Eisenhower West Industrial Land Use Study

Record of Responses to Public Comments

City of Alexandria, VA
301 King Street
Alexandria, VA 22314

Amended: September 21, 2009

Table of Contents

Commenter #1: Covanta Alexandria/Arlington Inc.

Michael Renga, Business Manger
Covanta Alexandria/Arlington, Inc.
5301 Eisenhower Ave
Alexandria, VA 22304

1. Page 1, Bullet 3: Change "incinerating" to "processing"

   The change has been noted.

2. Page 2, Table ES-1; Page 19, Table 1; and Page 22 paragraph and Figure 3,: Tax revenue to the City for Covanta should be $1,060,000 (property taxes=$910,000 and business license=$150,000)

   For the Fiscal Year 2009 (July 1, 2008 through June 30, 2009), Covanta paid property taxes of $871,775, with a check written to the City of Alexandria. The gross receipts tax for that same fiscal year was $150,297.38. These are slightly off from the numbers reported in the report, which were estimated numbers versus the actual numbers.

3. Page 3, Paragraph 1: Add that communities continue to need solid waste services, asphalt services, etc

   The change has been noted.

4. Page 3, Table ES-2; Page 20, Table 2; and Page 25, Table 4: The emissions for Covanta are incorrect. What was the source used for PM2.5? According to VDEQ the number should be: CO- 81.8, Nox-496.78, PM10- 1.45, SO2- 7.47, VOC- 2.28.

   Covanta provided 2008 stationary air emissions data for use in Table ES-2, Table 2, and Table 4. Currently, these tables have the combined 2007 emissions for both the stationary sources and vehicle traffic associated with the industrial operations. The 2008 stationary source data is not yet available on Virginia Department of Environmental Quality's (VDEQ) website. Although major sources were required to submit annual emissions data for 2008 to VDEQ in April, VDEQ will not publicly release the 2008 data until it completes the quality control process.

   For clarity the year (2007) has been added to the title of the table. In addition, a footnote has been added stating "The 2007 emissions estimates are the latest publically available data from VDEQ".

5. Page 4, Table ES-3 and Page 31: For note (b) revise to read "HDR estimated business relocation/cessation cost for the Covanta site does not include property acquisition.

   The change has been noted.

6. Page 7, Table ES-6: Does the modeling numbers change when MACTEC uses updated emissions numbers for Table ES-2 for Covanta?

   Using 2008 data would have a negligible effect on the analysis and conclusions.

7. Page 22, Economic and Employment Diversity: What basis?

   The jobs associated with the industrial uses, as shown in Table 3, represent less than a quarter of one percent of total city employment (101,310 according to the City of Alexandria and Virginia Employment Commission).

8. Page 26: Insert new Table 5 and add the following language, "Table 5 shows the 9-year stack test results of the Covanta Facility and compares to the EPA permitted limit. For seven of the nine priority pollutants, the nine-year average results are greater than 90% below the allowable emissions level.

   The table provided by Covanta has been added to Appendix C.

9. Page 27: Change "Table 5" to "Table 6"

   The table suggested as Table 5 has been added to Appendix C. The existing Table 5 in the report will remain Table 5.

10. (Added 9/21/09) Thank you and the entire team for the efforts you put into the Study. I found the public meeting last night to be informative and productive.

    I also share the same comment as VA Paving and Vulcan in their written comments with regards to noise comment. I am not aware of any noise complaints by area residents or businesses for our Energy from Waste (EfW) Facility. In addition, we were accepted into OSHA's elite Voluntary Protection Program (VPP) which is the highest honor given to any manufacturing/industrial facility that meets or goes beyond the OSHA safety standards. We have had no noise violations or issues with OSHA. Finally, many of the staff at P&Z have been on a tour of our EfW in 2009. Hearing protection is required for many places inside the plant but if you walk on the outside perimeter of the plant whether on our property or along the sidewalks, noise is clearly not a factor. Please don't take my word for it, ask P&Z staff if they remember noise being an issue outside the plant.

The noise comment should be removed from Table ES-1, Table 1 and any other place in the Report that describes Covanta Energy.

The change has been noted.

Commenter #2: Donald N. Buch

Donald N. Buch
Alexandria Resident

Thank you for the opportunity to comment on the draft Eisenhower West Industrial Land Use Study. I have no issue with the quality of the work produced by the consultants; the detail is impressive. The bulk of my concern is focused on whether or not that detail and the consultants themselves were indeed necessary. As I suggested back in February, I believe that the key conclusions might reasonably have been drawn without any need to spend $125,000 on consultants, especially when the City budget is under such strain.

1. Did we really need a $125k consultant to advise us that moving a $300 million Covanta plant to free up less than 4 developable acres doesn't come close to being economically viable? And how great a demand could one reasonably expect for resultant housing units offering views over Eisenhower/the Metrorail line/VRE line or, alternatively, over the Norfolk Southern rail line and ethanol transloading facility? Not to mention the impact of significant escalations in waste disposal charges as our trash is transported to what would likely be a far more remote location. (Was the additional $45,000 spent on the Covanta study paid for by the City?)

   The purpose of this study is to gather the facts to inform future planning efforts and provide a solid basis for decision-making. The Covanta energy-from-waste plant was one of four heavy industrial properties that were the focus of the study. The total site area of all four properties is approximately 49.5 acres, which is sufficient for redevelopment. The existing residential developments in proximity to the heavy industrial uses and rail lines were developed after the establishment of these facilities. Therefore, it is reasonable to conclude there would be some demand for transit-oriented development near the Van Dorn Metro Station despite the existence of the Norfolk Southern rail lines.

