introduction: September 12, 2023 First Reading: September 12, 2023 Public Hearing: September 23, 2023
4 5	Second Reading: September 23, 2023 Final Passage: September 23, 2023
6	
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9	<u>INFORMATION ON PROPOSED ORDINANCE</u>
10	T'.4
11	<u>Title</u>
12	An andinance amonding the Landmonk Community Development Authority
13 14	An ordinance amending the Landmark Community Development Authority
15	Summary
16	Summary
17	This ordinance will be a non-codified ordinance amending the Landmark Community
18	Development Authority. This ordinance will not be a part of the City Code but instead
19	will act as its own ordinance amending the authority similar to the ordinances creating the
20	Alexandria Sanitation Authority (AlexRenew) and the Alexandria Redevelopment and
21	Housing Authority (ARHA)
22	
23	<u>Sponsor</u>
24	
25	James F. Parajon, City Manager
26	
27	<u>Staff</u>
28	Li' C. I. A. ' e e C'e M
29	Julian Gonsalves, Assistant City Manager
30 31	Kendel Taylor, Interim Deputy City Manager Joanna C. Anderson, City Attorney
32	Kevin Greenlief, Assistant Director – Revenue Division, Department of Finance
33	Revin Greenier, Assistant Director – Revenue Division, Department of Finance
34	Authority
35	<u>riamonty</u>
36	§15.2-5155, Code of Virginia (1950), as amended
37	
38	Estimated Costs of Implementation
39	
40	None
41	
42	Attachments in Addition to Proposed Ordinance and its Attachments (if any)
43	
44	None

An **ORDINANCE** amending Ordinance No. 5368 creating the Landmark Community Development Authority adopted on September 18, 2021.

WHEREAS, the City of Alexandria, Virginia (the "City"), Landmark Land Holdings, LLC (the "Developer"), and Inova Health Care Services ("Inova"), previously entered into the Landmark Mall Development and Financing Agreement dated as July 30, 2021 (the "Original Development Agreement"), to provide for the development and redevelopment of certain real property located in the City collectively known as "Landmark Mall" (as hereinafter described, the "Property"), into a mixed-use development, which is anticipated to include, among other things, (a) multi-family residential apartment buildings, hotel space and retail space, (b) commercial and medical office buildings with healthcare service and retail components and (c) hospital and other medical facilities;

WHEREAS, the Original Development Agreement contemplated the establishment of the Landmark Community Development Authority (the "CDA") pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to assist in the acquisition, financing, funding, design, construction and equipping of a portion of the infrastructure improvements to be constructed pursuant to the Original Development Agreement;

WHEREAS, the Landmark Mall, LLC, and Seritage SRC Finance, LLC (collectively, the "Original Petitioners"), as the then fee simple owners of the Property, filed a petition for the creation of the CDA submitted to the City on August 5, 2021 (the "Original Petition");

WHEREAS, in accordance with the provisions of the Original Development Agreement, the Original Petitioners conveyed their interest in the Property to the Developer and the Developer conveyed a portion thereof to the Industrial Development Authority of the City of Alexandria (the "IDA" and, together with the Developer, the "Successor Petitioners");

WHEREAS, consistent with the terms of the Original Development Agreement and the Original Petition, the City Council of the City (the "Council") adopted Ordinance No. 5368 on September 18, 2021 (the "Original CDA Ordinance"), (a) creating the CDA and empowering it to, among other things, assist in to the acquisition, financing, funding, design, construction and equipping of the Infrastructure (as defined in the Original CDA Ordinance) and (b) establishing special assessments on the taxable property within the CDA District (as defined in the Original CDA Ordinance) to pay the costs of the Infrastructure in accordance with the terms of the Memorandum of Understanding dated December 14, 2021, between the City, the CDA, the IDA, the Original Petitioners and the Developer (the "Original Memorandum of Understanding");

WHEREAS, the currently projected costs of the Infrastructure exceed the previously budgeted costs contemplated in the Original Petition;

