City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 16, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BRUCE JOHNSON, ACTING CITY MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN A RIGHT OF FIRST REFUSAL GRANTING THE ALEXANDRIA SANITATION AUTHORITY THE RIGHT TO PURCHASE CERTAIN CITY PROPERTY LOCATED AT 801 AND 910 SOUTH PAYNE STREET IF THE CITY DECIDES TO SELL THE PROPERTY

ISSUE: Granting the Alexandria Sanitation Authority the right of first refusal to purchase City property at 801 and 910 South Payne Street in order to facilitate meeting future ASA facility expansion.

RECOMMENDATION: That City Council approve the attached Resolution (Attachment 1) and authorize the City Manager to sign a right of first refusal granting the Alexandria Sanitation Authority (ASA) the right to purchase 801 and 910 South Payne Street if the City, in its sole discretion, decides in the year 2020 or after to sell all or part of one or both of these two properties.

BACKGROUND: A key factor in the success of South Carlyle as a major, viable development area for the City lies with the treatment of the ASA facility expansion. The planned use by ASA of Blocks 29 and 30 for wastewater treatment plant facilities was a significant change from the original Eisenhower East Plan and presented a challenge in creating successful development on the adjoining blocks.

Considering this issue, a collaborative planning process was undertaken, in coordination with the South Carlyle property owners, to take a comprehensive look at the future development opportunities for South Carlyle as a whole, while understanding the constraints of the location, including the future expansion of ASA and contaminated soils. The result of the planning process was a conceptual plan for the area that identified appropriate locations for density to be shifted away from blocks 29 and 30 and included a scheme to screen related parking, as well as the future ASA operations, to the south with an expansive, regulation-sized green athletic field deck that would be accessible to the public.
This concept called for covering over the ASA tanks and parking areas with a deck where the surface could function as open space, essentially creating a new man-made “grade” hiding the enormous new ASA wastewater treatment tanks. The deck would span the entire length of the South Carlyle blocks with access points from Eisenhower Avenue and Holland Lane at the north and Limerick Street at the south. The lowest point of the deck would be at the southern end on Blocks 29 and 30, above the ASA tank, and would be large and flat enough for a regulation-sized athletic field. The tanks would be constructed in a rectangular configuration and would occupy essentially two-thirds of the buildable ASA property. They would be partially underground, with approximately 10 to 15 feet of the tanks above ground, depending on the location since the elevation drops as one moves south. Moving north, the deck would increase in height to approximately 40 feet above grade to accommodate several levels of parking closer to the buildings it would serve. In this area, the deck would provide opportunities for passive open space, community gardens, and smaller recreation areas. The side of the tanks would have grade earth berms which would make the tanks not visible.

Additionally, this concept plan called for the relocation of the existing ASA administration building now located on the main ASA property to the northern portion of Block 29. The existing building is approximately 60,000 square feet and, if reconfigured on the new property, could be a 4-5 story building. This is compatible in height with the existing residential building on Block 27. It also has the added benefit of freeing up space within the main ASA property for more treatment-intensive structures, while relocating the less impacting office use to within the neighborhood.

In June 2011, the City Council approved a Master Plan Amendment and Density Transfer to allow the implementation of the concept plan described above. The density transfer helped ASA recoup some of the funds it expended buying Blocks 29 and 30, which then will help ASA temper its wastewater rates for its customers. The approval included the following:

- Transfer 512,000 sf of office floor area from Block 30 to Block 26A
- Transfer 170,000 sf of residential floor area from Block 29 to Block 26B
- Transfer 56,056 sf of residential floor area from Block 27 to Block 26A

On October 15, 2011, the City Council approved DSUP 2009-0019 for an expansion to the Alexandria Sanitation Authority facility onto Blocks 29 and 30. This DSUP incorporates the aforementioned athletic field covering of the ASA treatment tanks.

**DISCUSSION:** As part of the approved expansion of the ASA plant, ASA will construct a regulation-sized athletic field above the wastewater tanks and will turn over these facilities to the City for operation and programming. These facilities are an important component of the larger conceptual plan for South Carlyle, as described above. ASA will grant the City a public access easement for the athletic facilities and this public access easement will be in place until January 1, 2027, or 15 years after the City assumes the maintenance and management of the athletic facilities – whichever is later. If in 2027, ASA does not need that area above the tanks for new ASA treatment facilities, the City would then seek an extension of this public access
easement.

