

Introduction and first reading: September 14, 2021  
Public hearing: September 18, 2021  
Second reading and enactment: September 18, 2021

INFORMATION ON PROPOSED ORDINANCE

Title

An ordinance creating the Landmark Community Development Authority.

Summary

This ordinance will be a non-codified ordinance creating the Landmark Community Development Authority. The ordinance will not be a part of the City Code but instead will act as its own ordinance establishing the authority similar to the ordinances creating the Alexandria Sanitation Authority (AlexRenew) and the Alexandria Redevelopment and Housing Authority (ARHA)

Sponsor

Mark Jinks, City Manager

Staff

Julian Gonsalves, Assistant City Manager  
Joanna C. Anderson, City Attorney  
Kendel Taylor, Director of Finance  
Kevin Greenlief, Assistant Director - Revenue Division, Department of Finance

Authority

§15.2-5155, Code of Virginia (1950), as amended

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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ORDINANCE NO. \_\_\_\_\_

An **ORDINANCE** creating the Landmark Community Development Authority.

**WHEREAS**, the City Council of the City of Alexandria, Virginia (the "Council"), has received a petition (the "Petition") from Landmark Mall, LLC, and Seritage SRC Finance, LLC (collectively, the "Landowners"), for the creation of the Landmark Community Development Authority (the "CDA"), and the Landowners have represented that they own at least fifty-one percent (51%) of the land area or assessed value of the land within the proposed CDA district (the "CDA District");

**WHEREAS**, a public hearing has been held on September 18, 2021, by the Council on the adoption of this Ordinance and notice has been duly provided as set forth in §§15.2-5104 and 15.2-5156 of the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the "Act");

**WHEREAS**, the Council proposes to create the CDA in order to provide the public infrastructure, facilities and services described in the Petition in connection with the development or redevelopment of certain real property located in the City of Alexandria, Virginia (the "City"), collectively known as "Landmark Mall," into a mixed-used development that is anticipated to include (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 CDA is expected to (a) enter into one or more contractual obligations as authorized under §§15.2-5101, 15.2-5114, 15.2-5125 and 15.2-5158 of the Act (such obligations are referred to herein as "CDA Payment Obligations") to finance, or facilitate the City's financing of, all or a portion of the costs of the public infrastructure, facilities and services described in the Petition through the issuance of the City's general obligation bonds, including any refunding bonds (the "City Bonds"), and (b) request that the Council establish special assessments on the taxable property within the CDA District in connection with the financing of such public infrastructure, facilities and services;

**WHEREAS**, the Council proposes to set forth certain agreements with the CDA, the Landowners, Landmark Landholdings, LLC (the "Developer"), and the Industrial Development Authority of the City of Alexandria (the "IDA") pursuant to a Memorandum of Understanding among the City, the Landowners, the Developer, the CDA and the IDA (the "Memorandum of Understanding");

**WHEREAS**, the creation of the CDA to assist in and the establishment of special assessments on the taxable real property within the CDA District to support the funding of the public infrastructure, facilities and services described in the Petition (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; and

1           **WHEREAS**, the Landowners have waived in writing their right to withdraw their  
2 signatures from the Petition in accordance with §15.2-5156(B) of the Act;

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

5           **1.     Creation of CDA; Powers under the Act.** The Landmark Community  
6 Development Authority is hereby created as a political subdivision of the Commonwealth of  
7 Virginia in accordance with the applicable provisions of the Act. The CDA shall have the  
8 powers set forth in the Act.

9           **2.     Boundaries of CDA.** The CDA boundaries shall initially include the property  
10 identified in the attached Exhibit A (the “Initial CDA District”). In accordance with §15.2-5157  
11 of the Act, a copy of this Ordinance shall be recorded in the land records of the Circuit Court of  
12 the City of Alexandria for each tax map parcel in the Initial CDA District upon its adoption. The  
13 boundaries of the Initial CDA District (a) may be expanded by the Council by subsequent  
14 ordinance upon petition filed pursuant to the Act and (b) may be adjusted by the City to exclude  
15 certain land as long as the owners of at least fifty-one percent (51%) of the land area or assessed  
16 value of land that will remain in the CDA District after the adjustment originally petitioned for  
17 the creation of the CDA.

18           **3.     Facilities and Services.** The CDA is created for the purpose of exercising the  
19 powers set forth in the Act, including acquiring, financing, funding, designing, constructing,  
20 equipping and providing for the construction, installation, operation, maintenance (unless  
21 dedicated to and accepted by the appropriate governmental entity other than the CDA),  
22 enhancement, replacement, relocation and alteration of all or portions of the public  
23 infrastructure, facilities and services more particularly described in the Petition (the  
24 “Infrastructure”) (or otherwise facilitating such undertakings by, and in cooperation with, the  
25 City), which description is incorporated herein by reference. The CDA shall not provide services  
26 which are provided by, or obligated to be provided by, any authority already in existence  
27 pursuant to the Act unless such authority provides the certification required by §15.2-5155(B) of  
28 the Act.

