

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 17, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER *RM*

SUBJECT: WATERFRONT SMALL AREA PLAN AND TEXT AMENDMENT PUBLIC HEARING AND ADOPTION

ISSUE: On January 21, 2012, the City Council will hold a Public Hearing and consider: (1) an Amendment to the City's Master Plan to include the Waterfront Small Area Plan Chapter and (2) a Text Amendment to the Zoning Ordinance for Section 5-500, W-1 Waterfront Mixed-Use Zone.

RECOMMENDATION: That City Council:

- 1) Hold the Public Hearing and approve:
 - a) the draft Waterfront Small Area Plan (dated July 2011 and incorporating the recommendations of the Planning Commission, the Waterfront Plan Work Group, and City staff as outlined in this memorandum) as an Amendment to the City's Master Plan; and
 - b) a Text Amendment to the Zoning Ordinance for Section 5-500 of the W-1 Waterfront Mixed-Use Zone;
- 2) Request the City Attorney to prepare the necessary ordinance; and
- 3) Direct staff to proceed with implementation planning as discussed in this report.

BACKGROUND: The January 21, 2012, City Council public hearing on the Waterfront Small Area Plan and Text Amendment (Attachment I) is the culmination of a 2-½ year planning process. The chronology of events is described in detail in Attachment II and includes:

- (1) **April 2009 – January 2011:** Planning and Public Outreach Process
- (2) **February 2011:** Release of the *Draft Waterfront Small Area Plan and Text Amendment*

(3) **April-May 2011:** Planning Commission public hearing resulting in a series of changes and a *July 2011 Updated Draft Waterfront Small Area Plan and Text Amendment*

(4) **June–December 2011:** Waterfront Plan Work Group analysis and report

Attachment II also reviews the activities and summarizes the findings of the Waterfront Plan Work Group report.

DISCUSSION: City staff recommends that the City Council approve the draft Waterfront Small Area Plan (the “Plan”) with:

- All of the changes recommended by the Planning Commission (which have been incorporated into the current draft, dated July 2011);
- All of the changes recommended by the Waterfront Plan Work Group (detailed in the Work Group’s report of December 20, 2011, and included in this staff report as Attachment V); and
- Staff recommendations, described below, developed in response to the City Council and Planning Commission work session on January 10, 2011.

Issues Reviewed at the City Council and Planning Commission Work Session

A Joint Work Session of the City Council and Planning Commission was held on January 10, 2012, with the purpose of reviewing the Waterfront Plan Work Group’s findings and discussing and providing staff with direction on the outstanding issue areas. For each issue area, this memorandum will review the background information, the discussion at the joint work session, and staff’s recommendations for amending the draft Waterfront Small Area Plan.

A. Allowable Density on the Redevelopment Sites

Today, there is about 300,000 square feet of building on the three redevelopment sites, much of which is occupied by warehouses. Current zoning, adopted in 1992, would allow an increase of about 350,000 square feet. The draft Waterfront Plan would allow a further increase, up to an additional 160,000 square feet. The following chart details the existing, current, settlement agreement, and proposed Waterfront Plan square footage for the three redevelopment sites:

Site	Existing (sf)	<i>Change</i>	Current Zoning with SUP (sf)	<i>Change</i>	Settlement Agreement (sf)	<i>Change</i>	Waterfront Plan (sf)
Robinson Terminal North	91,814		195,296		238,816		238,816
Robinson Terminal South	139,141		327,393		380,529		380,529
Cummings/Turner Block	70,732		128,360		128,360*		192,540
Totals	301,687	349,362	651,049	96,656	747,705	64,180	811,885

The greatest potential impact from new development will come from density that is already approved. Under current (1992) zoning, building square footage can more than double and the uses would likely have greater impacts than the current warehouses.

There is broad agreement that current controls on redevelopment are insufficient to ensure that it is compatible with Old Town and contributes toward parks, arts, history and other public benefits in the Plan. By increasing permitted densities above the current zone, the City is able to institute greater controls over future development and to ask for increased developer contributions.

In terms of density, there is a relatively small difference between what is allowed today and what the Plan recommends. On the Robinson Terminal sites, the range of possibility is just under 100,000 square feet, which is the difference between current zoning and the density permitted by the 1983 settlement agreements. On the Cummings/Turner block, the difference between current zoning and the Plan recommendation is about 64,000 square feet. If the square footage differences were larger, a square footage compromise might be a possibility, but in this case it would not likely satisfy either side.

