



April 29, 2015

The Honorable William D. Euille
Mayor, City of Alexandria
301 King Street
Alexandria, VA 22314

Re: Alexandria Chamber of Commerce Consideration of Potomac Yard Metro Build Site

Dear Mayor Euille:

As part of the Alexandria Chamber of Commerce's *2015 Legislative Agenda*, the Chamber Board of Directors identified the Potomac Yard Metro as the primary focus item for this legislative term. To briefly review, the Chamber stated the following about the Metro:

Alexandria's primary opportunity to realize economic development necessary to balance and grow our tax base lies within Potomac Yard. Redevelopment of Potomac Yard will create a vibrant mixed use community of residences, hotels and office, retail and open space -- all with significant economic benefit to the City. It will enable the City to compete for existing and future federal and other large commercial users. Their presence in Alexandria will help rebalance our tax base. The Potomac Yard and Potomac Yard North Coordinated Development District plans contemplate and depend upon Metro service. Constructing a new Metro station at Potomac Yard, is critical to successful redevelopment.

The Alexandria Chamber of Commerce continues to be extremely committed to bringing metro to Potomac Yard and has been pleased with the progress the City has made to date. Given the Chamber's previous support, we formally endorse the City's professional staff recommended position of locating the new Potomac Yard Metro at Alternative B as soon as possible.

Robust commercial development of Potomac Yard is critical in order to responsibly meet the debt obligations the City will incur as a result of building the station. The City must maximize the potential for commercial development in this area in order to meet its projected revenue numbers. Recent reports have indicated that a staggering 86% of new commercial development in the Washington, DC region is occurring within ¼ mile of a Metro station.¹ If Alexandria is to make itself competitive for significant future commercial real estate opportunities, building the Potomac Yard Metro and selecting Alternative B is the most logical course of action.

¹ <http://planitmetro.com/2015/04/22/vast-majority-of-new-office-in-region-near-metro/>

The Chamber would like to also applaud the City for identifying multiple funding sources in order to pay for the Potomac Yard Metro. We would like to endorse the current financing plan that has been proposed and would encourage you to continue to apply this financing strategy to future transportation projects around the City. We feel the common-sense financing strategy that has been developed for the Potomac Yard Metro should be the model for these types of revenue-generating infrastructure investments in the future.

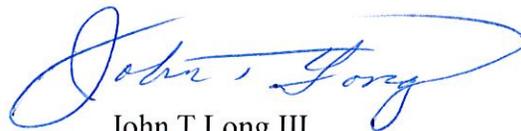
In closing, we would like to congratulate the City for its efforts to date to bring the Potomac Yard Metro to reality. This Metro station, which is an historic investment for Alexandria, will play a vital role in keeping our city competitive for major commercial activity for years to come. We urge you to “build” the City staff recommended site of Alternative B as soon as possible and maintain the current financing strategy to pay for the station.

We would like to thank you for the opportunity to comment on the building of the Potomac Yard Metro and look forward to working with you, the Council and the City Administration on bringing this sought-after project to our city.

Sincerely,



Walter C. Clarke
2015 Chamber Board Chairman
Alexandria Chamber of Commerce



John T Long III
President & CEO
Alexandria Chamber of Commerce

CC:

Members of the Alexandria City Council
Mary Lyman, Chair, Alexandria Planning Commission
Members of the Alexandria Planning Commission
Mark Jinks, City Manager
Emily Baker, Acting Deputy City Manager
Karl Moritz, Director, Department of Planning & Zoning
Yon Lambert, Director, Department of Transportation & Environmental Services