29           **4.     Articles of Incorporation.** Attached hereto as Exhibit B are the proposed  
30 Articles of Incorporation of the CDA. The City Manager is authorized and directed to execute  
31 and file such Articles of Incorporation on behalf of the Council with the State Corporation  
32 Commission in substantially the form attached as Exhibit B with such changes, including  
33 insubstantial changes to the boundary description of the CDA District described therein, as the  
34 City Manager may approve. The City Manager is authorized to approve such changes or  
35 corrections to the Articles of Incorporation prior to filing with the State Corporation Commission  
36 as do not change the purpose or function of the CDA as set forth in this Ordinance and in the  
37 Petition.

38           **5.     Capital Cost Estimates.** The Council hereby finds, in accordance with §15.2-  
39 5103(B) of the Act, that it is impracticable to include capital cost estimates, project proposals  
40 and project service rates, except as preliminarily summarized in the Petition.

1           **6. Membership of the Authority.**

2           (a)     The powers of the CDA shall be exercised by a board (the “CDA Board”)  
3           consisting of five (5) members.

4           (b)     All members of the CDA Board shall be appointed by the Council  
5           pursuant to §15.2-5113 of the Act. The Mayor shall make recommendations for, and the  
6           Council shall approve, the appointment of such members. Members of the CDA Board  
7           shall be selected from the members of the Council.

8           (c)     The initial members of the CDA Board shall be as set forth in the Articles  
9           of Incorporation for the terms set forth therein.

10          (d)     CDA Board members shall receive no compensation from the CDA for  
11          their service as CDA Board members.

12           **7. Plan of Finance.**

13          (a)     The public infrastructure, facilities and services to be undertaken by or on  
14          behalf of, the CDA or the City as described herein and in the Petition shall be funded  
15          from all or some of the following sources: (i) proceeds derived from the City Bonds, (ii)  
16          special assessments to be levied pursuant to §15.2-5158(A)(5) of the Act,  
17          (iii) contributions made by the City of certain incremental tax revenues generated by  
18          development or redevelopment of the property within the CDA District as more  
19          particularly described in the Petition and the Memorandum of Understanding and (iv) any  
20          other available revenues of the CDA.

21          (b)     The aggregate principal amount of the CDA Payment Obligations shall not  
22          exceed the principal amount of the City Bonds, which shall be issued in a maximum  
23          aggregate principal amount sufficient to (i) generate \$86,000,000 in net construction  
24          proceeds and (ii) pay capitalized interest on the City Bonds.

25          (c)     Each CDA Payment Obligation shall be entered into for a term extending  
26          not more than one year beyond the term of the corresponding City Bonds.

27          (d)     The proceeds derived from the City Bonds and allocable to any CDA  
28          Payment Obligations shall be applied (either directly or constructively) to pay (or  
29          reimburse the City for prior payments of) the costs of the infrastructure improvements,  
30          facilities and services as described herein and in the Petition, capitalized interest and any  
31          additional administrative costs to be incurred by the City in connection with the  
32          administration and operation of the CDA.

33          (e)     Each CDA Payment Obligation shall be a debt of the CDA and shall  
34          neither be a debt or other obligation of the City nor constitute a pledge of the faith and  
35          credit of the City.

36           **8. Approval of Memorandum of Understanding.**   The Memorandum of  
37          Understanding is approved in substantially the form presented to the Council at this meeting,

1 with such changes and corrections (including, without limitation, changes in the date thereof)  
2 that do not materially adversely affect the City’s interests as may be approved by the City  
3 Manager, whose approval shall be evidenced conclusively by the execution and delivery of the  
4 Memorandum of Understanding. The City Manager is authorized and directed to execute and  
5 deliver the Memorandum of Understanding.

6 **9. Establishment of Special Assessments; Notice of Creation of CDA District**  
7 **and Levy of Special Assessments; Annual Approval by Council of Collection of Special**  
8 **Assessments.**

9 (a) By agreement between the Landowners, the CDA and the City pursuant to  
10 the Memorandum of Understanding, special assessments to pay the costs of public  
11 improvements to benefit property within and abutting the CDA District are hereby  
12 established and apportioned in accordance with the Rate and Method of Apportionment  
13 of Special Assessments (“RMA”) in substantially the form presented to the Council at  
14 this meeting. The CDA Board is authorized to approve or to provide for the approval of a  
15 Special Assessment Roll allocating the special assessments among the tax parcels within  
16 the CDA District in accordance with the RMA as such tax parcels exist as of the date of  
17 recordation of the RMA in the land records of the City. The CDA shall cause notice of  
18 the special assessments to be reported to the City’s Director of Finance. The special  
19 assessments shall be liens on the taxable real property in the CDA District in accordance  
20 with the provisions of §§15.2-2404 et seq. of the Code of Virginia of 1950, as amended  
21 (the “Virginia Code”). The CDA shall cause notice of the creation of the CDA District  
22 and the levy of the special assessments to be recorded in the deed book and land records  
23 of the City in accordance with the requirements of Virginia Code §§15.2-2412 and 15.2-  
24 5157. Based upon the Memorandum of Understanding, the RMA and the special  
25 assessment report described therein, the Council finds and determines that the special  
26 assessments will meet the requirements of Virginia Code §§15.2-2404 et seq. and 15.2-  
27 5158(5).