The issue is further complicated by the fact that the Robinson Terminal Warehouse Corporation has previously filed suit against the City in court, claiming that they have the right to the 1983 settlement agreement density. While no one knows how a judge would rule in such a lawsuit (which was mutually put aside during the waterfront planning process), it is clear that a negotiated solution is much more likely to result in a positive outcome. The Plan contains more stringent controls on development and higher levels of developer contributions while permitting densities equal to the 1983 settlement agreement.

Joint Work Session Discussion: The City Council and Planning Commission discussed the legal issues of the settlement agreements and discussed the fact that the City has very limited ability to impose new requirements on development without some increase in density.

Staff Recommendation: Staff recommends that the City Council approve the densities proposed in the Waterfront Plan because the increase in control over future development and the increase in developer contributions are significant compared to a relatively modest increase in density. In addition, staff believes these modest density increases are needed to achieve the Plan's goal of a vibrant and active Waterfront in these locations in a manner that will be more financially feasible.

B. Developer Contributions and Development Controls

At the joint work session, staff distributed a table summarizing the developer contributions ("benefits of density") and development controls added by the Plan. This table is also included as the last page in Attachment IV of this memorandum). The Waterfront Plan Work Group has suggested changes to the Plan – particularly changes to the development guidelines and the hotel/restaurant policy – that strengthen the developer contribution and controls provisions (pp 85 and 90-102 of the Plan). City staff endorses these changes.

Joint Work Session Discussion: The City Council and Planning Commission discussed adding language to clarify the Plan’s discussion of *developer contributions* so that both prospective developers and members of the general public have a shared understanding of what the Plan expects regarding the *amount* of off-site developer contributions and *where* those contributions would be applied. The City Council and Planning Commission also discussed adding language to the Plan’s *development controls* to: (1) provide added assurance that historic buildings on private property will be preserved; (2) require development proposals on Robinson Terminal North to be reviewed by the Old and Historic District Board or Architectural Review; (3) add an expectation that new development will make parking available to address overflow parking needs of Old Town residents; (4) ensure that there are adequate buffers between existing residential development and new active uses; and (5) address the suggestion by the Old Town Civic Association to make the Waterfront architectural model a benchmark as part of the SUP process.

Staff Recommendations: Staff agrees that the issues raised by the City Council and Planning Commission merit attention and recommends the following proposed amendments to implement them.

For the *developer contributions* issue, staff recommends that the City Council add three new paragraphs to the “Developer Contribution Potential” discussion on page 127 of the draft Plan. The added paragraphs would read:

Analysis of the value of the additional density provided by this Plan strongly suggests that, at a minimum, a per-square-foot developer contribution to off-site amenities of \$9.00 in 2012 dollars is financially feasible. The actual contribution will be determined at the time of development approval. The per-square-foot contribution should be calculated based upon all new square footage, including that which replaces existing structures. The value of in-kind contributions, which may include property, buildings, or construction of planned improvements, should be credited against this contribution.

A \$9.00 per square foot contribution, applied to approximately 800,000 square feet of new development in today’s dollar, would total \$7 million.

All contributions from redevelopment within the Waterfront Plan area should be applied toward improvements within the Plan area.

In the Plan document, and at the work session, City staff noted that staff have conducted a general analysis of the value of additional density provided by the Plan, but have not conducted the kind of detailed analysis – which will be conducted at the time of development review – that would allow us to definitively set a specific per-square-foot developer contribution. Staff’s recommended language clarifies expectations without limiting the City’s ability to work with a future developer to maximize public benefit of new development.

For the *development controls* issues, staff recommends:

- 1) To provide added assurance that historic buildings on private property will be preserved, add the following text to page 87 of the draft Plan, which discusses the proposed zoning for the redevelopment sites:

It is the clear intention of this Plan that buildings designated as historic are to be preserved, restored and adaptively re-used. In reviewing redevelopment proposals that include historic structures, the City Council must find that the proposal adequately addresses the preservation, restoration and adaptive re-use of historic buildings. All historic preservation actions contained in an approved development proposal should be phased to occur before or contemporaneously with the construction of new buildings.

- 2) To require development proposals on Robinson Terminal North to be reviewed by the Old and Historic District Board of Architectural Review, add a new development guideline for Robinson Terminal North (page 93, between the current guidelines 7 and 8):

Redevelopment proposals shall require review on an advisory basis by the Old and Historic District Board of Architectural Review prior to being considered by the Planning Commission and City Council prior to approval.