Comments on Draft EIS

Poul Hertel

3716 Carriage House Court

Alexandria, Va. 22309

History of the George Washington Memorial Parkway

No words can adequately express just how important the first president was in uniting a young nation. George Washington's residence at Mount Vernon and the city that bore his name could be dismissed as cultural icons, if it were not for his importance to the American heritage. The two became intertwined through not only George Washington, but also by the road connecting the two. This connection was so great, that in "Historic Buildings of America as Seen and Described by Famous Writers", Arthur Shadwell Martin relates how "every patriotic American who visits Washington makes a pious pilgrimage to the home and tomb of the Father of his Country." But, haste was out of the question," the Family Magazine related in 1837, "for never was worse road extant than that to Mount Vernon." Departing from Alexandria, the road to Mount Vernon went inland, rather than along the river as it does today. There was scarcely a glimpse of the scenic Potomac. Instead, one was required to traverse two large hills on an inland road in various state of disrepair that sometimes was more like a wooded trail.

Caroline Gilman described it in her book, "the Poetry of Travelling" as being "intolerably bad," and that "no one probably passes it without thinking before he arrives at Mount Vernon, that he has paid too dear for his whistle. "The City of Alexandria fared no better than the road, having also fallen on hard times. Many authors described it as a dilapidated little town where "no one wishes to linger." Nevertheless, the importance of Mount Vernon was growing in the national conscience, even bringing forth calls for the government to take it over. While the family of George Washington had graciously accepted visitors for many years, they eventually could not manage the upkeep of the Mansion.

To save this landmark, the Mount Vernon Ladies Association was created in 1856 as the first historic preservation effort in America. It raised enough money to purchase the property two years later. Although, roads existed to Mount Vernon, they were neither the original one, nor ones that lent themselves to contemplative or pleasurable drives. Consequently, in 1887, in an article he wrote for the National Republican (a DC paper), Edward Fox came up with the idea to create a National Highway from Washington DC to Mount Vernon. Fox called for the "making of a splendid drive, a grand avenue and 100 feet wide, that was properly graded and shaded between the capital city of the nation and the tomb of its great founder. "

Building on the enthusiasm of the Fox article, in 1888, Mayor John B. Smoot of Alexandria founded the Mount Vernon Avenue Association in Alexandria to promulgate the creation of a national road to George Washington's home. The road would travel through Alexandria on the basis that many existing establishments were there when George Washington walked these streets. Since fortune had bypassed Alexandria, the buildings were still there. The Mount Vernon Avenue Association appealed to Congress the following year, which then really got started with trying to design this. They appropriated money for a Colonel Haines to come up with three routes (one of which came through Alexandria). No matter which route was selected along the Potomac, Haines intended it always to be in the process of development and embellishment. Envisioned as having a monumental character, the proposed "National Road", was a symbolic link between Mount Vernon Estate, the site so closely associated with George Washington, and the city that bore his name. Congress, unfortunately allocated no further money.

By 1898, the Centennial of the Nation's Capital was impending, so a group of citizens approached President McKinley about a plan for celebrating the event. This eventually resulted in the creation of the McMillan Senate Park Committee in 1901-1902, which was one of the most important committees in the nation's history, and which was named for Senator James McMillan of Michigan, Chairman of the Senate Committee on the District of Columbia. Park enthusiasts, historians, and planners in Washington, DC, often invoke the great and expansive vision of the McMillan Plan as the conceptual underpinnings of today's National Mall and Washington, D.C.'s Park System.

Although the McMillan Commission did not directly deal with it, they very specifically addressed the need for and importance of having a road leading to the home of the father of our nation. The McMillan Senate Park Committee had clearly been influenced by landscape architect pioneers Olmstead, Vaux, Cleveland, and Eliot, who are credited with creating the term "Parkway." The McMillan Committee envisioned that "these drives had certain definitions: Parkways or ways through or between parks; distinguished from highways or ordinary streets by the dominant purpose of recreation rather than movement; restricted to pleasure vehicles, and arranged with regard for scenery, topography and similar features rather than for directness".

