

WS
3-12-02

City of Alexandria

MEMORANDUM

DATE: FEBRUARY 8, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ITEMS FOR DISCUSSION WITH CONGRESSMAN JAMES P. MORAN

On February 12, 2002, at 6:00 p.m., Council will hold its annual Work Session with Congressman James P. Moran to discuss federal issues of concern to the City. The following is a summary of the issues that staff recommends for this discussion.

1. Economic Development/Funding for Purchase of Datatel site

The community and City Council are working to secure the revitalization of the Upper Potomac West area, including the redevelopment of the Safeway, Datatel and adjacent land parcels near the intersection of Mount Vernon Avenue and Glebe Road. A critical component of the redevelopment of the Safeway/Datatel site is the removal of the Datatel building and possibly the construction of the parking facility.

The Datatel property, at 3700 Mount Vernon Avenue, is currently a blight on the entire Arlandria neighborhood. It is privately owned and contains a seven story building that is boarded up and does not meet fire, building or safety codes. It has remained vacant for ten years. It stands close to the sidewalk, making the location very unfriendly and unpleasant for pedestrians. This unattractive site frustrates the efforts to reinvigorate the Upper Mount Vernon area.

Datatel is across the street from the Birchmere, and within walking distance of the Arlandria Shopping Center and the Safeway site. These potential economic engines lie within an underperforming neighborhood which is ethnically and economically diverse. There is great potential for this neighborhood to attract added market share for existing and future businesses which would generally strengthen the Mount Vernon Avenue business corridor and building upon its ethnic diversity.

By removing the Datatel building and gaining control of this important Mount Vernon Avenue site, the City would eliminate a significant barrier to the area's revitalization. Construction of a public parking facility on the site would provide a significant incentive to the owners of the

Safeway site and other nearby properties to pursue redevelopment activities in conjunction with the construction of a public parking garage.

2. Needs Related to Sanitary Sewers

Many areas of the City have aging and deteriorating sanitary sewers. Repairing or replacing these sewers will be very expensive. In addition, some areas of the City need the sewage collection system expanded. Last year, the City asked Congressman Moran to assist the City in acquiring federal funding to help upgrade our sewer system. Mr. Moran was successful in getting Alexandria a federal appropriation of \$900,000 to help reconstruct aging storm-water and sanitary sewer systems. This money will be used to help pay for the construction of a bypass sewage line from the Four Mile Run Pumping Station to the Potomac Yard Interceptor Line. This bypass will reduce sewage overflows into Four Mile Run, which is a part of the Chesapeake Bay watershed.

Recent studies undertaken for the City have identified additional problems with the more than 75 year old sanitary sewer system in the northeastern part of the City. These studies have detected significant infiltration and inflow problems, which increase the volume of stormwater entering the sewers during wet weather periods. This results in sanitary sewer overflows, which eventually find their way into the Chesapeake Bay watershed. Correction of these infiltration and inflow problems is expected to cost approximately \$16.5 million. The City would appreciate federal financial assistance for \$4 million of this project's total estimated cost.

3. Transportation Needs – King/Braddock/Quaker

Last year, the City sought federal funding for intelligent transportation system upgrades, and Congressman Moran was successful in getting \$750,000 in federal funding, which will be used to develop an integrated Intelligent Transportation System (ITS) plan for the Duke Street Corridor. The City would like to seek funding for work at the King Street, Braddock Road, Quaker Lane Intersection. Over 45,000 people travel through this intersection on a daily basis. The intersection generates significant pedestrian traffic, in part because of the nearby schools, including T. C. Williams High School, the Minnie Howard Ninth Grade School and Episcopal High School. Adding to the complexity of the intersection is a sizeable commercial shopping area at the southwest corner of King Street and Braddock Road. The large number of vehicle entrances and exits, coupled with the access road parallel to King Street, causes confusion to many drivers. In addition, there is heavy peak hour traffic flow from other high density commercial and residential development surrounding the intersection.

The City would like to undertake an engineering study to consider and analyze alternative traffic designs for the intersection and the area immediately surrounding it. The study would include a review of technology for the intersection – such as message boards, and new technology that predicts traffic patterns based on current roadway volumes and adjusts signal timings accordingly.

We request an additional \$750,000 in federal funding so that we may consider these non-traditional design and technology-based improvements to this complicated, congested intersection so to improve pedestrian safety and traffic flow.

4. Funding for Security Upgrades at the Alexandria Detention Center

A number of the alleged terrorists who were arrested following the September 11 attacks are being tried at the federal courthouse in Alexandria, and are being detained at the Alexandria Detention Center. Because of the security concerns associated with these individuals, the City has begun upgrading security at the Alexandria Public Safety Center, which includes the Alexandria Detention Center.

