

DATE: JUNE 3, 1999

TO: CHAIRMAN AND MEMBERS OF THE PLANNING COMMISSION

FROM: SHELDON LYNN, DIRECTOR

PLANNING AND ZONING

SUBJECT: PROPOSED AMENDMENTS TO THE POTOMAC YARD/POTOMAC GREENS MASTER PLAN AND APPROVAL OF A CONCEPT PLAN

The Proposed Plan vs. The By-right Plan

The issue before the Planning Commission on the Potomac Yard application is different from other plans the Commission has acted on where the issue is whether or not to approve the proposal. In the present case, the issue is whether the Commission prefers 1) the medium density mixed use plan, with amendments, or 2) the by-right plan.

We have been told by CAP that Lazard Freres has become disenchanted with the high staff expenditures and the lack of return on the Potomac Yard project and that if there is no sign that something will be approved for development on Potomac Yard by this summer, Lazard will proceed with by-right development. It is worth noting that many of the higher level staff at Lazard in the land development area have been let go and replaced by new staff.

The by-right plan is a plan that CAP can carry out under existing zoning, without requiring any special use permits. Council action is not required for approval of that plan except for a TMP; the Planning Commission can approve the development as a site plan, as was done in the case of Potomac Yard Center. Staff has developed a by-right scheme as an example of what could be developed by right. (See Attachment D - Tab 10).

Some are skeptical that CAP will proceed with a plan that will produce only 3.8 million square feet of development instead of the six million square feet plan that CAP is now proposing. But the skeptics may not be aware that the proposed plan for Potomac Yard will require very substantial infrastructure costs, much of it in the early years, and the buildout of the project could easily take 10-20 years to complete. The CAP estimates of capital costs are shown in Attachment 1. The high capital costs and the long build-out make the investment a highly speculative one.

On the other hand, the by-right plan is one that can be accomplished with a fraction of the capital costs; there would be no obligation to provide parks which will cost \$33 million in the proposed plan or most of the local streets which are projected to cost \$57 million. CAP would still have to provide a new sewer line to the ASA plant on Cameron Run and make improvements to Route 1. There would probably be a major disagreement between the City and CAP over the need to provide a spine road through the site.

By contrast with the proposed plan, the by-right plan could probably be developed in a short period of time. Because the Potomac Yard Shopping Center is so successful, it is likely that the center could be expanded south to the GSA warehouse, increasing the shopping center by 50% or more. We are told that Target would like to expand its store and there are several others who have expressed interest in retail space. Development of Old Town Greens is proceeding well and there is apparently demand for additional housing sites. And there is a ready market for industrial storage buildings which are permitted by right on the bulk of the Potomac Yard site. In short, with moderate capital expenditures, CAP could likely sell or build out the project within a few years. It is true that CAP would earn smaller returns on the sale of the land, but it is possible that the by right plan could be equally attractive when one accounts for the differences in expenditure and risk levels. Therefore, I believe the choice for the City is not whether it wants the proposed plan, but whether the City wants the proposed plan or the by right-plan. A vote to defer to delay may be a vote to select the by-right plan.

What the Planning Commission Should Approve and What it Should Ignore

CAP has provided a large number of maps and plans and documents to illustrate their proposal. You will notice that most of the illustrative materials are clearly marked "for illustration only". That means that the development may look like the pictures that you have been shown, but it may not. CAP is not promising to build what is shown in those pictures. The Commission should remember that the day after a plan is approved, CAP could turn around and sell the project to another developer, and while the new developer might be as design sensitive as CAP, which assembled an excellent design team, the new developer could also be one with little interest in urban design and who makes money by putting up poor quality buildings. A new developer will have no obligation to produce a development consistent with the model and the pretty pictures that CAP has displayed. The three most important sets of materials which will define the nature of the project and which it is essential that the Planning Commission carefully review are:

1. The Concept Plan maps and conditions
2. The Urban Design Guidelines as modified
3. The Master Plan guidelines, as amended, including the land use map and the height limits map

The Concept Plan conditions and the Urban Design Guidelines (with changes proposed by staff) are complex documents which need careful attention. I recommend that the Commission reserve a portion of the June 9 work session for staff to respond to any questions Commissioners may have.

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The Urban Design Guidelines

The Urban Design Guidelines that CAP has submitted for this CDD, with any approved changes, will be part of any concept plan that is approved by the Commission and Council. The Guidelines form an extraordinary document in that it describes in great detail the standards to be imposed upon the site, so that the City can be assured about the dimensions and nature of the streets and parks; the document also provides some design guidelines for the buildings. The only document that the City has that approaches these design guidelines in the level of detail is the Carlyle design guidelines which provided great detail about building envelopes but little about the quality of the streets and public spaces.