ASA determined that it would be feasible to construct the tanks with a field above, but expressed concern for constraining future expansion on their property should the need arise in response to unknown future regulations or capacity issues. As discussed in previous reports, the structures associated with the wastewater treatment process occupy most of the land ASA owns on the main site, leaving very little room for new structures. With the construction of the new tank, administration building, parking area, and other miscellaneous ASA structures, the western parcel (Blocks 29 and 30) will also be mostly built out. Furthermore, the field on top of the tanks may limit any vertical construction that might otherwise be an option for ASA in the future. Additional land on the main ASA property will become available once the administration building and the ASA parking area are relocated to the west property. However, once this land is occupied by ASA treatment facilities, ASA will be severely constrained in terms of expansion should the need arise.

Future ASA facility expansion beyond what is currently contemplated is likely to be driven by future State and federal wastewater treatment requirements which are not yet known. It appears that ASA can meet the City’s projected growth driven requirements on its existing site. While ASA has built and plans on continuing to build state-of-the-art wastewater treatment facilities to meet currently known State and federal requirements, it is likely that as wastewater treatment technologies advance that new tougher State and federal treatment requirements will be imposed. Given ASA’s near land-locked situation, any possible future ASA facility expansion to meet future requirements may need to be constructed on the two City-owned adjacent parcels. Given that ASA is the City’s primary wastewater treatment provider, it is in the City’s long-term interest that ASA be able to have the physical room to expand its facilities in order to keep ASA and the City compliant with State and federal regulations, as well as to meet the City’s wastewater capacity needs.

In response to ASA’s concern about the potential need for future expansion and as part of the negotiations with ASA in regard to their funding and constructing the large, regulation-sized athletic field above the treatment tanks, it is proposed that the City allow ASA to acquire two City-owned parcels, if the City decides in its sole discretion to sell all or part of these two parcels, that are adjacent to the ASA facility to the east: the former animal shelter at 910 South Payne Street (0.56 acres) and the incinerator at 801 South Payne (1.2 acres). In the future the City may decide to sell most but not all of those two sites so that the Fire Training and Police Canine facilities would not have to be relocated. This action also will address concerns by some ASA Board members and Fairfax County’s representative to ASA about ASA spending approximately $3 million in ASA funds to build an athletic facility for use by Alexandria City residents. With approval by the City Council, ASA would be granted right of first refusal to acquire these two parcels at market value commencing in year 2020 and ending no later than the year 2050 if the City decides to sell one or more of these properties.

In the right of first refusal document, the City will acknowledge that ASA’s ability to meet regulatory requirements, as well as meet ASA treatment volume requirements, will be important.
priority factors in the consideration of the City's disposition of these properties. In any transfer, the Fire Training Facility would remain at this location or at another location on ASA's site mutually agreeable to ASA and the City. Also, as ASA undertakes future facility replanning processes, it will look for opportunities at its existing site for the replacement of the City records center, archaeology lab and archives, as well as general storage or warehouse space. Any such provision of space for these functions now housed at 801 South Payne by ASA would be at the City's cost. The right of first refusal would also provide a credit for depreciated athletic field construction costs (i.e., athletic field value utilized) against the future purchase price of these properties from the City by ASA. A credit would only be applicable if ASA has not reclaimed the athletic fields for ASA use, and was willing to provide an additional 10-years of City use to 2037 of the athletic facilities. If ASA did not provide an additional 10-years of City use, then the credit would be prorated by depreciating the field costs over a 25-year period and then calculating the credit based on the depreciation divided by 25 and then multiplying that result by the number of years the City would be using the NMF field. The right of first refusal will be recorded in the land records of the City of Alexandria prior to ASA commencing construction of the tanks and the athletic facilities.

As discussed at the October 15 public hearing for the ASA expansion approval, the City Council needs to act on approving the right of first refusal for these two City properties separate from the land use actions. This Council action will be memorialized in the attached resolution that will allow this right to be recorded in the land records.

**FISCAL IMPACT:** 801 and 910 South Payne are currently assessed at $8.5 million with that value likely to increase over time. The elevated athletic field and related construction costs are estimated at around $3 million. With an estimated 25-year life, the capital value to the City for field use each year would be $120,000. If the City decided to sell 801 and 910 South Payne to ASA, then the sale proceeds to the City would be reduced by $120,000 for each year of use by the City of the elevated athletic field up to the $3.0 million estimated cost of the elevated athletic field with the City netting the balance of sale value of these two properties. If the City does not sell these two parcels to ASA, then ASA would bear the full cost of the athletic field construction. In any case, the City would be responsible for operating and ongoing capital maintenance costs of the athletic field. This field would become a part of the City's portfolio of athletic fields with Recreation, Parks and Cultural Activities responsible for field scheduling.