The City budget contains no funds for these capital and operating costs. Since the federal trials relate to major national security concerns, we believe it is appropriate that the federal government assist the City by providing monies for these security measures. We are working with the United States Marshals Service to obtain federal funding to pay for some of these costs. At this time, we do not have a specific funding request of Congressman Moran for these security upgrades, but we may need to seek his assistance in the future if we are unable to get sufficient funding from the Marshals Service.

5. Alexandria's Waterfront – Funding for Windmill Hill Park

The City's Windmill Hill Park Steering Committee recently completed its work in connection with the recommended redesign of this park area. The waterfront property where the park is located is still in litigation with the federal government. After the National Park Service accepts the City's plan for the site, the City expects to acquire clear title to the property.

The estimated cost to improve the park area under the steering committee's recommended concept plan is approximately \$3.2 million, as follows: stabilization of the bulkhead with plants and other natural materials, \$2 million; removal of the pilings and related structures, \$270,000; park components including sidewalks/bike trail, speed tables, play surface, basketball court, and field irrigation, \$650,000; and miscellaneous landscaping, \$150,000.

The City Capital Improvement Plan contains \$100,000 to fund the planning and design phase of the project, but there are no funds available at this time to construct park improvements. The City would appreciate receiving federal appropriations to help cover the cost of this important City project.

6. Enhancing the Bike Trail System

Part of the City's efforts to preserve open space includes improving greenways and trails, and linking them with other trails in the metropolitan area. The Bicycle Transportation Plan, most recently updated in 1998, guides the City in this effort. The plan envisions a system in which residents and nearby jurisdictions can move about the entire region for both commuting and recreational purposes, and appreciate the City's environmental features. By increasing the metropolitan trail network, the City will also reduce the rate of increase in motor vehicle trips, cutting back on congestion and air pollution.

Currently the City is developing a 4.5 mile greenway through the Eisenhower Valley that will link with the existing Holmes Run trail and ultimately connect to the Fairfax County trail system, the future Woodrow Wilson Bridge Bikeway, and the Mount Vernon Trail. The City received a grant of \$372,000 through the Federal Transportation Enhancement Act (TEA-21) for the first phase of this project. The next phase (construction of, or improvements to, the Chambliss Connector, the Tarleton Trail, and the Holmes Run Trail) will further the development of this regional bike trail system. The cost of these three projects will total \$230,000. Although the City dedicates \$77,000 annually in its capital plan for bike trails, it does not have sufficient funding in the plan to implement this portion of the Master Plan on a timely basis. Federal funds would assist the City in doing so.

7. Funding for the Stabilization of the Fortifications at Fort Ward

At the outbreak of the Civil War, Washington, D.C., was almost defenseless against an attack by the Confederate Army. Union Troops occupied Alexandria and Arlington Heights and began building several forts that served as supply bases for the Union forces. Construction of these forts was accelerated on both sides of the Potomac River after the Confederate victories at Manassas in 1861 and 1862. By 1865, the federal capital had become one of the most heavily fortified locations in the Western Hemisphere, guarded by 68 major earthwork forts known as the Defenses of Washington. Fort Ward, located on Braddock Road, was the fifth largest installation in this extensive network of forts.

In 1961, the City initiated the preservation of historic Fort Ward as a Civil War Centennial Project. The Fort's Northwest Bastion was completely restored, and the remaining earthwork walls were preserved. Today, this National Historic Landmark serves as the "flagship" of the defenses of Washington and is indeed of national significance for its role in protecting the Capital during the Civil War.

During the 1960s restoration, fill was used to redefine the eroded walls of the Northwest Bastion. Over time, a separation has formed between the fill on top and the original portion of the Bastion walls. This has created a significant fissure, measuring some 100 feet or more across. This crack in the wall of the Bastion continues to grow and now presents safety issues. In the past year the City of Alexandria has commissioned two technical engineering studies to

assess the problem and to study methods to repair the crack. The proposed treatments include the use of grout columns (to be placed inside the walls); the construction of a drain system (to control water flow away from the walls); erosion control plantings; and landscaping. The cost of the project is estimated to be \$250,000.

The City of Alexandria is preparing a grant request, in the amount of \$250,000, to the Save America's Treasures project, administered by the National Park Service and others. The Fort will be eligible under the conservation of resources section of this grant. The City will be responsible for matching this grant with \$125,000. Some part of this match may also come from the Friends of Fort Ward. The City would appreciate any further assistance that Congressman Moran could make in support of the application to the Save America's Treasures program.

8. Funding for Open Space

The preservation reclamation of open space is one of Alexandria's top environmental goals. The amount of available funding in the City's capital budget for land acquisition (\$200,000 annually) is nowhere near sufficient to make a noticeable impact in this area. State funding available through the Virginia Conservation Fund is also quite limited. The City would like to strengthen its efforts at preserving and providing open space to residents, and would like to pursue any potential federal appropriations, including the Land and Water Conservation Fund, to assist in this effort.