WHEREAS, the City, the Developer and Inova have entered into a Fifth Amendment to Landmark Mall Development and Financing Agreement dated as of May 31, 2023 (the "Fifth Amendment"), pursuant to which the City has agreed to make available up to \$37,600,000 of additional net proceeds for the purpose of paying the projected increased costs of the Infrastructure

(subject to the limitations set forth in the Original Development Agreement as previously amended and as may be further amended) and the Developer has agreed to implement certain amendments to the Original Petition and other documents relating to the creation of the CDA and the CDA's assistance in the financing of the Infrastructure (collectively, the "CDA Documents"), including but not limited to a First Amendment to Memorandum of Understanding to be executed by the City, the CDA and the IDA and the Developer, being all of the fee simple owners of the Property (the "Amendment to Memorandum of Understanding"), to increase the amount of the special assessments on the taxable property within the CDA District (as defined in the Original Petition) by the amount necessary to support the City Bonds to be issued to generate such additional net proceeds;

WHEREAS, in accordance with, and to give effect to the agreed upon amendments to the CDA Documents contemplated in, the Fifth Amendment, the Successor Petitioners, as the current fee simple owners of all of the Property, have submitted an Addendum to the Original Petition on June 30, 2023 (the "Addendum" and, together with the Original Petition, the "Amended Petition"), amending certain provisions of the Original Petition to update the plan of finance as described in the Fifth Amendment;

WHEREAS, consistent with the Addendum and the Fifth Amendment, the Council proposes to amend certain provisions of the Original CDA Ordinance and the Original Memorandum of Understanding to update the plan of finance and to increase the amount of the special assessments as described in the Fifth Amendment;

WHEREAS, the amendments to the plan of finance and the increase in the amount of the special assessments (a) will benefit the citizens of the City by promoting increased employment opportunities, a strengthened economic base, increased tax revenues and additional business, retail and recreational opportunities and (b) will be necessary or desirable for development or redevelopment within or affecting the CDA District or to meet the increased demands placed upon the City as a result of development or redevelopment within or affecting the CDA District;

WHEREAS, a public hearing has been held on September 23, 2023, by the Council on the adoption of this Ordinance and notice has been duly provided as set forth in § 15.2-5156 of the Act:

WHEREAS, the Board of Directors of the CDA is expected to meet on September 26, 2023, to request that the Council increase the amount of the special assessments as described above; and

WHEREAS, the Successor Petitioners have waived in writing their right to withdraw their signatures from the Addendum to the extent § 15.2-5156(B) of the Act applies thereto;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1. <u>Updated Capital Cost Estimates</u>. Section 5 of the Original CDA Ordinance is hereby amended and restated to read as follows:

The Council hereby finds, in accordance with § 15.2-5103(B) of the Act, that it is impracticable to include capital cost estimates, project proposals and project service rates, except as preliminarily summarized in the Original Petition and as updated in the Addendum.

2. <u>Amendment of Plan of Finance</u>. Section 7(a) of the Original CDA Ordinance is hereby amended and restated to read as follows:

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- (a) The aggregate principal amount of the CDA Payment Obligations shall not exceed the principal amount of the City Bonds, which shall be issued in a maximum aggregate principal amount sufficient to (i) generate up to \$123,600,000 in net proceeds and (ii) pay capitalized interest on the City Bonds.
- 3. Approval of Amendment to Memorandum of Understanding. The Amendment to Memorandum of Understanding is approved in substantially the form circulated to the Council in advance of this meeting, with such changes and corrections (including, without limitation, changes in the date thereof) that do not materially adversely affect the City's interests as may be approved by the City Manager, whose approval shall be evidenced conclusively by the execution and delivery of the Amendment to Memorandum of Understanding. The City Manager is authorized and directed to execute and deliver the Amendment to Memorandum of Understanding.
- 4. Increase of Special Assessments; Notice of Levy of Increased Special **Assessments.** By agreement between the Successor Petitioners, the CDA and the City pursuant to the Amended Memorandum of Understanding and subject to the formal request of the CDA, the special assessments previously established pursuant to the Original CDA Ordinance and the Original Memorandum of Understanding shall be increased to a maximum aggregate amount of \$263,263,199 as set forth in the form of the updated Special Assessment Roll attached hereto as Exhibit A (the "Updated Special Assessment Roll"). The special assessments, as increased hereby, shall continue to be apportioned in accordance with the Rate and Method of Apportionment of Special Assessments (the "RMA") approved by the Council pursuant to the Original CDA Ordinance and attached as Exhibit C to the Original Memorandum of Understanding. The CDA Board is authorized to approve or to provide for the approval of the Updated Special Assessment Roll allocating the increased special assessments among the tax parcels within the CDA District in accordance with the RMA as such tax parcels exist as of the date of recordation of the Updated Special Assessment Roll in the land records of the City. The CDA shall cause notice of the increased special assessments to be reported to the City's Director of Finance. The special assessments, as increased hereby, shall be liens on the taxable real property in the CDA District in accordance with the provisions of §§15.2-2404 et seq. of the Code of Virginia of 1950, as amended (the "Virginia Code"). The CDA shall cause notice of the adoption of this Ordinance and the levy of the increased amount of the special assessments to be recorded in the deed book and land records of the City in accordance with the requirements of Virginia Code §§15.2-2412 and 15.2-5157. Based upon the Amended Memorandum of Understanding, the RMA and the special assessment report circulated to the Council in advance of this meeting, the Council finds and determines that the increased special assessments will meet the requirements of Virginia Code §§15.2-2404 et seq. and 15.2-5158(5).

5. 1 Effectiveness of Original CDA Ordinance. Except as supplemented and amended by this Ordinance, all other provisions of the Original CDA Ordinance shall remain 2 3 unchanged. 4 6. Severability. If any part, section, clause or phrase of this Ordinance, or any 5 individual assessment levied hereby, is declared to be unconstitutional or invalid for any reason, such decision shall not affect the validity of any other portion hereof or assessment hereunder. 6 7 7. **Effective Date.** This Ordinance shall take effect immediately. 8 9 JUSTIN WILSON 10 Mayor 11 Exhibit A: Updated Special Assessment Roll 12 Introduction: September 12, 2023 13 First Reading: September 12, 2023 14 Publication: August 28, 2023, September 4, 2023, September 5, 2023, September 11, 2023, 15 September 12, 2023, September 19, 2023, September 21, 2023 16 Public Hearing: September 23, 2023 Second Reading: September 23, 2023 17 18 Final Passage: September 23, 2023