Although WWI had taken its toll, interest in history (particularly Colonial and early American history) remained strong. The Bicentennial of George Washington's birth was the impetus for a 1924 committee formed by Congress, and in 1932, the road was constructed. The road did travel through Alexandria on what is now known as "Washington Street." In doing so, the City of Alexandria entered into a 1929 agreement with the Federal Government promising to keep the memorial character of the Parkway. However, by 1946, Alexandria had fallen off the memorial wagon (so to speak), so the Federal Government indicated that the Parkway was to be moved away from Alexandria. At this point, the City of Alexandria offered to create a historic district to protect the Parkway, which would then remain in Alexandria. That is the genesis of Alexandria's historic district. Over the years, there have been numerous battles back and forth between Alexandria and the Federal Government.

In 1999, Alexandria requested that the National Park Service provide a clarification as to the memorial nature of the Parkway. Many of the features from the National Park Service's response to the City of Alexandria were incorporated into the Washington Street Standards as we know them today. The George Washington Memorial Parkway is therefore the genesis of the Alexandria Historic District, which, in turn, has generated a significant tourism response. The George Washington Memorial Parkway (and the City of Alexandria) thus shares this heritage with the world, as people from all nations and walks of life pass through Alexandria to make a pilgrimage to Mount Vernon to pay their respects to the "Father of Our Country." The George Washington Memorial Parkway also represents a trust placed on the City by the Federal Government that Alexandria would maintain the highway for the purpose and dignity it that was envisioned to convey, and that the Historic District created as a quid pro quo would continue to protect this singular heritage.

To conclude, the George Washington Memorial Parkway, is not a neglected stepchild, but rather the impetus for the entire Historic District, and by inference, it is responsible for Alexandria's place on the tourist maps. It inculcates a heritage that warrants sharing with the world, as people

from all over the globe make a pilgrimage from Washington D.C. to Mount Vernon to pay their respects to the Father of this Country. The Parkway also represents a trust placed on the City by the Federal Government that it would maintain the highway for the purpose and dignity it that was envisioned to convey. No person states this as well as did Caroline Oilman in 1838: “indeed, it is a curious step from Alexandria to Mount Vernon; the one teeming with the most worldly associations, and the other sacred to the highest feelings of our nature”._

Faulty Logic

The City of Alexandria is going to choose its newest "potential income generator," the Potomac Yard Metro Station. Just two choices merit consideration if the City chooses to continue with the Metro Station proposal. The “preferred site” lies on a scenic easement and government parkland (both of which were created to secure the picturesque perspective shed of the George Washington Memorial Parkway), while the alternate is situated on the site that was initially proposed for it more than 20 years back. However, there are three main issues with the “preferred site”, since it is more distant than people think, more costly, and more destructive than the alternate.

Despite the fact that the Metro Station viability study makes an impassioned plea to put the station on the scenic easement and federal government parkland, the proposed stations are separated by less than 900 feet when measured from the center of one station to the other, which is about the separation of three city blocks in Old Town. Additionally, the City made an actual scale model to show how the stations would look. However, you cannot put the two stations in the model at the same time, because they literally overlap!! This is an interesting observation, since the study asserts that one site (the more expensive one) is more attractive due to its capacity to create density, while the other site (on the grounds that it is "too far away") does not, inferring that the target travelers (the millennials) can't walk less than three Old Town City blocks.

Option B, the more costly station is also at a greater distance from the hypothetical Potomac Yards center than has been portrayed, since it is measured from the staircase that leads to the bridge to the Metro (which is very long), rather than from the station itself. This creates an illusion of closer proximity than is really the case. A straight-line estimation from the Target Store "bulls eye" to the midpoint of the two stations reveals only a 500ft difference, which is less than two Old Town City blocks. When the expensive station is touted as being within a quarter mile of Potomac Yards, in reality, only the staircase landing base to the Metro bridge is (barely) within a quarter mile. Also, in walking time and separation, the more costly station is really further from the proposed developments (including those areas destined to be the first to be built) since it is much further east from Potomac Yard than the less expensive one (it is practically all the way on the George Washington Memorial Parkway).