A consultant is currently engaged in completing a comprehensive open space study for the City, including an inventory of current open space and prioritized recommendations for potential future open space acquisitions. This study, scheduled for completion this spring, will be combined later in the year with the City-wide recreation needs assessment now in progress to produce a new master plan for recreation and parks. We expect that significant funding will be necessary to implement the completed open space plan, and would appreciate federal assistance to help implement the plan.

9. Flow Control

Prior to 1994, many localities throughout the United States had policies which allowed them to direct the disposal of trash and other solid waste by private haulers. In 1994 the U.S. Supreme Court ruled that these policies, known as flow control, were in violation of the Constitution's interstate commerce clause unless authorized by federal statute. The City supports legislation that would return flow control authority to localities that had constructed municipally-owned waste-to-energy facilities prior to the Court's decision.

Flow control authority is needed so that these localities can provide adequate revenues to repay the bonds that were issued for such facilities, and therefore not burden taxpayers with the economic fallout of the Supreme Court decision. When these facilities were designed, localities planned to repay the bonds from facility disposal fees (tipping fees). If the volume of waste

going to a waste-to-energy plant decreases, so do revenues. For Alexandria, flow control would again allow the City to direct all private haulers operating within City boundaries to dispose of their waste at the Alexandria/Arlington Waste-to-Energy plant. Arlington, too, could again apply these rules to waste picked up in that County.

After the Supreme Court's 1994 decision, the Alexandria/Arlington facility began to lose customers, and it had to lower tipping fees (below the actual facility costs) for private customers so that they would continue using the facility. A second factor that depressed revenues was the deregulation of electricity. While electric deregulation has been beneficial to consumers, it has also substantially reduced the income of the Waste-to-Energy facility, which receives less revenue for the electricity it produces. Finally, requirements of the Clean Air Act have forced the facility to make expensive capital improvements, which were financed with a \$46.1 million bond issue. If flow control authority is not restored, these combined financial pressures—lower revenues from tipping fees and electricity sales, and higher costs for expensive capital improvements—will ultimately result in the need for Alexandria and Arlington to either (a) provide a \$4 million to \$5 million annual taxpayer subsidy to the facility; or (b) mandate businesses, apartment owners, and condominium associations to use City-selected private haulers.

Arlington and Alexandria have avoided major subsidies thus far by drawing down \$4 million in reserves to cover operating losses (these reserves were established in part for capital improvement purposes). We cannot draw down reserves indefinitely, however, and we project that Arlington and Alexandria taxpayers will be forced to begin to provide the additional annual subsidies of \$4 million to \$5 million in about the FY 2005 to FY 2007 timeframe. The changed economics of the facility already have forced Alexandria and Arlington to lower the rates charged to haulers who bring waste to the facility, and to increase local solid waste fees charged to their residents.

The Waste-to-Energy facility began operations in 1988 in response to state and federal initiatives to encourage localities to construct waste-to-energy facilities. It provides enough electricity to supply the needs of 23,000 homes. The City does not believe that local taxpayers should have to subsidize the cost of this facility.

A recent decision by the U. S. Supreme Court not to review a lower court ruling in New York (United Haulers Association v. Oneida-Herkimer Solid Waste Management Authority) raised the possibility that, under certain circumstances, a locality may be able to enact a constitutionally-sound flow control ordinance. However, this is still far from certain, since this litigation has not been resolved and has been remanded to the U. S. District Court for final determination.

The City continues to support legislation at the federal level to return flow control authority to localities with existing municipally-owned waste-to-energy facilities. If such legislation were enacted, taxpayer subsidies will not be needed to support the Alexandria/Arlington Waste-to-Energy plant .

10. Funding to Assist in Protecting the Privacy of Mental Health and Other Health Records

One of the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) is that health care providers implement new controls to protect the privacy of patient records. While all segments of the health care industry have expressed their support for the objective of enhanced patient privacy, there are costs associated with implementing these new controls. Funding is needed to pay for the development of computer hardware and software, for consultants to assist with this work, and for training staff who work with these records.

The City's Department of Mental Health, Mental Retardation, and Substance Abuse is now planning how it will meet the new privacy requirements, which take effect in April 2003. It has no funding to do this. The federal Substance Abuse and Mental Health Services Administration (SAMHSA) provides some assistance to local substance abuse and mental health agencies to support their services. The City recommends that Congress appropriate funds to SAMHSA, which it can then pass on to local substance abuse and mental health agencies, to pay for the work associated with the new privacy requirements.

11. Pre-Tax Payments for Long-Term Care Insurance

The City of Alexandria, like many employers, offers its employees the opportunity to enroll in a Section 125 "Cafeteria" Benefits Plan. Under such benefit plans, employees can choose to set aside pre-tax dollars to cover un-reimbursed health care, dependent care, and health premium expenses. Some City employees would also like to be able to pay for long-term care insurance with pre-tax dollars, but this is not allowed under current federal law.

