

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 6, 2015

TO: CHAIRMAN ERIC WAGNER AND MEMBERS OF THE PLANNING COMMISSION

FROM: EMILY BAKER, DIRECTOR, DEPARTMENT OF PROJECT IMPLEMENTATION *AB*
KARL MORITZ, ACTING DIRECTOR, DEPARTMENT OF PLANNING AND ZONING *KWM*

SUBJECT: DISCUSSION OF PHASING AND FUNDING OPTIONS FOR MULTI-YEAR WATERFRONT IMPLEMENTATION PHASING AND FUNDING

DISCUSSION ITEM

The purpose of this staff memorandum is to engage a discussion of the Planning Commission of draft phasing and funding options for Waterfront Plan implementation. The information from the discussion, along with community input during several past and upcoming public meetings, will be utilized in the development of a recommendation for multi-year Waterfront implementation phasing and funding. The recommendation will be presented to the City Council for consideration on January 27, 2015. Its purpose will be to help inform development of the draft Fiscal Year 2016 to 2025 Capital Improvement Program (CIP) which the City Manager will submit in March 2015.

BACKGROUND

Development of the Phase I Design

The Waterfront Plan was approved in January 2012 creating a 21st century vision for a redeveloped Alexandria Waterfront that addresses important community goals, such as a fully connected public walkway along the riverfront, expanded visual access to and from the water, enhanced and expanded public spaces with varying levels of programmed activity, flood mitigation and shoreline improvements, economic sustainability measures, and more. Plan approval was followed by the hiring of The OLIN Studio and URS Corporation in 2013 to develop a Phase I Landscape and Flood Mitigation Preliminary Design (Phase I Design) which was completed in late spring 2014 and approved by the City Council on June 14, 2014. In addition to incorporating the important aforementioned Plan vision and goals, the Phase I Design, through additional public input, further reflects the array of community ideals and aspirations for a world-class Waterfront. Additionally, the Phase I Design incorporates the landmark City-Old Dominion Boat Club (ODBC) Property Exchange Agreement, allowing full implementation of the Waterfront Plan's premier element, a public, multi-purpose Fitzgerald Square at the foot of King Street, while also accommodating a new ODBC boathouse and parking lot on the east side of The Strand between Prince and Duke Streets. This prime OLIN

design creates the Waterfront which Alexandrians envision for year-round and multifaceted riverfront enjoyment.

When approving the Phase I Design, the City Council also requested staff to return with cost estimates and phasing and funding options for Waterfront Plan implementation. Staff worked over the summer and fall to generate the information.

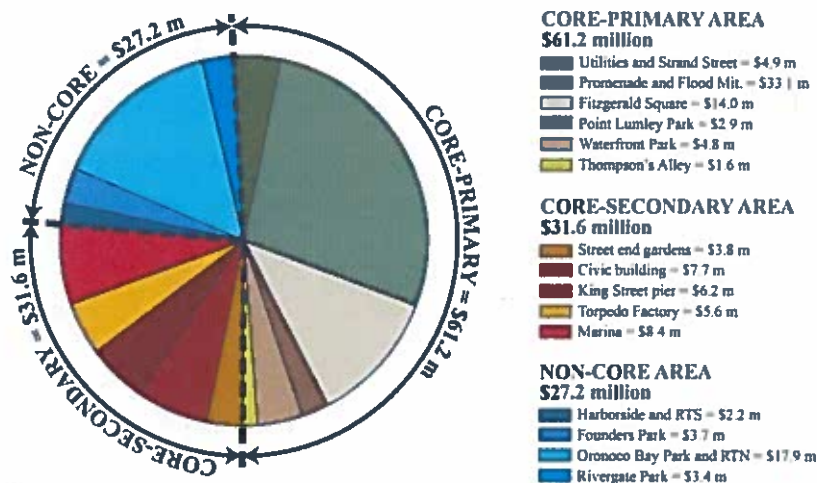
DISCUSSION

Development of Cost Estimates and Draft Phasing and Funding Options

Staff has developed a cost estimate of \$120 million for full implementation of the Phase I Design. Like the Waterfront Plan, the Phase I Design divides the planning area into two subareas, the Core Area (Duke Street to Queen Street), and the Area Outside the Core (Harborside/Shipyard, Founders, Oronoco, Rivergate, and Tidelock Parks).

