City of Alexandria, Virginia

Landmark Mall Redevelopment

Presentation To City Council
May 23, 2023

Agenda

- Project Background
- Project Status
- Developer Ask and Funding Plan
- Additional Benefits
- Next Steps

Project Background

- City funding meets "but for" standard
  - $54 M grant for Inova Site
  - $86 M to fund infrastructure
- City investments repaid through tax revenues
  - CDA backstops TIF revenue shortfall
- Developer builds infrastructure
- Inova builds hospital

Infrastructure Project Status

- Final Completion of Early Release Package
- Developer executed GMP for ~70% of infrastructure costs ($99.9M)
- Parks and Open Spaces DSUP later this year

Developer Ask

- Infrastructure Cost Increase
- Market Dynamics

$\Longrightarrow$ **$37.6M**

Funding Plan for Cost Increase

- Developer value engineered $17M
- Post value engineering gap of $45M

Cost Increase Funding Plan (in millions)	$
Developer Fee Waiver on Increase Costs/Increased Equity	$3.2
Developer Fee Reduction	$2.0
Costs Shifted to Individual Vertical Projects	$2.3
Developer	**$7.5**
City Contribution Backstopped by CDA	**$37.6**

- Developer's Accelerated Development Program (Blocks, E,G,I, K) and extension of the CDA by one year helps defray increased costs

Additional Benefits

- Dedication of Block D as Workforce Housing
- Deed of Trust for Firestation/Affordable Housing Parcel (Block J) backstopping Developer's special assessments
- Explore Affordable Housing (Block J) exemption/removal from CDA/BID
- Local Business Support including On-Site Pop-Up
- Sustainability
- Certified Accounting

Next Steps

- City Manager Executes Development Agreement Amendment

- Ordinance Authorizing Increase in GO Bond Obligations

- CDA Amendment to Increase Backstop

Questions?