This is a significant issue, since the expenses of building the stations are not equivalent. Even with a good deal of optimism, the annual debt servicing cost for option B the “preferred one”, will be almost \$14million or over \$5 million more expensive than the other. So, in order to present the more costly station as being more alluring, the study expects that it will create more

density than the less expensive one (without any real basis to do so), and that the developer will pay more for that site, but the developer is now pulling back from this aspect of the "expensive" proposal.

Furthermore, the EIS should have specified the cost that the city will incur by losing the Potomac Yard Shopping Center, which is approximately \$14Million in sales revenue every year. This cost should have been included in the analysis. Doing so raises the annual costs (not including the operational costs) of option B to over \$28 million annually.

Finally, the more expensive, station will create a wholesale destruction of the view shed of the George Washington Memorial Parkway. The required longer bridge has minimum height requirements that (with its location and length) will make it a significant intrusion on scenic vistas from the George Washington Memorial Parkway. So, does it make sense for Alexandria to incur greater risk, pay higher debt servicing costs, and destroy its cultural and scenic heritage for less than 900 feet (or is it really 500ft) ? Even worse is the suggestion that having a Metro Station at the Alexandria City Court House is too far for the City Hall to feel any effect. In the case of the City's rationale for the more expensive station, the City has no valid justification for proceeding with the more expensive station.

The discipline of Behavioral Finance has a lot to say about conformation bias, which is the human tendency to put greater weight on evidence that supports desired outcomes, and Alexandria is no different, having created a hypothetical construct based on selective data.

The EIS Does Not Include:

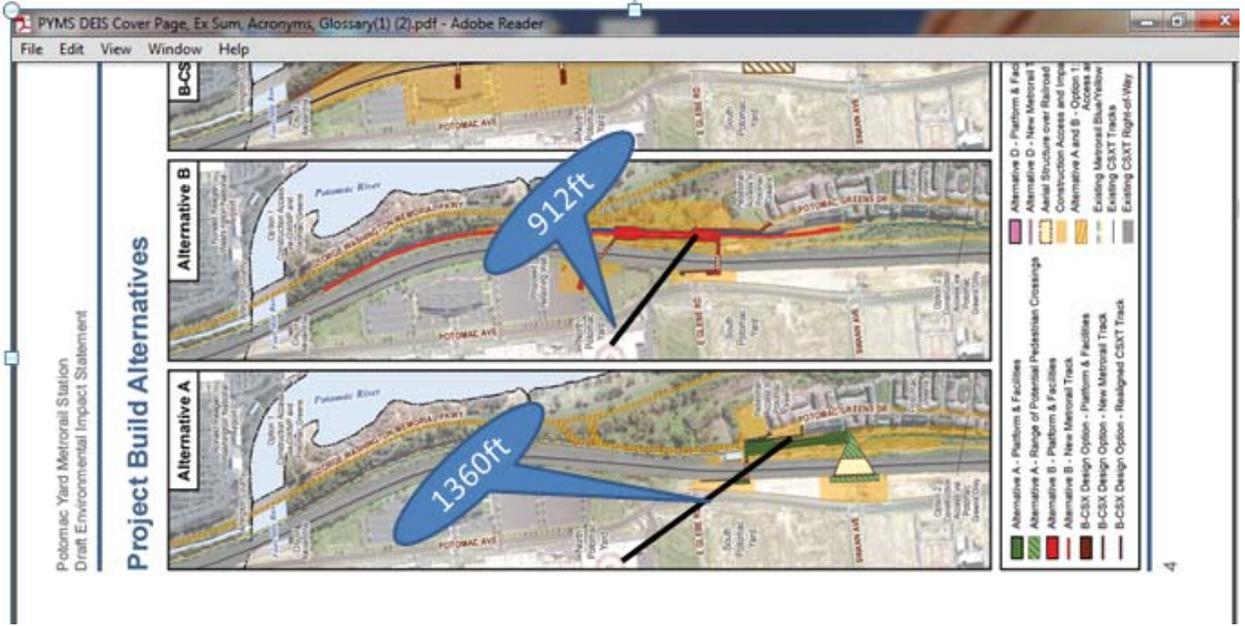
- *An agreement between the City of Alexandria and Park Services regarding compensation for a using scenic easement and federal parkland to build to option B.*