- 3) To ensure that new development helps mitigate impacts on parking available to nearby neighbors, add language in two places:

- a. Add a new factor “ix” to the *Policy for Restaurant/Hotel/and Commercial Uses* (page 85 of the Plan), which contains guidelines for the impacts the City Council must consider when reviewing a SUP:

In making its determination, the City Council shall consider the following factors as applied to the proposed use:

...

ix. The extent to which new parking is available to support overflow parking needs of Old Town residents.

- b. Add a new parking recommendation 4.39 on page 123 of the draft Plan:

4.39: New parking capacity on redevelopment sites should be made available to support the overflow parking needs of Old Town residents.

- 4) The unit block of Wolfe Street and the 300 block of South Union Street consist of housing units that face a redevelopment site, Robinson Terminal South. One of the goals of the Waterfront Plan is to “...ensure that future development in the Waterfront respects the existing residential neighborhoods.” To strengthen the Plan in this regard, staff recommends that adding language in two places:

- a. Add a new factor “x” to the *Policy for Restaurant/Hotel/and Commercial Uses* (page 85 of the Plan), which contains guidelines for the impacts the City Council must consider when reviewing a SUP:

In making its determination, the City Council shall consider the following factors as applied to the proposed use:

...

x. The extent to which adequate and reasonable buffers are provided between new active uses and existing residential development.

- b. Add new language to the first Robinson Terminal South development guideline (page 96):

Active uses which welcome the public should be part of any development, and constitute the predominant ground floor uses. Active ground floor uses shall be located as generally depicted in the Public Space and Active Frontages diagram (Figure 34)... There shall be adequate and reasonable buffering of the existing residential uses facing the site on Wolfe Street and South Union from the active uses in the new development.

- 5) The Old Town Civic Association (OTCA) has requested that the architectural model prepared during the Waterfront planning process be used as a design benchmark, or reference point, during the SUP process. OTCA notes that “the model illustrates several design features that go a long way toward addressing the concerns citizens have regarding the compatibility of the urban form of new development and the scale of our historic waterfront, including: alleys as view corridors to the river, three story urban form with set-backs along Union Street, the top floors contained within a roof form rather than as flat roofed buildings, and small footprint buildings instead of large “super block” development.”

Staff notes that the Plan accomplishes some of what OTCA is requesting through drawings that illustrate the same principles as the model, and through design guidelines that specifically reference those drawings. Nevertheless, staff agrees that OTCA’s proposal is a good one. Staff recommends adding a new factor “xi” to the *Policy for Restaurant/Hotel/and Commercial Uses* (page 85 of the Plan), which contains guidelines for the impacts the City Council must consider when reviewing a SUP:

In making its determination, the City Council shall consider the following factors as applied to the proposed use:

...

xi. The extent to which architecture and site design reflect the important design principles illustrated by the scale model prepared by the City during the Waterfront planning process, including alleys as view corridors; design elements that minimize the impacts of height, such as setbacks above the third story along Union Street and incorporation of the top story within a roof form; and small footprint buildings instead of large “superblock” development.

C. Hotels

Much of Waterfront redevelopment over the past two decades has been office or residential, and while both of these land uses have supported high quality public spaces, neither of these land uses have supported active public spaces where visitors can engage in a range of enlightening and enjoyable activities.

The draft Plan emphasizes hotels as a land use that contributes to active public spaces in several ways: hotels are not bothered by an adjacent public space that is full of activity – they benefit from it; the ground floors of hotels contain uses where the public is typically welcome; hotels engage in the programming of events and can also supply support to events in adjacent public spaces; and hotels can contribute financially to capital and operating costs of nearby public spaces. In comparison to residential and office uses, hotels have relatively low neighborhood impacts, with low traffic generation and parking requirements. Loading and unloading can be screened, restricted to certain hours, and, in each of the potential hotel locations, locations away from Union Street are possible.

The number and size of hotels has been a discussion point over the past year. The Plan would limit hotels to no more than three, with no more than 150 rooms per hotel, among other limits that ensure that no hotel would be high-rise and no hotel could support conventions or large meetings. Staff’s perspective is that some of these restrictions on hotels address perceived rather than actual impacts, but staff also believes that the current set of controls on hotels, including those proposed by the Waterfront Plan Work Group, are about as tight as possible while allowing hotels to be a financially feasible option.

Joint Work Session Discussion: The City Council and Planning Commission discussed the Waterfront Plan Work Group’s proposed language that reduces the emphasis on hotels to the point that the Plan does not rely on three hotels to succeed. The Work Group’s language includes hotels among the land uses that are preferred because they support an active Waterfront, but the revised language would not require hotels or specifically encourage hotels at any location.