The Guidelines should provide the City with assurance that the public domain--streets, sidewalks, parks, etc.--will be of appropriate size and quality. Many people have been disappointed by the quality of Cameron Station, especially the narrowness of some of the streets bordered by tall townhouses. The Potomac Yard design guidelines will result in streets that are more like Old Town than the narrow Cameron Station streets in that they will be wider--the houses will be set further apart than Cameron Station, often 66 feet; further, they will have parking on one or both sides of the street like Old Town. In addition, the townhouses in Potomac Yard/Potomac Greens will not have garage doors facing the street as is typical in Cameron Station and in most new suburban developments; rather, they will be more like Old Town with townhouse fronts along the street. This design comes at a price, however, because garages are accessed from alleys, which means that most of the townhouses are likely to have rear decks but no back yard. (It is worth noting that Old Town, much of which was developed before the advent of the motor car, could not be built as it is today under existing parking standards.)

In general, the Urban Design Guidelines for Potomac Yard/Potomac Greens should produce a plan of high quality. It should have handsome streets and neighborhood parks and playfields. I believe the best feature of the plan is the urban town center, an attempt to create an urban center with an open space similar in size to Market Square, surrounded by a mix of uses including office buildings, higher density multifamily housing, ground floor retail and restaurants, and a hotel with meeting facilities. The model for the town center is Reston Town Center in Fairfax County. (If you have never visited it, you should; it is one of the few attempts within this region to create an urban place in a suburban area.). Reston Town Center had some advantages over Potomac Yard in that its movie theaters were located in the center where they reinforce retail and restaurants; in Potomac Yard, the theaters are a substantial distance and a long walk through a vast parking lot away. Further, Reston's retail did not have the competition of a big box retail center when it got started; the big boxes came in many years later and both appear to be thriving. I recommend that the City take steps to increase the likelihood that the town center will succeed by transferring more office and multifamily housing from other parts of the site to the Town Center so that it will reach the critical mass to sustain retail and restaurants.

The best open space features of the CAP plan are the attractive neighborhood parks and the two new playfields. A third playfield will be built by CAP mainly on Alexandria City Schools' property.

Major Deficiencies with the CAP Plan

The Concept Plan submitted by CAP is, in my opinion, deficient in two regards:

- 1) the plan for Potomac Yard south of Howell Avenue, and
- 2) the open space proposals

The Area of Potomac Yard South of Howell Avenue

The plan CAP has proposed for the area of Potomac Yard south of Howell Avenue is not satisfactory (see their plan in Attachment B-3 - Tab 8). On the narrow triangle between the Monroe Avenue Bridge to Braddock Road, CAP proposes an office center of 600,000 sq. ft. in an isolated area with no access to Braddock Road, no street connections to the residential area to the east, and an extremely circuitous access to Route 1. I do not believe that any first class office users would choose that site.

CAP's reasoning for putting 600,000 sq. ft. of office north of the Monroe Avenue Bridge and another 600,000 and to the south of the bridge is based on a premise that I do not believe is valid: that by running a shuttle bus along Main Street to the general vicinity of the Braddock Road, Main Street becomes a transit accessible corridor. Shuttle bus service might be of some value if the transfer between the metro system and the bus system is seamless; such is not the case here. The transit user must exit the station and then walk to Braddock Road, under the railroad bridge and north along the tip of Potomac Yard to the bus turnaround area. The walk time, combined with the wait time for the shuttle bus will significantly add to travel times and discourage its use.

CAP's proposed plan assumes the continued existence of the Monroe Avenue Bridge. However, with the closing of the rail reclassification yard and the relocation of the CSX and AMTRAK rail lines to the east side of the yard, the bridge is no longer needed to span 650 feet of rail tracks and now represents a barrier to integrating different parts of the Yard together. The existence of the 40 foot high bridge makes location of a 110 foot office building adjacent to it on the south implausible. I do not believe any developer will select that site for office use except, possibly for low quality office. I recommend that much of the office space programmed for the area south of the bridge be moved to the Town Center, where it will reinforce the new commercial center. I have no problem with leaving a little office space south of the bridge, but I am skeptical that any will be built in that location.

Alternative Concept Plan

Planning Staff have developed an alternative plan for the area south of Howell Avenue that will cure many of the defects of the CAP plan (see Attachment B-3 - Tab 8). The staff alternative plan and calls for the replacement of the Monroe Avenue Bridge with a new structure that would connect Route 1, at its intersection with Slater's Lane directly and in a relatively straight line with Route 1 in the vicinity of Howell Avenue. This new

structure would pass over the CSX/Amtrak rail lines and set down in the Yard and then proceed at grade to existing Route 1 near Howell Avenue. The new road would have a free right turn connection that would allow northbound traffic to access the proposed spine road.

