

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 21, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: RECEIPT OF DEVELOPMENT UPDATE FOR DSUP #2008-0011 MOUNT VERNON COMMONS

ISSUE: Development update for DSUP #2008-0011 Mount Vernon Commons

BACKGROUND: Approval of this project was originally requested by Carr Homes, LLC in 2005. It was recommended for approval by the Planning Commission on December 5, 2006, as being consistent with the Mount Vernon Avenue Plan Design Guidelines. The Council approved the DSUP on December 16, 2006.

The project is comprised of two buildings, ranging from three to four stories, located on a two-acre site at the intersection of Mount Vernon Avenue and Commonwealth Avenue. Uses include 141 residential apartments and 3,000 square feet of ground floor retail. Within the proposal was 1) approval of a concept design plan and approval of an increase in FAR with the provision of affordable housing; and 2) approval of a development special use permit, with site plan, to construct a residential building with ground floor uses, as well as approval of an FAR increase and for a reduction in the parking and loading space requirements.

At the June 14, 2008, City Council session, the current owner, Mount Vernon Commons, LLC, was approved for a one-year extension of the previously approved plan. At the request of a neighbor, the Council included a provision requiring an update on the project if demolition had not occurred on the site within six months.

In December, 2008, the owner provided the Council with a memo updating the status of the project and a description of some of challenges that have been encountered (see attachment). A neighbor provided testimony on this project, and the Council requested that the topic be placed on a January docket.

CURRENT STATUS: Staff and the applicant, Mount Vernon Commons LLC, have been working diligently to complete the Final Site Plan process. Simultaneously, the applicant has been working on resolving issues related to project financing and contractor selection.

The owner intends to be present at the January 27, 2009, Council meeting to provide an update on the project status.

ATTACHMENT:

Memo from Mount Vernon Commons, LLC dated December 10, 2008

STAFF:

Gwen Wright, Division Chief, Development

Mount Vernon Commons LLC
201 North Union Street, Suite 300
Alexandria, VA 22314

December 10, 2008

The Honorable William D. Euille, Mayor and
Members of the City Council
301 King Street
Alexandria, Virginia 22314

RE: Update regarding Mt. Vernon Commons LLC development of Triangle Site

Dear Mayor Euille and Councilmembers:

The purpose of this letter is to provide the Mayor and Council with an update on the status of our project at the intersection of Commonwealth and Mount Vernon Avenues, known as the Triangle Site. Since the extension was granted in June of 2008, Mount Vernon Commons, LLC has finalized and signed a commitment from BB&T to provide the construction financing for this project. However, in order to obtain this financing on mutually satisfactory terms, it became necessary for the owner to switch from the contractor that it had been using at the time of the extension to one that is fully bondable. The owner is currently negotiating a contract with Clark Builders Group for the construction of the entire project, including demolition of the existing structures. The documentation for both the construction financing and the institutional equity component has been agreed to and is expected to be in final form and circulated for signatures later this week. The financing will require that the Final Site Plan approval be in place, which the owner believes is the case contingent upon completion of a few ministerial matters as well as the payment of all necessary fees and posting of all required bonds.

The construction contract with Clark Builders Group is currently in the final stages of negotiation, with the expectation that a closing will occur prior to year-end, with construction to begin shortly thereafter. The owner also believes that it has addressed all staff comments regarding the Demolition permit and Foundation to Grade permit applications. All documentation associated with the full Building Permit application was submitted on or about December 5, 2008.

Thank you for your patience and support in these most difficult times. Please let me know if you need any further information.

Sincerely,

R. Stewart Bartley