Staff Recommendation: Staff recommends that the City Council support the Waterfront Plan Work Group’s proposed changes and believe these address the concerns raised about hotel uses in the Plan. The Work Group’s proposed language change is:

The preferred use on the site east of Union Street above the first floor is a boutique hotel. The second preferred use would be for office. is mixed use, emphasizing arts, history and culture (including a museum) and including vibrant commercial uses (such as hotel).

Residential use should not be the primary use of the site. is specifically discouraged east of Union Street unless, as part of SUP and approval, The location, design and specific type of residential proposed is found to: must coexist well with the other uses on the site and planned public activity in the public spaces adjacent to the residential development.; provide a welcoming presence to visitors to the waterfront; and preferably not include permanent owner occupied residential units.

D. Public space on the redevelopment sites

The Plan recommends increased on-site open space on each of the redevelopment parcels, and, The Plan currently calls for open space on the redevelopment sites “as generally shown in the Plan illustrations.” The designs in those illustrations attempt to balance a desire for open space on the river with open space through the sites. In addition, the Plan uses open space to showcase historic buildings so that, for example, the public will continue to see the south façade of the historic 206 South Union building and the historic 2 Duke Street building would be surrounded by open space.

In the case of the Robinson Terminal parcels, the open space requirement in the settlement agreements is a starting point to which significant additional space is added. On both Robinson Terminal sites, much of the additional space is on the piers; on Robinson Terminal South, the Plan also calls for east-west and north-south linear spaces recreating the form of historic alleyways and extending The Strand through the site.

For the Cummings/Turner block, the open space emphasis is on east-west public spaces that recreate historic alleyways. Alleys do not typically count as public space; in this case, the expectation is that the spaces will either be linear public spaces in the form of an alley, or they will be true alleys but designed primarily for pedestrian use and visitor enjoyment, not vehicular traffic, loading/unloading, or “back of house” elements such as trash receptacles.

This issue has three main variables: density, height, and amount of open space. That is, one could increase open space without reducing density by increasing permitted heights. If open space was increased and height limits kept the same, densities would have to be reduced below the recommended level. On each of the redevelopment sites, all of these variables are constrained, and the Plan’s illustrations show the maximum amount of open space that can be achieved given the height limits and densities in the Plan.

There has been some discussion by the Waterfront Plan Work Group and others that there should be more public space required on the redevelopment parcels or that the Plan should maximize the open space that is along the river, or both. The Work Group recommends that riverside open space widths of 100 feet or more are desirable. Staff agrees in concept with the Work Group recommendation and endorses adding the Work Group language to the Plan. Staff also notes that the community has identified benefits to providing open space through the site as well. So it is important for the Plan to include wider riverside open space as a design objective along with the other design objectives identified by the community.

Joint Work Session Discussion: The City Council and Planning Commission discussed the Waterfront Plan Work Group’s proposed language and the importance of riverside public space as well as other site design considerations.

Staff Recommendation: Staff recommends that the City Council support the Waterfront Plan Work Group’s proposed language change and suggests additional language for the development guidelines for the two redevelopment sites on the Potomac River (the two Robinson Terminal sites). The Waterfront Plan Work Group’s proposed language change is:

Create a continuous waterfront public space of at least 50 feet and preferably 100 feet or more to comply to the greatest degree possible with Chesapeake Bay Preservation Act guidelines and to better achieve the goals of the Eco-City Charter. There shall be a continuous waterfront walkway with a minimum width of 25 feet or wider, where appropriate.

Staff’s recommended additional language for the development guidelines for the two Robinson Terminal sites is:

Open space with public access easements and/or dedications shall be provided as generally reflected in the Proposed Public Spaces and Active Frontages (Figure 34). Riverside open space widths of less than 100 feet are acceptable only if it is found that an alternative site design better meets the objectives of this Plan.

E. Public Participation in Plan Implementation

The Waterfront Plan Work Group emphasized the importance of plan implementation and provided specific recommendations for organizing City government for effective Waterfront area management and plan implementation (including design, engineering, and construction of planned infrastructure). The report also provides suggestions for a public body (committee, commission, or advisory group) to help lead the public's role in plan implementation.

Joint Work Session Discussion: The City Council and Planning Commission discussed the Waterfront Plan Work Group's proposed language and affirmed the importance of effective plan implementation. Staff expressed support for the Work Group's recommendations. Council members also discussed the idea of establishing a foundation or similar non-profit organization for fundraising and otherwise supporting Waterfront improvements and activities. The role of a foundation (or similar organization) could be distinct from the role of an implementation advisory group and important issues include: governance structure and relationship to other organizations including City government, responsibilities and sphere of control, and sources of funding.

