

Hunting Terrace Stakeholder Group Meeting

Thursday, January 18, 2007

Room 2000, City Hall

7:00 p.m.

Introduction

Mr. John Komoroske, Vice Chair of the Planning Commission and the Hunting Creek Stakeholders Group Leader, called the meeting to order at 7:00 p.m. Mr. Komoroske provided a brief overview of the meeting agenda, and then introduced William Skrabak, the Division Chief of Environmental Quality, Department of Transportation and Environmental Services, to discuss the environmental considerations involved in the site planning process.

Environmental Considerations Involved in the Site Planning Process

Mr. Skrabak provided a brief description of each of the issues the Department of Transportation and Environmental Services considers when reviewing a site plan. First, the Department determines the watershed in which the site is located, the amount of existing and proposed impervious cover, whether the site contains contaminated land, the existing and proposed quantity and quality of stormwater, and whether the site is located in a resource protection area or a floodplain. In addition to these considerations, the Department also reviews demolition permits to ensure the by-products of demolition are properly mitigated. Mr. Skrabak then described each of these considerations in greater detail.

Floodplain Management

At the Hunting Terrace location, the 100-year floodplain elevation is 11 feet above sea level. Occupied dwelling units and HVAC equipment must be located above the 11 ft base flood elevation. Underground parking is permitted below this elevation, but the parking structure must be flood proof. If floodplain levels are altered, for example by bringing in fill, an analysis is necessary to illustrate that these alterations do not negatively impact property owners downstream. If the floodplain levels will be altered, it is necessary to submit an application to the Federal Emergency Management Agency (FEMA) for review and approval.

Resource Protection Areas

The resource protection area (RPA) is a 100 ft buffer next to any perennial stream or water body, in this case Potomac River or Hunting Creek. When a wetland is adjacent to a perennial stream, the 100 ft buffer is extended to include the wetland as well as the perennial stream or water body. In the case of new development, an addition in impervious coverage within the 100 ft buffer is not permitted. If there is existing impervious area, redevelopment in the same footprint is permitted; however, it cannot be expanded. Typically if any work is proposed in a RPA, a water quality impact

assessment must be submitted to determine that the work will not significantly impact water quality.

Stormwater Quality

City Code requires that the runoff from all impervious areas be treated. The Hunting Terrace site is an older development, with presumably very little if any water quality treatment on the site. However, any impervious area whether existing or new, must be treated with a best management practice (BMP) to reduce the sediment and phosphorus loading, and to protect the Potomac River and the Chesapeake Bay. Typical BMPs are stormwater ponds, sand filters under parking lots, and a number of other treatments. Each is designed to treat the storm water and remove sediment, nitrogen, and phosphorus. In addition to BMPs, it is also possible to restore resource protection areas for credit toward stormwater quality.

Contaminated Land

Contaminated land is regulated through the redevelopment process. During the redevelopment process, the City has the authority to discuss the techniques proposed for the clean-up of contaminated land.

Noise Study

Typically, the City requires that a noise study be conducted in order to evaluate surrounding sources of noise, such as the Capital Beltway. It is then the responsibility of the developer to minimize these noise sources. The City often requests upgraded building construction methods and windows in an effort to minimize noise impact on interior spaces.

Demolition Permits

The Department of Transportation and Environmental Services also reviews demolition permits to ensure a reduction in dust and other potential contaminants, such as asbestos and lead paint, during demolition. Any future demolition on the Hunting Terrace site, is subject to review to mitigate any possible environmental issues.

Questions and Comments from Stakeholders and Participants:

All questions and answers are summarized following the presentation summaries.

Common Themes of the December 6, 2006 Stakeholder Meeting

Rich Josephson, Acting Director of the Department of Planning and Zoning, provided a summary of the December 6, 2006 stakeholder meeting. He indicated that the purpose of that meeting and was for stakeholders to identify and consider issues and opportunities associated with the proposed redevelopment in this area. Mr. Josephson then described

the common themes identified by the individual stakeholder break-out groups. Common themes included:

- The desire to combine the Hunting Towers and Hunting Terrace sites in order to consider the future of the area in a holistic manner;
- The heights of the buildings proposed on the Hunting Terrace site remain an issue of concern. If the number of affordable units proposed were greater, the height may be more justified;
- The lack of shared amenities between luxury and workforce housing;
- Concern about the lack of balance in the number of market units for sale and affordable units for rent;
- Whether rental or ownership, there is a concern that the workforce units are available on a long-term basis. There is a desire to look at preserving the availability of the affordable units in perpetuity;
- Non-profit organizations should be involved in the management of affordable units.
- There was a question if the number of units proposed was extraordinary;
- Frustration with the lack of participation by the Virginia Department of Transportation (VDOT) in the process.