Long term care insurance is becoming one of the most important insurance policies that individuals can buy. The majority of the population is living longer (the fastest growing segment of the population has been the group over age 80) and the probability is high that this increased longevity will require more care, either at home or in a nursing home. In addition, studies have shown that long term care insurance policies can result in savings to the Medicaid program. Long term care insurance premiums are expensive. Depending on age and type of plan, annual long term care premiums can cost up to \$4,000 or more (although some policies are available for less than \$1,000). Allowing employees to pay for this insurance with pre-tax dollars would alleviate some of the financial burden. At the same time, the Federal Government would see savings by providing individuals the incentive to purchase this coverage, thereby reducing Federal Medicaid costs, approximately half of which are now spent paying for long term care for individuals with no private coverage. The City recommends that Congressman Moran support legislation to allow individuals to pay for long-term care insurance with pre-tax dollars.

STAFF:

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City of Alexandria

WS
3-12-02

MEMORANDUM

DATE: MARCH 11, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ADDENDUM TO FEBRUARY 8 MEMORANDUM ON ITEMS FOR DISCUSSION WITH CONGRESSMAN JAMES P. MORAN

On March 12, 2002, at 8:00 a.m., Council will hold its annual Work Session with Congressman James P. Moran to discuss federal issues of concern to the City. The following is a summary of several issues that staff recommends for this discussion; these issues were not discussed in the February 8 memorandum that was previously distributed.

1. Federal Funding to Respond to Terrorism

As a result of federal legislation passed late last year, Alexandria has been awarded \$8 million in federal funds to improve its ability to prevent and respond to acts of terrorism. These funds will be used to purchase equipment and pay for training for the City's public safety departments (Fire, Police, and Sheriff). The City is grateful to its congressional delegation for securing these funds.

Recently, the City learned that the U.S. Department of Justice, which is administering these federal grants, plans to withhold and retain 10 percent of the funds (\$800,000) for "evaluation" (the term is unexplained). In addition, the Department of Justice plans to require the City and other localities to prepare a burdensome and cumbersome grant application before any grant funds are awarded.

The City is concerned about any attempt by a federal agency to retain any portion of these funds, since they were appropriated so that the City could purchase equipment considered critical to the City's ability to address any future terrorist acts. Similarly, any burdensome and cumbersome federal grant process will further delay the City's ability to purchase this equipment and arrange for needed training.

2. Funding for the Alexandria Detention Center

The February memorandum detailed the City's needs for federal funding to pay for security upgrades at the Detention Center. We are continuing our discussions with the U.S. Marshals Service, but may need Congressman Moran's assistance if the Service does not fully reimburse us for these upgrades.

In addition, we need operating funds for the Sheriff's Office, to pay for the overtime and other expenses related to the detention of alleged terrorists. This was not addressed in the February 8 memorandum. We estimate that this will cost the City approximately \$800,000 annually.

3. Issues Surrounding Security at the Federal Courthouse

The federal government is taking additional security precautions – including the closure of streets – at the Alexandria Federal Courthouse because of the trials of alleged terrorists. City staff has been discussing this issue (which streets will be closed; how long they will be closed; how this will impact the City, etc.) with the U.S. Marshals Service, which is responsible for Courthouse security. Staff recommends that we also discuss with this issue with Congressman Moran.

4. Flow Control and Related Issues

Further legal and policy actions have occurred with regard to the Waste-to-Energy facility since the February 8 memorandum:

- Although the U. S. Supreme Court recently decided not to review a lower court ruling in New York on flow control (the lower court had approved a local flow control ordinance) and sent the case back to the U. S. District Court in New York for a final decision, it appears that such a final decision will not be forthcoming. Neither party to the case wishes to bear the expense of further litigation. In addition, the Fourth Circuit United States Court of Appeals (which includes Virginia) affirmed that Virginia's restrictions on the importation of solid waste violated interstate commerce statutes. The net effect of these two cases is that Congressional relief from flow control restrictions appears to be the only viable way for flow control authority to be returned to all localities.
- Congress this year is considering comprehensive energy legislation. The Senate is actively considering an energy bill, and an amendment offered by Senator Jeffords (Vermont) would discriminate against certain "green power" facilities (waste-to-energy, hydroelectric, and landfill gas facilities) by not giving federally-provided financial credits when power produced by those facilities is traded on the open market. This amendment would make the electricity produced at our Waste to Energy facility less economically competitive and indirectly increase the facility's net operational costs. The House has already passed HR 4, which has no such provision. If the Senate amendment is included

in the bill passed by the Senate, this issue must be addressed by the conference committee on the legislation.

STAFF:

Bernard Caton, Legislative Director