Cost Estimates

The chart shown below illustrates the subareas, the public improvements within each subarea and the associated costs. This delineation of the Waterfront planning area into subareas lends itself to phasing. The Core Area is further divided into primary and secondary areas, with the assumption that the landside and infrastructure elements of the primary area would need to be implemented before the secondary area.



Project Revenue Sources and Financing Options for Waterfront Implementation

Revenue for Waterfront Plan implementation will include the following sources:

- Tax increment from new development within the Waterfront Plan area;
- Developer contributions for off-site public improvements;
- Potential fees for programmed activities;
- Potential private donations and fundraising; and
- Potential federal, state and local grants.

In addition, financing options could include bonds, cash, and/or a combination of the two.

Development of Phasing and Funding Options

Waterfront Community Open House

To begin the process for development of phasing and funding options, a Community Open House was held on December 3, and the public was requested through a polling exercise to identify its priorities for implementation of planned Waterfront public improvements. A series of 17 questions was divided into categories including demographics, general public improvement priorities, and specific public improvement priorities. Seventy (70) people participated in the polling exercise.

The list of **general public improvements** which the public was asked to choose from included expanded public accessibility and activity at the foot of King Street; improved flood mitigation; a connected and continuous walkway; and modernization of commercial and recreational boating facilities.

The list of **specific public improvements for the Core Area** (Duke Street to Queen Street) which the public was asked to choose from included expansion and enhancement of Point Lumley Park and improvements to Waterfront Park; creation of Fitzgerald Square with a plaza, fountain and skating rink; and development of the Civic Building, King Street Pier, and Street Ends gardens.

The list of **specific public improvements for the Area Outside the Core** included the connection to Harborside/Shipyard Park and improvements to Founders, Oronoco Bay, Rivergate and Tidelock Parks; and creation of Children's Play Areas, such as that proposed for Oronoco Bay Park.

The participants were also asked to share which general or specific improvements they would like to see implemented in the next 10 years.

Based on the questions asked, **the conclusions in terms of top priorities were:**

- Start construction inside the Core Area
- Provide for Flood Mitigation
- Provide a continuous Riverfront Walkway
- Expand and enhance Parks
- Over 70% of the respondents indicated they want to see 2 or more Core Area projects implemented in the 10 year CIP

Phasing Options

Upon review of the community feedback from the Community Open House, staff developed three potential Phasing Options for presentation at a December 11 joint public hearing of the Waterfront and Park and Recreation Commissions. The Options include the same three elements, identified by the community as highest priorities, implemented in a different order.

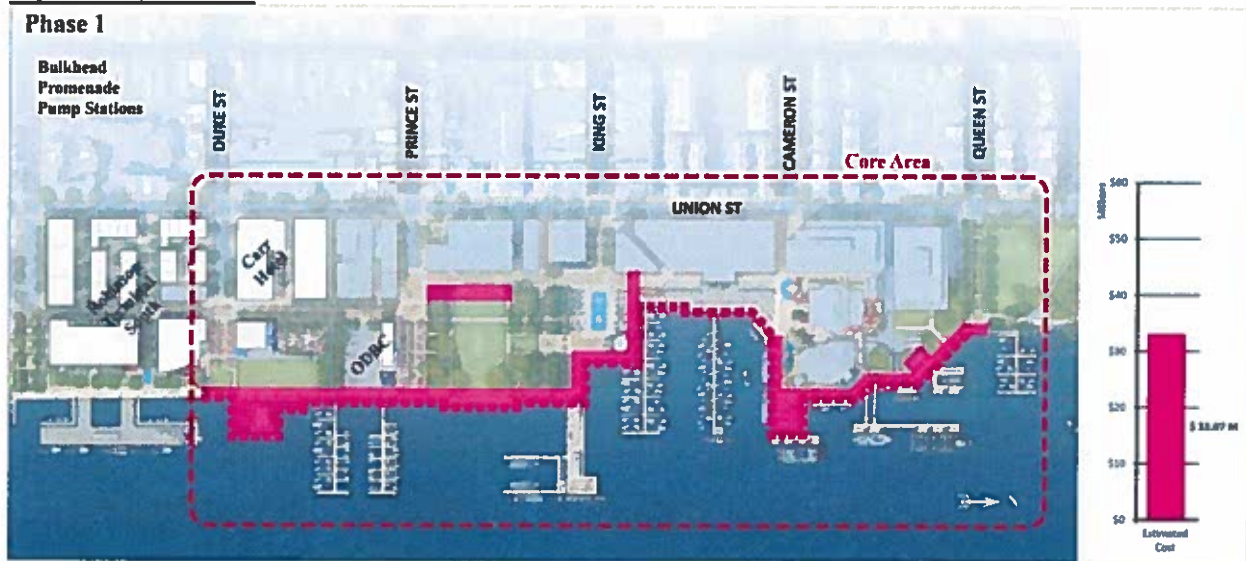
The Options are as follows:

- Option A – Flood Mitigation and Promenade Priority
- Option B – Fitzgerald Square Priority

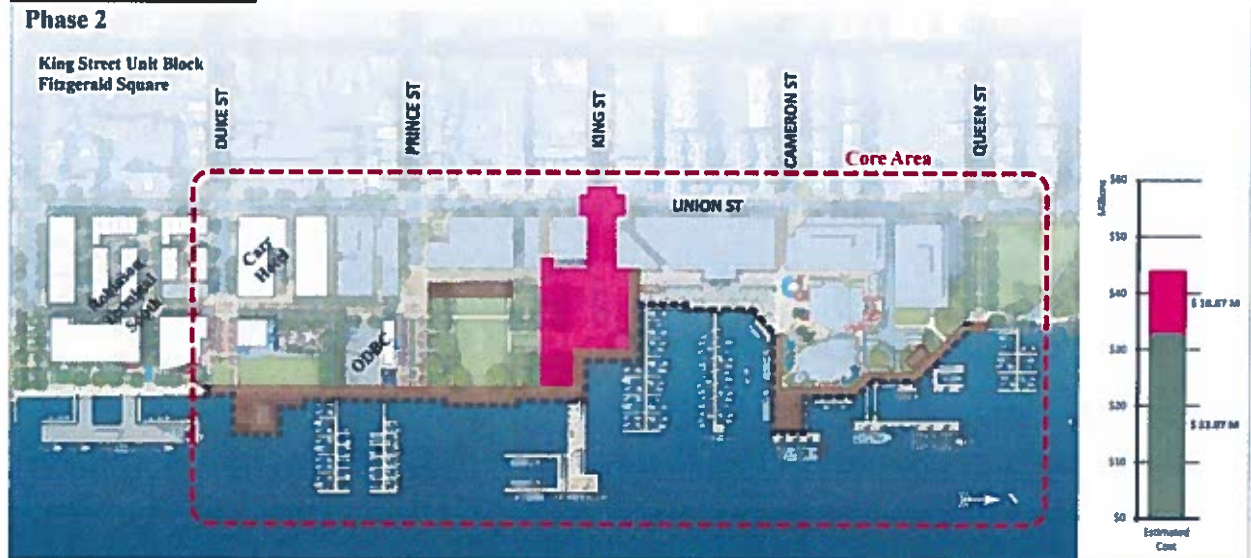
- Option C – Core Area Parks Priority

As an example, *Option A – Flood Mitigation and Promenade Priority*, would begin with construction of the Flood Mitigation Elements and Promenade between Duke Street and Queen Street, followed by the construction of the improvements to the unit block of King Street and the creation of Fitzgerald Square, and completed with expansion and enhancements to Point Lumley Park and improvements to Waterfront Park. The advantages of this Option include early protection from nuisance flooding, a highly desirable riverfront walkway, and protection of future public investments from flooding. Some disadvantages include other public enhancements such as public parks are deferred, and there would be delayed synergy with private investments in public amenities.