The construction of the George Washington Memorial Parkway included easements to obscure the railroad yard to insure the creation of a beautiful vista as one entered the City of Alexandria. The current arrangement is not included in the EIS, except for a monetary amount devoted to the trail and Dangerfield Island. Fixing up Dangerfield Island is laudable, but is not part of the purpose of the George Washington Memorial Highway and in no way compensates for the degradation of the parkway that will transpire.

- *The mitigation needed for cleaning up the wetlands.*

Potomac Yard was at one time the most active railroad yard in the United States, with significantly polluted soil, and the water from the yard runs off into the wetlands. There is no discussion about it, or the ramifications in the EIS.

- *Discussion about the current and projected conditions on the Blue line.*
The current conditions on the Blue line are already deplorable, and there is no discussion on the effects of an additional station.



THE JBG COMPANIES

Honorable William D. Euille, Mayor
and Members of City Council
City of Alexandria
City Hall Room 2300
301 King St.
Alexandria, VA 22314

Re: Potomac Yard Center (Landbay F)
CDD # 19 – North Potomac Yard

Dear Mayor Euille and Members of Council,

As we have discussed with the City Manager, JBG, together with Lionstone and the owner of Landbay F, are committed to cooperatively working with the City of Alexandria (the “City”) to enable the construction of a Metrorail station within Potomac Yard, and ultimately enable the development of the approximate uses and total densities described in the North Potomac Yard Small Area Plan. We believe these densities are achievable under either a Location A or a Location B scenario.

Since JBG’s engagement in 2013, the new development team consistently has stated that the constraints of the in-place leases require us to re-develop in a phased approach. This is different but more realistic than the approach envisioned by the prior development team. As you may know, the owner of Landbay F replaced the team that lead the entitlement effort and created the initial development plan with a new investment advisor – Lionstone Investments. In 2012, Lionstone, raised the issue of whether the upfront burden of the \$32MM shortfall guaranty attached to Location B in CDD # 19 could be economically supported by the value of the development of the first phase of Landbay F (Phase I). Lionstone then engaged JBG as the new Master Developer, and charged them with, among other things, developing an economically viable plan to develop Phase I, regardless of the Metro location.

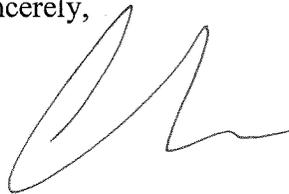
In order to start Phase I and ensure an economically viable redevelopment plan for Potomac Yard Center under a Location B scenario, the City Manager requested and JBG proposed a conceptual framework to amend the prior approvals. This framework included a reduction of the shortfall guaranty and the restructuring of Phase I proffers as outlined in Exhibit A. Although we have discussed these changes with City staff over several months, we want to provide this information in writing to the City Council as you consider the selection of the locally preferred alternative for the Metrorail station, as no one wishes these matters to appear unexpected after making the important LPA decision and the associated expectations with that location. We support the Location B alternative with the conceptual framework proffer package as defined in Exhibit A.

Under this framework, we still have significant contingent Metro Contributions if Location B is selected, provided that the contributions are phased with new development. Fortunately, the City's new financial model indicates that this approach will provide adequate funding to pay for the new Metro station without resulting in a projected shortfall requiring general fund resources. In addition, the new framework would restructure some of the non-Metro proffer obligations during Phase I as we have presented to City staff and detailed on Exhibit A.

Of course, this framework would only apply if Location B is selected. In the event Location A is selected, we would pursue a dual path of developing the lower maximum density approved under the current CDD # 19 while working with the City to revise the CDD Approvals to add additional density on Landbay F to support the tax assessment base for the Metrorail station.