Under this alternative scheme, Monroe Avenue would be regraded, realigned and rebuilt. From about Leslie Avenue, Monroe Avenue would be lowered to the grade that exists in the Yard to pass under the new bridge structure and then and curl around to the north to connect with the spine road and Route 1. This scheme would permit all of the playfields to be consolidated onto the enlarged Simpson Field site to create a major recreation complex. Further, the scheme would permit the redevelopment of Leslie Avenue and the integration of the new residential units on Potomac Yard with the residential neighborhood to the west.

While I believe the alternative staff plan is preferable to the one submitted by CAP, the source of funds to pay the additional infrastructure costs that this plan requires has not yet been identified. CAP is understandingly unwilling to assume these additional costs, particularly since the costs are not tied to the provision of any additional development rights or the provision of any other item of value to it. Because it will take some time for the City to determine whether a source of funding for the alternative staff plan can be obtained, I am making the unusual recommendation that the City approve the CAP plan with staff recommended changes, but with a condition that the staff's alternative plan will replace the CAP plan and will become the operative concept plan for this CDD if a source of funding is for the additional infrastructure costs associated with the alternative concept plan.

CAP Open Space Proposals

CAP has proposed several attractive neighborhood parks that serve the residential neighborhoods well, providing relief from high housing densities. The open spaces designed to serve the larger City are less satisfactory.

Nearly half of the open spaces proposed are on land that CAP could not develop; some of it is of little value. The rail park, located between the metro tracks and the mainline rail tracks with access only from one end or by pedestrian bridge is of questionable value and the Police Dept. believes it may be difficult to maintain surveillance of the site. The Director of Recreation recommends accepting only the southern part of that area, possibly for a dog run area.

The open space on parcel C, between the two parts of Slater's Lane is effectively a traffic circle, with no protected access by pedestrians. Staff believes that it is of little value for park and is of use only for landscaping.

Probably the most significant open space issue is the location of a playfield at the northern end of Potomac Greens. The Director of Recreation believes the playfield, which is to be used for soccer, among other uses, should be moved to a better location on

Potomac Yard, preferably in the vicinity of other playfields to increase functionality and to decrease maintenance costs. The Director of Recreation notes that fields at Simpson Field are lighted, while the location at Potomac Greens cannot be lighted, which limits its utility for after school use in the fall. CAP strongly resists moving the soccer field because they signed an agreement with the National Park Service to limit the number of housing units that they will be permitted to build on Potomac Greens and believes that they will not be able to earn as much on the Potomac Greens playfield site as they can on Potomac Yard.

On the other hand, the two other playfields, the long linear park, the Town Center, and the neighborhood parks will be welcome additions to the supply of open space within the City.

Metro Station

The CAP proposal does not include a Metro station. While a new Metro station would be welcome, staff agrees with CAP that the proposed level of development is not enough to require that CAP provide the \$50-60 million cost of a Metro station. Nevertheless, I recommend several steps to increase the possibility of a new station in the future. First, I recommend a condition that CAP must identify, with input from WMATA, a plausible footprint for a metro station and then take no steps that would preclude the development of a station on that footprint. Secondly, I encourage CAP to move density from other parts of Potomac Yard to the Town Center site so that in the future, if the southern part of the Potomac Yard Center site is redeveloped for higher densities of office, retail and residential, there will be a critical mass sufficient to support a new Metro station.

Conclusion

In summary, the proposed plan is worth approving with the changes recommended by staff. The risks of not approving a plan by this summer and of getting the by-right development out weigh, in my opinion, the benefits that could be gained from delay and more study. After twelve years of planning and analysis, it is time to approve a plan for this, the last major undeveloped and unplanned site left in Alexandria.

cc: The Honorable Mayor and Members of City Council

Vola Lawson, City Manager

Attachment: CAP estimates of infrastructure costs for CAP Plan

ATTACHMENT

INFRASTRUCTURE REQUIRED FOR POTOMAC YARD/POTOMAC GREENS

SPINE ROAD \$ 33,000,000

SEWER 12,000,000

ROUTE 1 IMPROVEMENTS 3,000,000

COLLECTOR STREETS 9,000,000

INFILL STREETS AND UTILITIES 57,000,000

(SOME CAN BE SHIFTED

TO DEVELOPERS)

OPEN SPACE IMPROVEMENTS 33,000,000

\$ 138,500,000

Estimated by CAP