Staff recommendation: The Waterfront Plan Work Group's report addresses City government organization as well as how public involvement in management and plan implementation will be structured, but it does not completely address the concept of a foundation or other non-profit that would, among other potential responsibilities, secure financial and other resources for the Waterfront. Staff recommends the following language be added to the implementation chapter of the Plan:

Among the early plan implementation activities, a high priority is for staff to work with the community to develop a recommendation to the City Council for a foundation or other type of non-profit organization to support realization of the arts, history and cultural elements of the Plan as well as support active enjoyment of the waterfront.

F. Planning for the Gen-On Site

The draft Waterfront Plan does offer general guidance for future planning of the GenOn power generation plant (page 82) but does not acknowledge the impending closure of the plant or that the City will be working with the community to plan for the future uses of the site. Because planning for the future of the GenOn site is important to the City, to the Waterfront, and to the community, staff recommends adding a new section to the end of Chapter 5: Implementation (following page 143) to address this issue.

Planning for the GenOn Potomac River Generating Station Site

The GenOn Potomac River Generating Station is scheduled to cease operations in October 2012. This site is of considerable importance to the City of Alexandria, the Waterfront, and to the Old Town North and Northeast communities. As soon as practicable, the City should commence and conclude a community-based planning effort for the GenOn site, to potentially include all or portions of the Old Town North Small Area Plan. The planning effort should aim to appropriately incorporate the connectivity, parks, arts, history and cultural themes of the Waterfront Small Area Plan while also recognizing and balancing the unique needs of the Old Town North and Northeast Small Area Plans.

Staff also recommends additional minor text changes so that the Plan addresses the current status of the GenOn site. Those changes are listed at the end of this memo as Attachment VII.

G. Adoption and Next Steps

With the incorporation of the recommendations by the Planning Commission in the July 2011 Updated Plan, the Waterfront Plan Work Group recommendations as described above and in Appendix IV, and the additional staff recommended changes detailed in this memorandum to address remaining issues, it is recommended that the City Council adopt the Plan and Text Amendment and direct staff to proceed with implementation planning. Immediate next steps in the implementation process include staff returning to the City Council with recommendations for:

- Identifying staff and financial resources needed for plan implementation (to be discussed initially as part of the FY2013 budget process) for such elements as a design and engineering plan, the next phase of flood mitigation studies, a Union Street circulation study, and other “early implementation initiatives” identified in the Plan;
- Re-engaging the Old Town Area Parking Study Group to move forward with implementation of the Parking Implementation Plan; and
- Public involvement and the structures of participation in Waterfront Plan implementation.

ATTACHMENTS:

The attachments, listed below, are available online at www.alexandriava.gov/waterfront

- I. (a) Waterfront Small Area Plan and (b) Text Amendment
- II. Waterfront Small Area Plan – Highlights of the Planning Process
- III. May 14, 2011, City Council Questions and Staff Responses
- IV. January 6, 2012, Joint Work session Staff Memorandum
- V. Complete List of the Work Group’s Recommendations
- VI. Comparison Matrix - Draft Plan and CAAWP Report

- VII. Proposed Changes to the Draft Waterfront Plan to Update References to the GenOn Potomac River Generating Station (also attached at the end of the January 17, 2012, Memorandum to City Council)

CC: The Chairman and Members of the Planning Commission

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Proposed Changes to the Draft Waterfront Plan to Update References to the GenOn Potomac River Generating Station

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Additionally, the GenOn Energy, Inc. power plant is anticipated to ~~remain in place for the foreseeable future~~ close in October 2012. The future use of that site will be addressed as part of a separate community-based planning effort. ~~has been left out of the core area focus.~~

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~~No short term recommendations are included for GenOn Energy plant which is located south of Daingerfield Park and which is still in operation.~~ There has been a power plant at the site of the plant since the 1930s. The Plan provides the following general guidance for the eventual reuse of the area when the plant is no longer in operation, which is anticipated in October 2012: Extension of Old Town's grid network of streets should be considered; doing so would provide a means for organizing and connecting the site to the rest of the City in a compatible way. Potential uses may take advantage of the outstanding views and the close proximity to National Airport and may include office, hospitality, or meeting facilities.

Redevelopment should be designed to improve public enjoyment of – and access to/along – the waterfront and could include a significant new public amenity. The identification by the Open Space Master Plan of the plant as a priority open space site should also be taken into consideration as part of ~~any future plans for the location,~~ the future planning effort for the site described in the implementation chapter.