Mr. Josephson stated that in the month between the last Stakeholder meeting and the January 18th meeting, many of these concerns were discussed in a productive manner. The meeting served as an instruction to staff that alternative options must be considered. Staff plans to describe the options listed below at the next meeting:

- Combination of Hunting Towers and Hunting Terrace sites with lower heights;
- A third tower on the Hunting Towers site and some development on the Hunting Terrace site;
- A mixture of affordable and market rate units, similar to what has been proposed but with varying heights; including the preservation of some existing buildings on S. Washington Street.

These options will be discussed at the next meeting to ensure that all options and recommendations have been considered.

Presentation by IDI Group Companies

On behalf of IDI Group Companies, Mr. Guiseppe Cecchi addressed the stakeholder group. He explained that at the December 6th meeting, the comments and recommendations from the stakeholders were heard. The most common and unanimous concern expressed was about the loss of affordable housing and the importance of retaining affordable housing. A second concern was that the current proposal only deals with the Hunting Terrace site and the stakeholders felt that the plan should include both sites. After hearing the input, IDI came to the conclusion that to move the project forward it was essential to include the preservation of Hunting Towers in the proposal.

Accordingly, IDI developed a new framework that includes Hunting Terrace and Hunting Towers, which is consistent with the December 2005 proposal.

The proposal will preserve all 500+ affordable units on the Hunting Towers site and will develop luxury condominiums on the Hunting Terrace site. IDI does not presently own the Hunting Towers site, so they have proffered, as described below, to the City that they will purchase the Hunting Towers site when it becomes available.

IDI plans to file for approval of a project on the Hunting Terrace site consisting of 416 condominiums in two 5-story buildings facing S. Washington Street and two 14-story facing Hunting Creek. As a condition of approval on the Hunting Terrace site, IDI has proffered that it will acquire Hunting Towers from VDOT as soon as it is offered for sale at an amount not to exceed the value of Hunting Towers, if preserved as workforce housing, plus \$20,000,000. To guarantee the firm commitment to acquire Hunting Towers, IDI will post a \$20,000,000 letter of credit, which will be released at the closing of the Hunting Terrace site. If VDOT's price were higher than the IDI maximum price, the City would have the option to contribute the difference or permit IDI to sell a units not purchased by tenants at market price to compensate for the acquisition (no more than 25% could be sold in such a manner).

In addition, IDI proffered to repair and renovate the Hunting Towers units and sell the units as follows:

- The units would first be sold to Hunting Towers and Hunting Terrace residents who were residents on December 15, 2005.
- The units would then be offered to the City of Alexandria and school district employees.
- Up to 100 units would be offered to the City Housing Corporation or a non-profit organization to maintain as rental units.
- Finally, the units would be offered to the general public.

IDI will cooperate with the City to establish appropriate resale criteria. In this proposal, Mr. Cecchi indicated that the City would grandfather all existing conditions at Hunting Towers, including parking, and that the City would also expedite the approval process for the Hunting Terrace project as previously described.

IDI intends to also file a development plan for the Hunting Terrace site consisting of 300 luxury condominiums in 5-story buildings which complies with the existing zoning regulations, including heights, and asks that the City process this plan concurrently with the aforementioned plan.

Discussion on Community Benefit Agreements

Mr. Boyd Walker, a stakeholder group member, explained the concept of a community benefit agreement to the group. He stated that a community benefit agreement is an agreement among stakeholders and then suggested that such an agreement might be

helpful in this particular case as the community benefit agreement would offer a resolution to which the stakeholders could agree, in spite of the varied interests including historic preservation and affordable housing. All the stakeholders would sign the agreement. A further description of the community benefit agreement is available on a link from the Department of Planning and Zoning website. Planning and Zoning staff will also email the link to the stakeholder group members.

Questions and Comments from Stakeholders and Participants:

Question: Are you saying that the RPA doesn't count at the edge of the wetland?

Response: The RPA is extended to provide a buffer from wetlands. Rather than being measured from the top of the bank, the RPA is measured from the wetland boundary.

Question: Where were the materials from the earlier demolition from Hunting Terrace taken?

Response: Some of the brick was crushed for aggregate and reused and other material was sent to a demolition and debris landfill. VDOT had language in their contract to try and reuse some of the material.

Question: When you stand on the site and look at the RPA, should we look at this area as though it will be protected during and after construction? Or will this area be used during construction?

Response: If there is existing impervious surface on the RPA, impervious surface can be replaced. The Chesapeake Bay Protection Act regulations make it difficult to create new impervious surface on the site. There are temporary encroachments permitted, to accommodate utilities or outfalls, but it is very difficult to add permanent impervious area in the RPA even with compensatory removal of existing impervious surface. The rule of thumb with regard to RPA's is to minimize impacts as much as possible. Where it is not possible to minimize impacts, mitigation must be completed. The water quality impact assessment required to be review by the City with a development proposal can assist in identifying the potential impacts and mitigation efforts.