**ATTACHMENTS:**
Attachment 1: Resolution
Attachment 2: Map of subject parcels

**STAFF:**
Mark Jinks, Deputy City Manager
Faroll Hamer, Director, P&Z
Gwen Wright, Division Chief, P&Z
Jeremy McPike, Director, General Services
Katye North, Urban Planner III, P&Z
RESOLUTION NO. _____

Resolution authorizing the City Manager to sign a right of first refusal granting the Alexandria Sanitation Authority the future right to purchase certain city property located at 801 and 910 South Payne Street.

WHEREAS, the City owns two parcels adjacent to the Alexandria Sanitation Authority (ASA) facility to the east: the former animal shelter at 910 South Payne Street (0.56 acres) and the incinerator at 801 South Payne (1.2 acres) ("Properties"); and

WHEREAS, the ASA has expressed a concern about future constraints on their ability to expand should the need arise in response to future capacity needs or regulations; and

WHEREAS, should the City choose to sell the Properties in the future, ASA should be considered first as a potential purchaser in the event that the Properties could be used to fulfill their expansion needs;

NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1) That the City Manager be given the authority to execute the Memorandum of Right of First Refusal attached to this Resolution.

2) That this resolution shall be effective on the date and at the time of adoption.

ADOPTED: ______________

____________________
WILLIAM D. EUILLE, MAYOR

ATTEST:

____________________
Jacqueline M. Henderson, MMC City Clerk
MEMORANDUM OF RIGHT OF FIRST REFUSAL

This MEMORANDUM OF RIGHT OF FIRST REFUSAL (this "Memorandum") is made as of this ___ day of __________, 2011, by and among the CITY OF ALEXANDRIA, VIRGINIA, a municipal corporation ("City") and the CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY, a Virginia body politic and corporate (together with its successors and assigns, the "Authority");

WITNESSETH:

WHEREAS, City and Authority are parties to that certain Letter Agreement, dated October __, 2011 (as amended, the "Agreement"), whereby, among other things, City agreed to grant Authority a right of first refusal with respect to the right to purchase certain real property located at 801 South Payne Street and 910 South Payne Street in Alexandria, Virginia, and more particularly described on Exhibit A, attached hereto and incorporated herein, (the "Property") for the expansion of the existing ASA wastewater treatment facility;

WHEREAS, City acknowledges that ASA’s ability to meet regulatory requirements, as well as the needs to provide the treatment capacity required by City growth, will be important priority factors in the consideration of the City’s disposition of the Property; and

WHEREAS, City and Authority have agreed to execute this Memorandum evidencing the Right of First Refusal upon the terms and conditions set forth in the Agreement. Capitalized terms that are not defined herein shall have the meanings set forth in the Agreement.

Now therefore, in order to memorialize such Agreement, City and Authority do hereby covenant, promise and agree as follows:

1. **Term of Right of First Refusal.** The Right of First Refusal commences on January 1, 2020; and expires upon the earlier to occur of (i) January 1, 2050 or (ii) the date on which City and Authority enter into an agreement regarding acquisition of any portion of the Property; or (iii) Authority’s decision not to proceed with the acquisition of all or any portion of the Property following presentation by City to Authority of a proposed agreement with a third party for the transfer of such rights (the "Proposed Transfer Agreement") and City’s subsequent completion of the grant of all or any portion of the Property to said third party upon the terms and conditions set forth in the Proposed Transfer Agreement; provided, however, if only a portion of the Property is granted to a third party, the Right of First Refusal shall remain
in effect with respect to the remaining portion of the Property, subject to termination pursuant to (i) or (ii) above.

2. **Right of First Refusal.** In the event that the City receives a proposal, which may be in the form of a memorandum of understanding, letter of intent, application or other document for the sale, transfer, grant, vacation or conveyance of all or any part of the Property that it desires to accept, City agrees to give the Authority notice of such Transfer and a prior right to acquire the applicable Property on the same terms and conditions as provided in the Proposed Transfer Agreement.