EXHIBIT A

Updated Special Assessment Roll

APPENDIX A SPECIAL ASSESSMENT ROLL

As Amended 7.31.2023

APPENDIX A-1

ANNUAL INSTALLMENTS & TOTAL SPECIAL ASSESSMENTS

Assessment			Administrative	Annual
Year Beginning	Principal	Interest	Expense	Installment
2021	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0
2023	\$0	\$1,436,499	\$20,000	\$1,456,499
2024	\$0	\$3,965,595	\$30,400	\$3,995,995
2025	\$0	\$5,913,386	\$41,008	\$5,954,394
2026	\$615,000	\$6,278,595	\$41,828	\$6,935,423
2027	\$2,139,000	\$6,247,845	\$42,665	\$8,429,510
2028	\$2,881,000	\$6,148,365	\$43,518	\$9,072,883
2029	\$3,015,000	\$6,015,320	\$44,388	\$9,074,708
2030	\$3,154,000	\$5,876,070	\$45,276	\$9,075,346
2031	\$3,302,000	\$5,730,390	\$46,182	\$9,078,572
2032	\$3,454,000	\$5,577,850	\$47,105	\$9,078,955
2033	\$3,613,000	\$5,418,270	\$48,047	\$9,079,317
2034	\$3,782,000	\$5,251,335	\$49,008	\$9,082,343
2035	\$3,960,000	\$5,076,570	\$49,989	\$9,086,559
2036	\$4,140,000	\$4,893,545	\$50,988	\$9,084,533
2037	\$4,336,000	\$4,702,195	\$52,008	\$9,090,203
2038	\$4,538,000	\$4,501,750	\$53,048	\$9,092,798
2039	\$4,742,000	\$4,291,940	\$54,109	\$9,088,049
2040	\$4,948,000	\$4,084,400	\$55,191	\$9,087,591
2041	\$5,165,000	\$3,867,815	\$56,295	\$9,089,110
2042	\$5,397,000	\$3,641,715	\$57,421	\$9,096,136
2043	\$5,635,000	\$3,405,450	\$58,570	\$9,099,020
2044	\$5,882,000	\$3,158,750	\$59,741	\$9,100,491
2045	\$6,137,000	\$2,901,210	\$60,936	\$9,099,146
2046	\$6,411,000	\$2,632,470	\$62,154	\$9,105,624
2047	\$6,689,000	\$2,351,725	\$63,398	\$9,104,123
2048	\$6,984,000	\$2,058,770	\$64,665	\$9,107,435
2049	\$7,292,000	\$1,752,865	\$65,959	\$9,110,824
2050	\$7,612,000	\$1,433,450	\$67,278	\$9,112,728
2051	\$7,948,000	\$1,099,985	\$68,624	\$9,116,609
2052	\$8,300,000	\$751,775	\$69,996	\$9,121,771
2053	\$6,615,000	\$388,125	\$35,169	\$7,038,294
2054	\$2,010,000	\$90,450	\$17,758	\$2,118,208
Total	\$140,696,000	\$120,944,475	\$1,622,723	\$263,263,199

APPENDIX A-2

SPECIAL ASSESSMENTS

Annual Installment (20XX-20YY Assessment Year) (To Be Updated Annually) Annual Parcel Tax Parcel Equivalent Special Principal Portion of Annual Annual Units1 Number Special Assessment Credit Assessment Installments Payment 047.02-03-10 \$0 \$0 0 047.02-03-11 2,596 \$263,263,199 \$140,696,000 Total \$263,263,199 \$140,696,000 2,596

¹See Appendix A-3.

SPECIAL ASSESSMENT WORKSHEET

Appendix A-3¹

Proposed Development

Land Use Class

	Land Osc Class						
Tax Parcel	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	
Number	(MF Affordable)	(Multi-Family)	(Stacked Flats)	(Townhomes)	(Commercial)	(Hotel)	Total
047.02-03-10	0.0	0.0	0.0	0.0	0.0	0.0	0.0
047.02-03-11	245.0	1,645.0	109.0	109.0	462.6	145.0	2,715.6
Total units	245	1,645	109	109	463	145	2,715.6
Equivalent unit factor	0.38	1.00	1.32	2.07	0.94	0.37	
Equivalent units	93	1,645	144	226	435	54	2,596.1

Equivalent Units

Land Use Class

	Entra OSC Chass						
Tax Parcel	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	_
Number	(MF Affordable)	(Multi-Family)	(Stacked Flats)	(Townhomes)	(Commercial)	(Hotel)	Total
047.02-03-10	0	0	0	0	0	0	0
047.02-03-11	93	1,645	144	226	435	54	2,596
Total equivalent units	93	1,645	144	226	435	54	2,596

Tax Parcel	Total Equivalent	Percentage	Allocation of Special Assessment	
Number	Units	of Total	Special Assessments	Principal Portion
047.02-03-10	0	0%	\$0	\$0
047.02-03-11	2,596	100%	\$263,263,199	\$140,696,000
Total	2,596	100%	\$263,263,199	\$140,696,000

¹Commercial equivalent units are shown per 1,000 square feet. Hotel equivalent units are shown per room. MF Affordable, Multi-Family, Stacked Flats, and Townhomes are shown per unit.