Question: In previous meetings there have been questions related to underground water flow around the site. Can you describe how construction can affect underground water flow?

Response: In most cases with development, impervious coverage is added to the site and as a result, the ground water level will drop. This is reviewed during the development review process, but at times it is difficult. A lot of new buildings with underground parking have drains which are piped to a discharge. Ground water elevations are typically reduced with new development rather than increased.

Question: How many weirs are upstream?

Response: Most of the existing weirs are upstream of the Capital Beltway. There are about 4 or 5 large weirs in the stretch of Cameron Run that are further upstream. A weir can be made of concrete, large stone, or metal that is a structure in a stream to help control and dissipate the energy so that it is not incising and cutting the stream channel to control the grade of the stream and dissipate the energy.

Question: What is the impact of removal of these weirs?

Response: The City has begun studying the Holmes Run and Cameron Run Watersheds, with a community meeting scheduled for February 5, 2007. It is not necessarily that the weirs would be removed entirely, but techniques would be implemented to allow fish passage. In terms of this site, it doesn't appear as though removal of a weir would impact it. A feasibility study would provide further information on this.

Question: Will the Cameron Run study evaluate the Porto Vecchio area? It seems as though there has been a lot of sediment deposit recently.

Response: The study did not originally include this area, but staff will take this comment back to those conducting the study. It is important to remember that natural systems ebb and flow due to weather and development. Any development plan has an Erosion and Sediment Control Plan during the construction process and the BMPs are designed for post construction sediment control.

Question: Will the visual analysis of the viewshed be continued and made available prior to and during the February meeting?

Response: Yes, we will make them available.

Question: What is the next step?

Response: Eventually this process will lead to a hearing before the Planning Commission and the City Council as to whether to allow additional height in exchange for affordable housing.

Question: What has the Planning and Zoning staff done in reviewing the current proposal as it pertains to the Washington Street Standards?

Response: Earlier in the process, the Washington Street Standards and the requirements for development on lots fronting Washington Street were discussed. While the presentation on the Washington Street Standards is available on the Planning and Zoning website, the staff will also provide an assessment of how we feel that the proposal complies with the Washington Street Standards.

Question: What is the IDI-Kay maximum price for the acquisition of the Hunting Towers site?

Response: We have an idea of the price, but due to the litigation, we cannot make the amount public at this time. One of the key components of this plan is to

purchase the site at the fair market value. Voicing a number would have an impact on achieving the fair market value.

Question: Are the 100 units guaranteed?

Response: Yes, as far as IDI is concerned, the 100 units would be affordable. It would be up to the City to either purchase or locate a non-profit to operate the units. Based on experience, it is anticipated that 100 units would remain affordable housing.

Question: A few meetings ago, there was an assertion that there was a street network that extended to Hunting Creek. Despite research, we cannot find a plan that extended the street network below the Freedmen's Cemetery. Can this be provided?

Response: The original plan of the City shows a grid of streets that includes the Hunting Creek area. Only Washington Street was connected. Alfred Street was created at the time of development of Hunting Terrace.

Question: Can you give any sense of movement from VDOT moving toward a more constructive process?

Response: There is encouraging news but it is not possible to provide too much detail due to the litigation. After several meetings, there is now a dialogue between VDOT and IDI-Kay, which could mean an early settlement. Negotiations are ongoing.

Question: Please provide further information on the \$20 million letter of credit.

Response: The \$20 million letter of credit represents the excess profits generated by the units constructed on the Hunting Terrace site. The excess profits can be used to subsidize the Hunting Towers site to preserve affordable housing. The excess profits in the previous scheme were going to be used toward the construction of 116 new affordable units on the Hunting Terrace site. A greater number of units are now being proposed and the excess funds from selling these units (\$20 million) will be used to subsidize the renovation of Hunting Towers.

Question: What is to prevent another developer from going to VDOT and paying perhaps a higher price that VDOT would like?

Response: The law requires that VDOT offer Kay, the original owner, the property at fair market value. IDI is partnered with Kay, and therefore has the right of the first offer. Unfortunately, when VDOT previously made an offer, IDI did not feel as though it was the fair market value. If negotiations fall through now, VDOT will have to, by law, offer the property back to Kay. If the price is higher than the IDI maximum purchase price, the City can either buy the units or the units will be sold.

Question: In the worst-case scenario with a by-right development, will affordable units be provided on the Hunting Terrace site?