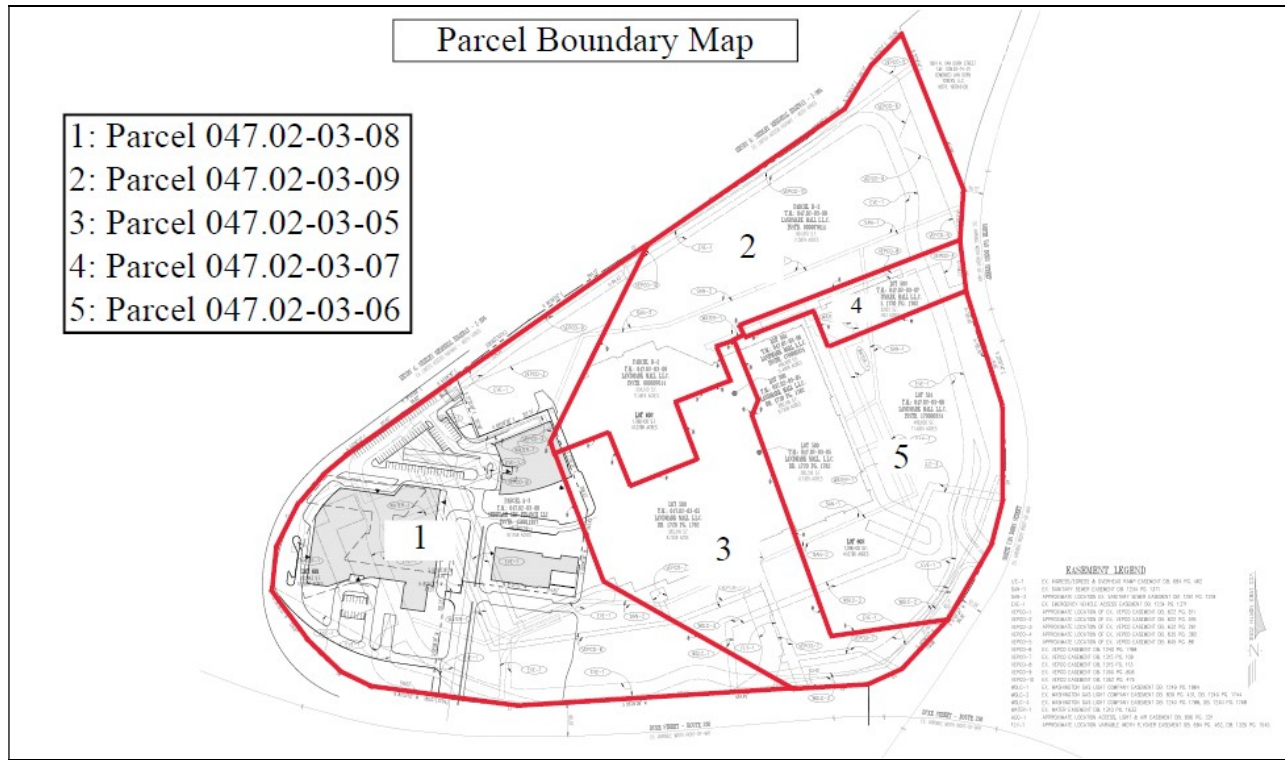
28 (b) As and to the extent permitted by Virginia Code §58.1-3965.2, when an  
29 installment of a special assessment is delinquent, proceedings may be instituted to sell  
30 any real property subject to such special assessment on the first anniversary of the date on  
31 which such installment became due.

32 (c) In accordance with the terms of the Memorandum of Understanding and  
33 upon each CDA request of the City to collect the annual installments of the special  
34 assessments, the City Manager shall request the Council to approve the collection of such  
35 annual installments and present an ordinance or resolution to the same effect for the  
36 Council’s consideration.

37 **10. Subsequent Resolution.** The City may make such additional changes or  
38 amendments to the Memorandum of Understanding as the Council determines to be necessary or  
39 appropriate by subsequent resolution.



**Initial CDA District Boundaries**



**Tax Map Parcel Numbers**

<b>Parcels Owners</b>	<b>Tax Map Ref</b>	<b>Lot Size in SF<sup>(1)</sup></b>	<b>Area in Acres<sup>(1)</sup></b>
Seritage SRC Finance, LLC	047.02-03-08	791,780	18.1768
Landmark Mall, LLC	047.02-03-09	504,510	11.5820
Landmark Mall, LLC	047.02-03-07	68,665	1.5763
Landmark Mall, LLC	047.02-03-05	380,317	8.7309
Landmark Mall, LLC	047.02-03-06	494,606	11.3546
<b>Total Land Area</b>		<b>2,239,878</b>	<b>51.4205</b>

<sup>(1)</sup> Reflects approximate square footage and acreage.

**EXHIBIT B**

**Proposed Articles of Incorporation**

Attached