   (a) The Authority shall have thirty (30) days after receipt from City of the Proposed Transfer Agreement to elect to exercise the Right of First Refusal. The Authority shall exercise the Right of First Refusal by notifying City, in writing, that the Authority has elected to exercise the option to acquire the applicable portion or portions of the Property on the same terms and conditions set forth in the Proposed Transfer Agreement. The Authority must exercise the Right of Refusal on all of the terms and conditions set forth in the Proposed Transfer Agreement and shall have no right to exercise the Right of First Refusal with respect to only a portion of the provisions of the Proposed Transfer Agreement. In addition, the Authority’s exercise of this Right of First Refusal must include the terms and conditions as stated in paragraph 3 below. In the event that the Authority does not timely elect to exercise the Right of First Refusal and, thereafter, to execute an agreement with City within thirty (30) days under terms and conditions substantially the same in all material respects as in the Proposed Transfer Agreement and including the additional Terms and Conditions listed below, City shall be free to enter into an agreement under terms and conditions substantially the same in all material respects as in the Proposed Transfer Agreement with a third party transferee and to proceed to completion of the transactions thereunder.

   (b) The provisions set forth in this Memorandum shall be binding on each party’s successors, heirs, and assigns. Notwithstanding anything set forth herein to the contrary, in the event that this Memorandum is terminated, the Right of First Refusal set forth in this Memorandum shall automatically terminate, and either party shall have the right to record a memorandum of such termination among the land records of Alexandria, Virginia, at its sole cost and expense. In addition, upon expiration or other termination of the Right of First Refusal, the Authority shall, upon request, execute and deliver a release of the Memorandum of the Right of First Refusal.

3. **Additional Terms and Conditions of Authority’s Offer:** the Authority’s exercise of this Right of First Refusal shall address the following terms and conditions in addition to the terms and conditions stated in the Proposed Transfer Agreement:

   (a) removing the portion of the Property where the Fire Training Facility is currently located from the sale of the Property in order to either allow it to remain in this location or finding an alternative location on the Authority’s site that is mutually agreeable to the Authority and the City and exchanging the property; and

   (b) during its facility re-planning process, the Authority will use its best efforts to provide a relocation site or sites on its existing property, at the sole cost of the City, for the
replacement of the City's records center, archaeology lab, archives and general storage and warehouse space that are all currently located on the Property; and

c) a credit for the cost related to the construction of the athletic field as approved in Development Special Use Permit #2009-0019 shall be allowed against the purchase price of these properties by the Authority in the following amounts:

(i) a full credit for the construction cost may be taken by the Authority if 1) the Authority has not reclaimed the athletic fields for the Authority’s use; and 2) the Authority is willing to provide an additional 10-years of City use of the athletic fields to 2037; or

(ii) if the conditions in paragraph (i) are not met, then the credit would be prorated by depreciating the field costs over a twenty-five (25) year period and then calculating the credit based on the depreciation divided by twenty-five (25) and then multiplying that result by the number of years the City would be using the athletic fields.

(iii) The credit for the cost of construction of the athletic field shall not exceed Three Million Dollars ($3,000,000).

4. **Counterparts.** This Memorandum may be executed in one or more counterparts, all of which when taken together shall constitute a single original.

5. **Termination and Release.** Following the expiration or termination of the Right of First Refusal in accordance with the Agreement, either City or Authority may effect a release of this Memorandum by recordation of a certificate with respect to such termination and upon recordation of such certificate by either City or Authority, this Memorandum shall be of no further force or effect.

{Signatures appear on the following pages}
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first written.

GRANTOR

CITY OF ALEXANDRIA, VIRGINIA
a municipal corporation

By: ________________________________
Name: ______________________________
Title: ______________________________

COMMONWEALTH OF VIRGINIA,
COUNTY/CITY of ________________, to-wit:

The foregoing instrument was acknowledged before me in my aforesaid jurisdiction by _______________ as ________________ of the City of Alexandria, a municipal corporation, this ____ day of ______________, 2011.

________________________________________
Notary Public

My commission expires: ____________________

Registration Number: ____________________
GRANTEE:

CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY, a body corporate and politic

By: ________________________ (SEAL)

Name: ________________________

Title: ________________________

Date: ________________________

COMMONWEALTH OF VIRGINIA,
COUNTY/CITY of _____________, to-wit:

The foregoing instrument was acknowledged before me in my aforesaid jurisdiction by ________________________, a body corporate and politic, this ____ day of _____________, 2011.