Option A, Phase 1

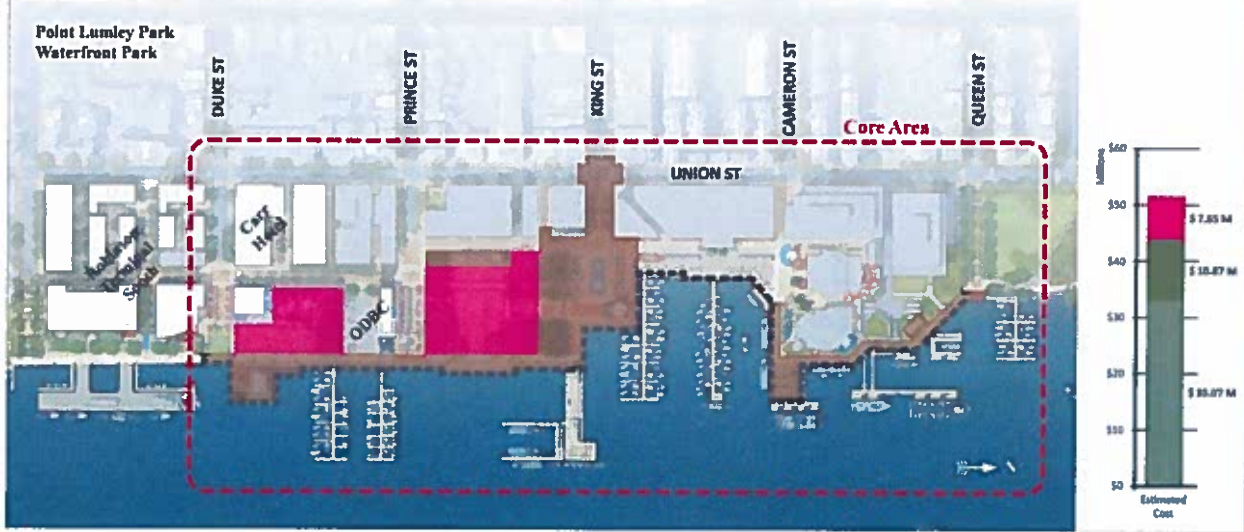


Option A, Phase 2



Option A, Phase 3

Phase 3



Option B – Fitzgerald Square Priority: Under this Option, implementation would begin at the foot of King Street with improvements to the unit block of King Street and the creation of Fitzgerald Square, followed by construction of the Flood Mitigation Elements and the Promenade, and completed with expansion and enhancement of Point Lumley Park and improvements to Waterfront Park. Advantages include the vision for a world-class Waterfront will begin to take hold early in the implementation process with the creation of Fitzgerald Square plaza and multi-seasonal programmed activities for residents and visitors to enjoy; the intended multi-purpose, multi-seasonal use will showcase the Waterfront from land and water; and new activity is provided to support existing and new businesses. Some disadvantages include delayed flood mitigation; the synergy with private investment in the south is also delayed, and there will be early impacts to the pleasure boat marina with the construction of Fitzgerald Square.

Option C – Core Area Parks Priority: Implementation would begin in the southern and mid-portions of the Core Area with the expansion and enhancement of Point Lumley Park and improvements to Waterfront Park, including the Wales Alley area, followed by the Flood Mitigation Elements and the Promenade, and completed with the improvements to the unit block of King Street and the creation of Fitzgerald Square. Advantages would include new and enhanced public spaces along the Waterfront; synergy with private investment; new spaces for varied programming and new sources of potential fee revenue. Some disadvantages include the improvements are at risk of nuisance flooding and improvements are in a less centralized area.

December 11 Joint Waterfront Commission and Park and Recreation Commission Public Hearing

Staff presented these Options to a joint meeting of the Waterfront Commission and Park and Recreation Commission on December 11. A public hearing was held and general consensus among commissioners from both boards at the joint public hearing was to begin with Option A, the Flood Mitigation Bulkhead and Promenade Option. Members generally believe it is best to start with flood mitigation to ensure protection of other public investments. In addition, commissioners and the public inquired or commented about the following:

- **Coordination with Private Development** – Is there opportunity to coordinate the phasing with private development planned for the Waterfront? In response, it was indicated that based on current information, private developments are anticipated to move ahead prior to the public investment. Presently, Development Special Use Permits for the private developments are anticipated for spring of next year, with final site plans and construction to follow. For the Flood Mitigation Bulkhead and Promenade Option, predevelopment efforts such as design and acquisition of permits will be required before construction can begin, with construction to then take approximately 3-4 years to complete.
- **Interim Walkway and Public Spaces** - Is there a way to build the Bulkhead and then also build a temporary path as the Promenade is being built, to minimize damage to the Promenade during future construction? In response, yes; the City can explore opportunities for a temporary pathway in the interim, recognizing that areas adjacent to the bulkhead may become inaccessible from time to time depending on where construction is occurring. It may also be possible to green other larger City-owned areas along the water that have been cleared so they can be made accessible as interim public use, subject to all land use and environmental requirements.
- **Governance** - Will the City identify a foundation or other entity to operate and manage the park improvements? In response, the City is working with a consultant to generate information which the City and the community can review as a first step in identifying and analyzing possible models for governance and revenue generation.
- **Construction Lead** - Will a Waterfront CZAR be established to manage construction of the public improvements? In response, the City has established the Department of Project Implementation (DPI) which has lead responsibility on implementation of many City funded infrastructure projects, including Waterfront public improvements. DPI will take these projects from project design through construction and construction management. The staff consists of engineers and planners and is augmented by other City staff of varied disciplines including architects, landscape architects, urban designers, park and art professionals, historians, and, as needed, consultants will be brought onboard to assist with projects.
- **Public and Private Grants** - Will there be staff assigned to identify state and federal grant funding? In response, there is staff in most departments that track possible grant funds for their given projects. As a Waterfront Implementation Phasing and Funding Plan is completed, assigned staff will have a better idea as to the best timing for pursuit of public grant funds and private foundation funds to assist with implementation. As part of the Waterfront Plan development process, staff did generate a list of possible federal, state and private funds that are available for marina, flood mitigation, historic, art and environmental public improvements. That list of possible resources will be updated once a Waterfront Phasing and Funding Plan is completed. In the meantime, DPI, and other City staff, will continue to monitor grant announcements from both the state and federal governments and will respond as appropriate.
- **Flood Protection Levels** - Should more than a 10 year flood protection event be addressed and will the Corps of Engineers expect a higher degree of protection? In response, the 10 year flood protection level ties into the existing topography and will help reduce nuisance flooding events to which Alexandria has been historically subject. The Corps of Army Engineers will be involved in the permitting process, but not in determining the appropriate level of flood protection.

- **Historic Interpretation** – The Plan calls for historic markers along the walkway which can be incorporated in both the promenade and the path. In response, it is acknowledged that the Waterfront Plan, as approved, does include a recommendation of this nature.
- **Alexandria Seaport Foundation (ASF) Boat** – It was noted that there is an ASF boat docked off Waterfront Park, and a question was raised as to whether that boat will remain. In response, it was stated that the City will explore the matter.
- **Public Slips** – It was noted that the Phase I Design does not reflect certain existing piers and a question was raised as to whether those piers will be replaced. In response, the City will be undertaking a study next fall to determine how to replace any public slips that are removed under implementation with a comparable number. The process will involve public input through the Waterfront Commission and through other outreach efforts to be determined.

December 16 Waterfront Commission Meeting

As a follow-up to the December 11 public hearing, the Waterfront Commission discussed the matter of the above phasing and funding options at its December 16 regular monthly meeting. Through a vote taken at that meeting, the Waterfront Commission will prepare a letter to the Mayor and City Council recommending that Waterfront implementation begin with Option A. Option A as noted above starts with construction of the Flood Mitigation Bulkhead and Promenade, followed by Fitzgerald Square and then the Core Parks.

NEXT STEPS

In addition to the Waterfront Commission's action of December 16, the City will seek additional input from the Park and Recreation Commission on January 15. With that input, and the Planning Commission's input, staff will then further summarize for City Council a final recommendation for its meeting of January 27 when multi-year Waterfront implementation phasing and funding be will considered. The recommendation will help inform the FY 2016-2025 Capital Improvement Program (CIP) budget development process as Waterfront Plan public improvements and other City infrastructure projects are considered for implementation.

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