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MEMORANDUM

**DATE:** AUGUST 30, 2017

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
CHAIR AND MEMBERS OF THE PLANNING COMMISSION

**FROM:** MARK B. JINKS, CITY MANAGER 

**SUBJECT:** UPDATE ON LANDMARK MALL REDEVELOPMENT

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In June 2013, the Alexandria City Council approved the Phase I Landmark Mall redevelopment plan proposed by the Howard Hughes Company ("HHC"). At the time, HHC owned only the in-line store section between Macy's and Sears (approximately 21.9 acres of the 51-acre Landmark Mall site), so the Phase I redevelopment plan did not embrace the entire site. The plan called for about 300,000 square feet of mixed-use retail, restaurants and entertainment, and some 400 apartment units planned in an open air, town center setting. In June 2015, HHC requested and was granted an amendment to add approximately 55,000 square feet of residential and flex space.

HHC proceeded with detailed implementation planning based on the original plan as amended, but the decline of Macy's and Sears' sales and the national shift towards online retailers caused HHC to rethink its redevelopment strategy. In 2016, HHC purchased the Macy's store and adjacent parking (approximately 11.4 acres). Sears announced at around the same time that it would spin off 258 of its sites into a new real estate company named "Seritage," with the goal of selling some of these sites for redevelopment.

HHC approached Seritage to discuss the possibility of incorporating the Sears site into the redevelopment plan, so the entire 51-acre Landmark Mall site could be improved together. HHC and City staff agree that a single, site-wide plan will produce a better long-term real estate development than a partial redevelopment, and will better reflect the City's 2009 Landmark-Van Dorn Corridor Plan. This will also allow for a comprehensive transportation plan, and more cost-effective use of resources. A redeveloped Landmark Mall site could be the "town center" for West Alexandria for decades to come, so it is important to pursue very high quality redevelopment plans even if that takes longer than originally anticipated before the market changes described above.

Given that the demolition of Landmark Mall and the subsequent construction of new buildings, parks and roads is several years away, HHC has been in discussions with the non-profit Carpenter's Shelter organization to use the former Macy's site for short-term housing (approximately 60 beds year round plus 30 winter shelter beds) while a new permanent shelter is being constructed in Old Town North. The City has already approved the permanent facility, and Carpenter's Shelter has its financing largely in place. The interim housing at the former Macy's site would only be permitted by HHC and the City because it is a known short-term use prior to demolition of the existing structures. It is important to the City and HHC that accommodating Carpenter's Shelter does not slow down or encumber redevelopment of Landmark. Therefore, an arrangement with Carpenter's Shelter will require that they move out no later than around January 2020. The City projects that HHC will be ready to start the entire Landmark Mall redevelopment planning process during the first half of 2018, with demolition likely to start after January 2020.

**From:** Nancy Williams  
**Sent:** Thursday, August 31, 2017 9:17 AM  
**To:** Kristen Walentisch  
**Cc:** Alex Dambach; Maya Contreras  
**Subject:** FW: Landmark redevelopment project (CR Zone Text Change)

**From:** Caroline Kemper [<mailto:ckemper1964@gmail.com>]  
**Sent:** Wednesday, August 30, 2017 4:42 PM  
**To:** Nancy Williams  
**Subject:** Landmark redevelopment project

Macy's does not have the facilities for a shelter. No kitchen, no showers. This shelter would push back the redevelopment project.