______________________________
Notary Public

My commission expires: ______________

Registration Number: ______________
Exhibit A

(Exhibit A will be the legal description of the land, which will be inserted before the agreement is executed and finalized.)
RESOLUTION NO. 2481

Resolution authorizing the City Manager to sign a right of first refusal granting the Alexandria Sanitation Authority the future right to purchase certain city property located at 801 and 910 South Payne Street.

WHEREAS, the City owns two parcels adjacent to the Alexandria Sanitation Authority (ASA) facility to the east: the former animal shelter at 910 South Payne Street (0.56 acres) and the incinerator at 801 South Payne (1.2 acres) (“Properties”); and

WHEREAS, the ASA has expressed a concern about future constraints on their ability to expand should the need arise in response to future capacity needs or regulations; and

WHEREAS, should the City choose to sell the Properties in the future, ASA should be considered first as a potential purchaser in the event that the Properties could be used to fulfill their expansion needs;

NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF THE CITY OF ALEXANDRIA, VIRGINIA:

1) That the City Manager be given the authority to execute the Memorandum of Right of First Refusal attached to this Resolution.

2) That this resolution shall be effective on the date and at the time of adoption.

Adopted: November 22, 2011

ATTEST:

WILLIAM D. EUILLE MAYOR

Jacqueline M. Henderson, MMC City Clerk
MEMORANDUM OF RIGHT OF FIRST REFUSAL

This MEMORANDUM OF RIGHT OF FIRST REFUSAL (this “Memorandum”) is made as of this day of , 2011, by and among the CITY OF ALEXANDRIA, VIRGINIA, a municipal corporation (“City”) and the CITY OF ALEXANDRIA, VIRGINIA SANITATION AUTHORITY, a Virginia body politic and corporate (together with its successors and assigns, the “Authority”);

WITNESSETH:

WHEREAS, City and Authority are parties to that certain Letter Agreement, dated October __, 2011 (as amended, the “Agreement”), whereby, among other things, City agreed to grant Authority a right of first refusal with respect to the right to purchase certain real property located at 801 South Payne Street and 910 South Payne Street in Alexandria, Virginia, and more particularly described on Exhibit A, attached hereto and incorporated herein, (the “Property”) for the expansion of the existing ASA wastewater treatment facility;

WHEREAS, City acknowledges that ASA’s ability to meet regulatory requirements, as well as meet the needs to provide the treatment capacity required by City growth, will be important priority factors in the consideration of the City’s disposition of the Property; and

WHEREAS, City and Authority have agreed to execute this Memorandum evidencing the Right of First Refusal upon the terms and conditions set forth in the Agreement. Capitalized terms that are not defined herein shall have the meanings set forth in the Agreement.

Now therefore, in order to memorialize such Agreement, City and Authority do hereby covenant, promise and agree as follows:

1. **Term of Right of First Refusal.** The Right of First Refusal commences on January 1, 2020; and expires upon the earlier to occur of (i) January 1, 2050 or (ii) the date on which City and Authority may enter into an agreement regarding acquisition of any portion of the Property; or (iii) Authority’s decision not to proceed with the acquisition of all or any portion of the Property following presentation by City to Authority of a proposed agreement with a third party for the transfer of such rights (the “Proposed Transfer Agreement”) and City’s subsequent completion of the grant of all or any portion of the Property to said third party upon the terms and conditions set forth in the Proposed Transfer Agreement; provided, however, if only a portion of the Property is granted to a third party, the Right of First Refusal shall remain
in effect with respect to the remaining portion of the Property, subject to termination pursuant to (i) or (ii) above.

2. **Right of First Refusal.** In the event that the City receives a proposal, which may be in the form of a memorandum of understanding, letter of intent, application or other document for the sale, transfer, grant, vacation or conveyance of all or any part of the Property that it desires to accept, City agrees to give the Authority notice of such Transfer and a prior right to acquire the applicable Property on the same terms and conditions as provided in the Proposed Transfer Agreement.

