EXHIBIT NO.

City of Alexandria, Virginia

<u>28</u> 9-23-08

MEMORANDUM

DATE: SEPTEMBER 18, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: PROPOSED ADDITION OF SMALL AREA LAN FOR POTOMAC YARD TO THE DEPARTMENT OF PLANNING AND ZONING WORK PROGRAM

ISSUE: A proposal to add the Small Area Plan for Potomac Yard to this year's work program for the Department of Planning and Zoning.

<u>RECOMMENDATION</u>: That City Council:

- (1) Direct staff to begin work on a Small Area Plan for Potomac Yard this fall, to be completed by the end of calendar 2009; and
- (2) Agree that no items shall be added to the Special Studies and Projects category of the work program until the completion of the Potomac Yard Small Area Plan.

BACKGROUND: The City Council approved the Department of Planning and Zoning's work program last spring. The work program included a Small Area Plan for Potomac Yard, to begin at the end of 2009 or beginning of 2010. Staffing levels were approved that would support the work program, but would not support additional work. Since that time, several unexpected events have occurred that create a pressing need to begin the Potomac Yard Small Area Plan sooner than anticipated.

<u>DISCUSSION</u>: Since the work program was approved last spring, the following events have occurred:

- The applicants for Landbay F (RREEF and McCaffery) have indicated they are now ready to move forward with a CDD Concept Plan and rezoning for the existing retail center (Landbay F), with a goal of approval by the end of 2009;
- Interest in a possible Metrorail station at Potomac Yard has intensified, and the Council has approved funding for a Metrorail Station Feasibility Study;
- A density transfer of 765,000 square feet of office from Landbay J and Landbay L to Landbay H and an accompanying increase in height from within Landbay H was approved by Council in June;

- As part of that density transfer the Council required a retail study to ensure a coordinated and comprehensive retail analysis would be completed prior to the approval of either Landbay F or Landbay G to ensure that site planning for both landbays can be done in a manner that creates the most viable and sustainable pedestrian-oriented retail area for the City; and
- The applicants for Landbays G, I and J are currently in the development review process, and we anticipate public hearings within the next three to four months.

This combination of events required us to reevaluate the advisability of waiting until end of 2009 to begin this planning effort. By that time the development approvals will have made a planning effort pointless.

The redevelopment of areas such as the approximately 69-acre retail center, the approximately 17-acre Landbay L and the possible Metrorail station and the associated land use and transportation issues need to be discussed as part of a comprehensive analysis to ensure that this large and important redevelopment area for the City is planned in a way that is consistent with the City's goals and objectives. The planning effort will allow the City to integrate and balance the elements such as land uses, traffic, bus rapid transit, parking, affordable housing, height, open space, and urban amenities more comprehensively; and to invite the public to take an active role in the creation of the plan. It will also allow us to coordinate the Metrorail Station Feasibility Study with planning issues.

The work program currently includes a category for Small Plans and Projects, to the amount of two staff years. In order to staff the Potomac Yard Small Area Plan this year, we are proposing to postpone any new items in the Small Plans and Projects category. We will complete the items in that category that are currently underway, such as small business zoning, green buildings, wayfinding, and the retail study for King Street. We are proposing to postpone the Washington Street Streetscape Guidelines and the Pattern Book For Infill, as well as other requests from the Council, the community, and developers that we otherwise would have been able to accommodate.

FISCAL IMPACT: City departments are reviewing their staffing and funding needs for this project. The funding for the consultants for the plan will be provided by the three development groups: RREEF/McCaffery (Landbay F); MRP (Landbays I and J); and Pulte-Centex (Landbay L). The developers have agreed in concept to an arrangement whereby an escrow account is created for the City's use in payment to consultants; the developers will contribute to the account in a ratio approximately commensurate with potential density gains. Staff will work with the developers to determine the exact amount, timing and other arrangements. Additional City funding may be needed, and may be discussed as part of the coming year's budget process. Discussions are underway with the developers of Landbay F concerning staffing for the development process for its large Landbay.

ATTACHMENTS:

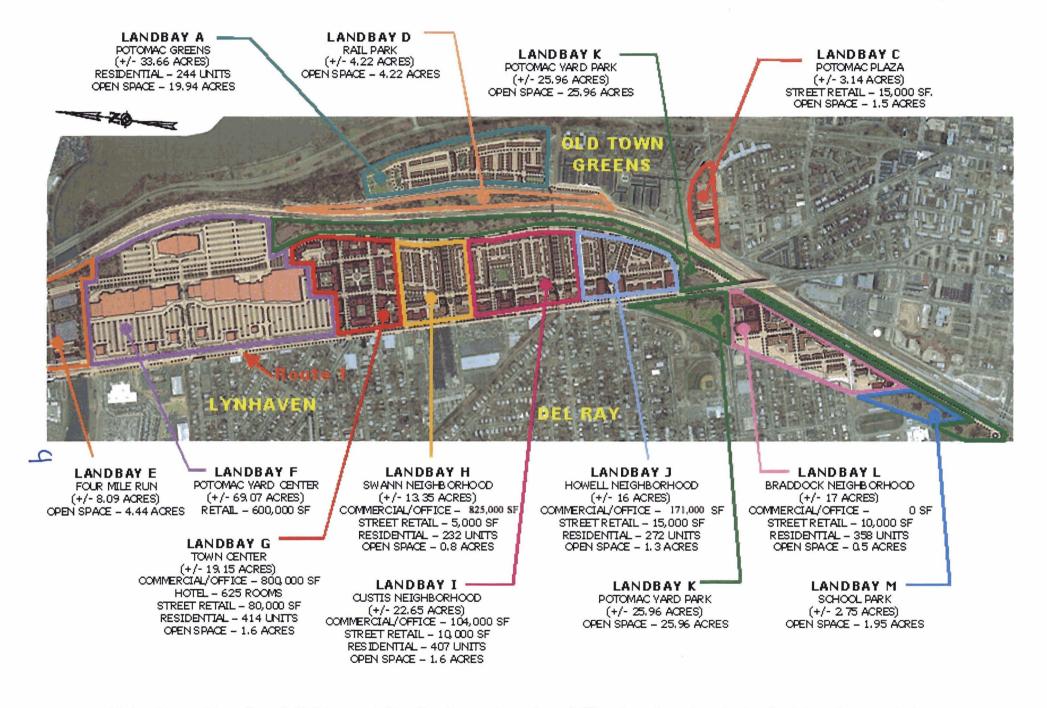
Attachment I: Potomac Yard Landbays Attachment II: Proposed Work Program

<u>STAFF</u>:

Faroll Hamer, Director, Department of Planning and Zoning Rich Josephson, Deputy Director, Department of Planning and Zoning Jeff Farner, Deputy Director, Department of Planning and Zoning Rich Baier, Director, Transportation and Environmental Services Mildrilyn Davis, Director, Office of Housing William Skrabak, Director, Environmental Quality, T&ES Mark Jinks, Deputy City Manager

Potomac Yard – Alternative Concept Plan

Attachment I



Note: Sizes of Landbay J, K & L are staff estimates and require additional engineering design to determine exact sizes.

DEPARTMENT OF PLANNING AND ZONING

Proposed Work Program FY 2009