We understand that approval and implementation of the Exhibit A framework would require a planning and legislative process. While we support the Location B with this revised framework, we simply want to be clear that without it, we do not see a viable path to redevelop and add density to Landbay F under a Location B scenario. We look forward to continuing to work with the City to enable a Metrorail station to be constructed within Potomac Yard.

Sincerely,



Andrew Vanhorn
The JBG Companies
Master Developer for Landbay F

Cc: Mark Jinks, City Manager

Exhibit A – Framework Agreement

1. Revised proffer sizing and timing as outlined below.

Category	<u>Current</u>		<u>Revised</u>	
	\$ Cost	Condition	\$ Cost	Condition
Shortfall Guarantee # 22.c.x	\$32,000,000	Max \$10M drawn/year.	\$15,000,000	Max \$5MM drawn every two years, fully credited against Metro Contributions
Metro Contribution, A1 #22b	\$49,000,000	\$10/sf for first 4.9 million sf	\$10/sf fixed	No escalations for CPI while shortfall is posted
Traffic calming	\$1,000,000	First C of O		Reset CPI to \$2015
National Park Service Landscaping	\$200,000	First Building		Reset CPI to \$2015
BRT construction	*3	At 1.5M square feet		At 2MM square feet of new development
E. Glebe	*3	Route 1 Improvements (At 2M square feet)		At 2MM square feet of new development
BRT stations	*3	At 2M square feet		At 2MM square feet of new development
Sanitary Sewer	*3	At 2M square feet		At 2MM square feet of new development
Synthetic Turf Field	*3	At 2M square feet		At 2MM square feet of new development
School Land Reservation	*3	2,000 units (phase 5) - Prevents building on "Block 4" in first phase		Move to Block 1, 2, or 3 and no earlier than 2,000 units

2. Revised CDD language to enable DSUP approvals (McGuire Woods to draft language):

- a. Ability to break infrastructure plan into 4 phases: 1 phase east of Potomac Avenue and 3 phases west of Potomac Avenue (TBD)
- b. Staff to agree to work to reduce other enhanced DSUP requirements that were unique to this project (Environmental Sustainability Master Plan, etc.)

3. Improvements to be completed per requirements of CDD. Actual cost TBD.

From: Jack Sullivan <jack.sullivan9@verizon.net>
Sent: Tuesday, May 05, 2015 11:50 AM
To: PlanComm
Subject: The Decision on Metro Stop Options

To the Members of the Planning Commission: I regret not being able to come before you this evening to testify on the Metro Stop options, but am already committed to attend the mayoralty debate at Hammond School. At the same time I did want to express my views to you —the first time in this mode — and hope they get to you all in a timely fashion.

My thoughts are these: You are being rushed to judgment and your best option is to defer any decision: 1) Until the EIS process is over and all the arguments pro and con for all the options have been received and you can take them into account, and 2) until the current position of the developer is clear on what he wants to build and how much he is willing to contribute to the city for additional density. This latter issue is of particular concern. The developer has indicated an interest in some significant changes in the original plan, including — it is my understanding — more residential, less commercial, and a sports facility at the center of the project. Moreover, City Manager Jinks revealed at the Federation meeting the other night that the up front contribution, agreed at \$32 million, the developer now wishes to decrease to \$16 million, a significant reduction.

The idea that the City will be able to hold the developer to the original agreement on what to build and how much to contribute is highly problematic. Many examples litter our history regarding altered plans. Recall that Cameron Station originally was planned to be a mixed use commercial, residential and retail center. When the new owner cried “market forces,” that plan was quickly abandoned by the City and it is what you see today: Virtually 100% residential with vestigial retail and no commercial. If Potomac Yard were to go the same way, lots of people “would have egg on their face” for acting too quickly.

No need to rush in making a decision. Without firmer knowledge of what will be built at Potomac Yard and how much the developer will commit to the city, it would be folly to make a decision so important by choosing one of the options tonight. Thank you for your time and attention.

Respectfully, Jack Sullivan, 4300 Ivanhoe Place