   (a) The Authority shall have thirty (30) days after receipt from City of the Proposed Transfer Agreement to elect to exercise the Right of First Refusal. The Authority shall exercise the Right of First Refusal by notifying City, in writing, that the Authority has elected to exercise the option to acquire the applicable portion or portions of the Property on the same terms and conditions set forth in the Proposed Transfer Agreement. The Authority must exercise the Right of Refusal on all of the terms and conditions set forth in the Proposed Transfer Agreement and shall have no right to exercise the Right of First Refusal with respect to only a portion of the provisions of the Proposed Transfer Agreement. In addition, the Authority’s exercise of this Right of First Refusal must include the terms and conditions as stated in paragraph 3 below. In the event that the Authority does not timely elect to exercise the Right of First Refusal and, thereafter, to execute an agreement with City within thirty (30) days under terms and conditions substantially the same in all material respects as in the Proposed Transfer Agreement and including the additional Terms and Conditions listed below, City shall be free to enter into an agreement under terms and conditions substantially the same in all material respects as in the Proposed Transfer Agreement with a third party transferee and to proceed to completion of the transactions thereunder.

   (b) The provisions set forth in this Memorandum shall be binding on each party’s successors, heirs, and assigns. Notwithstanding anything set forth herein to the contrary, in the event that this Memorandum is terminated, the Right of First Refusal set forth in this Memorandum shall automatically terminate, and either party shall have the right to record a memorandum of such termination among the land records of Alexandria, Virginia, at its sole cost and expense. In addition, upon expiration or other termination of the Right of First Refusal, the Authority shall, upon request, execute and deliver a release of the Memorandum of the Right of First Refusal.

3. **Additional Terms and Conditions of Authority’s Offer:** the Authority’s exercise of this Right of First Refusal shall address the following terms and conditions in addition to the terms and conditions stated in the Proposed Transfer Agreement:

   (a) removing the portion of the Property where the Fire Training Facility is currently located from the sale of the Property in order to either allow it to remain in this location or finding an alternative location on the Authority’s site that is mutually agreeable to the Authority and the City and exchanging the property; and

   (b) during its facility re-planning process, the Authority will use its best efforts to provide a relocation site or sites on its existing property, at the sole cost of the City, for the
replacement of the City’s records center, archaeology lab, archives and general storage and warehouse space that are all currently located on the Property; and

(c) a credit for the cost related to the construction of the athletic field as approved in Development Special Use Permit #2009-0019 shall be allowed against the purchase price of these properties by the Authority in the following amounts:

   (i) a full credit for the construction cost may be taken by the Authority if 1) the Authority has not reclaimed the athletic fields for the Authority’s use; and 2) the Authority is willing to provide an additional 10-years of City use of the athletic fields to 2037; or

   (ii) if the conditions in paragraph (i) are not met, then the credit would be prorated by depreciating the field costs over a twenty-five (25) year period and then calculating the credit based on the depreciation divided by twenty-five (25) and then multiplying that result by the number of years the City would be using the athletic fields.

   (iii) The credit for the cost of construction of the athletic field shall not exceed Three Million Dollars ($3,000,000).

(d) if the Proposed Transfer Agreement is an agreement between the City and ASA regarding acquisition of any portion of the property, then in order to assist ASA and the City in determining an agreed upon sales price, the City and/or ASA would commission one or more independent professional appraisals of the property or properties which the City may offer to ASA for purchase under this Memorandum.

4. **Counterparts.** This Memorandum may be executed in one or more counterparts, all of which when taken together shall constitute a single original.

5. **Termination and Release.** Following the expiration or termination of the Right of First Refusal in accordance with the Agreement, either City or Authority may effect a release of this Memorandum by recordation of a certificate with respect to such termination and upon recordation of such certificate by either City or Authority, this Memorandum shall be of no further force or effect.

{Signatures appear on the following pages}
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first written.

GRANTOR

CITY OF ALEXANDRIA, VIRGINIA
a municipal corporation

By: ______________________
Name: ______________________
Title: ______________________

COMMONWEALTH OF VIRGINIA,
COUNTY/CITY of ____________, to-wit:

The foregoing instrument was acknowledged before me in my aforesaid jurisdiction by ______________________ as ______________________ of the City of Alexandria, a municipal corporation, this ___ day of ____________, 2011.

__________________________
Notary Public

My commission expires: ______________________

Registration Number: ______________________
GRANTEE:

CITY OF ALEXANDRIA, VIRGINIA
SANITATION AUTHORITY, a body corporate and politic

By: __________________________ (SEAL)

Name: _________________________

Title: __________________________

Date: __________________________

COMMONWEALTH OF VIRGINIA,
COUNTY/CITY of ________________, to-wit:

The foregoing instrument was acknowledged before me in my aforesaid jurisdiction by
__________________________ as __________________________, a body corporate and
politic, this _____ day of _____________, 2011.

_____________________________
Notary Public

My commission expires: _________________

Registration Number: ___________________
Exhibit A