- Response:** No, if proposal were denied, there would be no affordable units. There would be an ordinary affordable housing contribution.
- Question:** Does the City have a cap of how much they can contribute and would there also be an opportunity for a third party to enter? Also, how will the market forces affect this project (condos versus rentals)?
- Response:** The City has not determined what its contribution might be. A third party could participate. The market can only bring the VDOT price down because the value of Hunting Towers has gone down since the litigation has begun.
- Question:** What is the original VDOT asking price?
- Response:** VDOT originally asked \$84 million.
- Question:** For how much did VDOT purchase the Hunting Towers and the Hunting Terrace sites?
- Response:** It is believed that \$90 million was paid for both the Hunting Towers and Hunting Terrace sites.
- Question:** In terms of the ownership of the affordable units, would IDI consider more than one non-profit owning these units?
- Response:** Yes, the agreement really encourages the City to purchase the units or designate a non-profit(s) to purchase the units.
- Question:** If you have 400 luxury units to sell, do you need the height to make a return?
- Response:** Really only the top 4 floors will have an uncontested view of the Potomac River. As we just heard, the market is going down and may not make as much money as originally anticipated.
- Question:** Is there a distinction between the tenants that have lived in the Hunting Towers since December 15, 2005 and the general public in terms of buying a new unit?
- Response:** Any person that is living at Hunting Towers at the time of the conversion is eligible to purchase. Only those persons living there on or before December 15, 2005 would be eligible for the first purchase under those terms.
- Question:** If the City were to determine that a third tower is feasible on the Hunting Towers site, is this something that IDI has considered?
- Response:** IDI would rather wait to hear the City's analysis of the site, as according to IDI's analysis, there is very little buildable land remaining.
- Comment:** If affordable rental housing comes from the non-profit purchase, it removes the possibility of using tax credits, thereby increasing the cost to a non-profit. The easiest way to include a non-profit in this process is to

involve them in the process pre-rehabilitation as they can then use tax credits for rehab purposes. Without tax credits, it is much harder for non-profits.

Question: Would the units be sold at prices based on current rent or market rent?

Response: The units would be sold, including condo fees, at a price comparable to the market rent. There were tremendous variations in the rents prior to VDOT purchase of the property. Due to this variation, IDI has always talked about selling for prices based on market rent.

Question: With the two properties, how will this affect the gateway entrance into the City?

Response: This will allow there to be consistency between both sides of the street, thereby creating a consistent gateway. The green of the parkway can be extended on both sides of the parkway with two rows of trees on both sides of the parkway, creating the feeling of a gateway.

Question: A memorial circle should be included as a gateway feature to help slow traffic. Could the National Park Service be included to develop this gateway?

Response: The National Park Service staff had started to do an analysis. Staff has been consistent in their position that the bulk of the buildings above sea level affect the gateway. The National Park Service doesn't know where a traffic circle could fit due to a radical change in grade.

Comment: A southern gateway is ongoing with the Woodrow Wilson Bridge Task Force.

Comment: Old Town is not just King Street and Washington Street. It is a large area that includes this site. If you are traveling down the Parkway, and you see Potomac Greens, you will see that the City and the Park Service have worked together to mimic the historic, residential character of the City. If you are traveling on the other end from Belle Haven, you are hit with a totally different feeling of the large, tall buildings. The height must be dealt with.

Comment: A session specifically devoted to community benefit agreements may be useful.

Comment: This would be beneficial. The stakeholder group pits two deeply held beliefs against each other and we are almost guaranteed a win and a loss. This would offer a compromise. This is well worth thinking about.

Next Steps

The next Hunting Terrace Stakeholder Group meeting is planned for February 15, 2007. Prior to the next meeting, please read the community benefit agreement document. We will discuss the community benefit agreement further at the February 15th meeting.

Attendees:

Stakeholder Group

Members

Jim Mercury
Lewis Simon
Phillip Bradbury
Charles Benagh
Caroline Faiella
Maurice Barboza
Ardith Dentzer
Colleen O'Shea
Van Van Fleet
Chuck Trozzo
H. Stewart Dunn
Boyd Walker
Lee Weber
Nancy Carson
Herb Cooper-Levy
Michael Hobbs
Ellen Pickering
Ann Glennon
David Bush
Holly Hemphill
Joan Renner

Marguerite Lang

David Murphy

Sean McCabe

John Komoroske

Other Participants

Joe Bennett
Nicholas Martin
Maria Wildes
Elizabeth McQuade
Dave Chun
Alison Ris
Katie Cannady
Julie Crenshaw Van
Fleet
Douglas Thurman
Eleanor King
Mary Young
Bernie Shultz
Eric Bryda
Liz Santos
Michelle L'Heureux
Katherine Fogden

Hume Ross

Melissa Allen

Lorraine Waniell

Rick Stepp

Bruce McLeod

Carlos Cecchi

Guiseppe Cecchi

John Cecchi

Howard Middleton

Staff

Rich Josephson

Mildrilyn Davis

Bill Skrabak

Kathleen Beeton

Jeff Farner

Helen McIlvaine

Shane Cochran

Gary Wagner

Pat Mann

Tom Canfield

Ralph Rosenbaum

Jessica Ryan