   The additional $45,000 for the analysis of the Covanta energy-from-waste plant was funded by the Board of Trustees for the City of Alexandria and Arlington County.

2. Did we need a $125k consultant to tell us that Norfolk Southern (which appears central to the actions of several others) wouldn't participate in the study, given that the City is suing them? Even if NS did co-operate, is it realistic to think that having them move their rail line to some other location is either practical or economically viable? What has been the City's response to Norfolk Southern's apparently long-

outstanding request that the City propose alternative locations should we wish them to relocate?

The City does not expect nor assume that Norfolk Southern would relocate the rail line. For the purposes of analysis, the development scenarios assumed that Norfolk Southern would relocate the ethanol transloading activities; however, the rail line would remain active.

Norfolk Southern has made it clear that they do not believe that the City can legally compel them to relocate. While the City has asked Norfolk Southern to consider several alternative locations along their rail lines for the ethanol transloading operation - both in and outside of the City - Norfolk Southern has made it clear that they believe they considered all reasonable alternatives before selecting the current site and are not particularly interested in voluntarily moving. They have also suggested that if they would voluntarily consider moving to any alternative location, they would expect a very favorable compensation package for their investment in the existing site, plus any loss of business involved in a move and any additional related costs involved in the switch.

3. Vulcan and Virginia Paving are essentially here because Norfolk Southern is. Is there any reason to expect that they would, at great expense, relocate away from the/a rail line? And if Norfolk Southern won't talk to us, how far is anyone going to get assessing alternative futures for Vulcan and/or Virginia Paving?

   The study was undertaken to identify alternative locations for both Virginia Paving and Vulcan and related cost of such relocation. Vulcan and Virginia Paving utilize the rail line for transport of goods, therefore it was assumed that any alternative location would need to be located adjacent to an active rail line.

4. Back in February I was told by P&Z that "Council specifically requested that <u>staff</u> [my underline] study the potential relocation of the four industrial uses as part of the study." Was it not implicit that they thought "staff" could handle the task? With respect to the study and the challenges it might present, was it not salient that none of the entities had expressed any desire to relocate? Or that Norfolk Southern refused to participate in the study? Or that the most rudimentary calculations would indicate relocation(s) made no economic sense? Was there no alternative but to pay a consultant $125k for this information? Could no one in P&Z or economic development ask the questions of the users or pencil out a preliminary financial evaluation?

   In June 2008, the City Council allocated $250,000 to hire a consultant for this purposes of this study. In September 2008, the City Council reduced that amount to a base cost of $120,000 with the potential to add up to $50,000. It was City Council's intention for staff to manage the preparation of the study with consultant support.

In part, this was because the study does involve some specialized expertise (redevelopment of industrial sites has some atypical economic and environmental issues). In addition, staff were fully engaged in other projects which would have to be deferred if more staff resources were devoted to this study.

5. We already have a Landmark/Van Dorn corridor plan seemingly to attract similar users and amenities (retail, housing, office, green space) to an area, which is effectively adjacent to Eisenhower West. How's that going? Have we learned anything from it? Should we be diverting our attention away from it to start chasing another rainbow - this one seemingly much less economically viable? In February I was advised by P&Z that the study would not only look at "the popular concepts of office, residential and retail" but also "a mix of 'green' or less intense...uses". If the numbers don't start to pencil for "intense" uses how could anyone suggest they'll pencil for parks and walking trails? And, again, do we need a $125k consultant to figure that out?

   The Landmark/Van Dorn Corridor Plan was undertaken in response to property owner and City interest in redevelopment of Landmark Mall, and the anticipated spinoff from that redevelopment. Changes in the development market and the recent bankruptcy of General Growth Properties, the owner of the mall shops and the expected applicant for redevelopment of the mall, have delayed the mall's redevelopment.

   When financial markets return to a condition in which commercial projects with long-term potential can be financed, we still expect the major commercial properties in the Landmark/Van Dorn area to be redeveloped over the next 10 to 20 years.

   The study looked at several different scenarios, a technique that provides considerably more information for future planning because it shows how the results change when we vary our assumptions.

6. Do we have no one in our entire City Administration that could make these assessments? Is there no one in economic development that can do the math? Given the magnitude by which the options are clearly economically unrealistic, it is difficult to understand how the key conclusions could not be deduced in short order. Back in February I was told "...this study is to determine the circumstances under which the potential value of mixed use redevelopment is sufficient to meet the expanded costs of removing or relocating the industrial uses." Was there no alternative but to pay $125k to reach what was seemingly a foregone conclusion had even the most rudimentary of calculations been made before any consultants were hired?

   The City has many capable employees and some of the work was done in-house. Certain aspects of the study, including the Pro-Forma calculations for the various *development alternatives as well as some of the environmental analysis were best suited for a consultant with expertise in these fields. Furthermore, due to the sensitivity of the various industrial uses and the on-going legal challenges with Norfolk/Southern, the City determined a consultant was more appropriate to under take this specialized study.*

7. Which leads me to what I would suggest is a rather astounding statement in your documentation of questions raised at your February 26th meeting. In response to question "c" in the section "Council Request for Study" we are told "Planning and Zoning staff have the talent and expertise to conduct this study." So, why didn't they? The noted response goes on "However, given the competing interests of this study it is best to have an objective third party prepare the report. As a consulting team we ("we"?) do not have a vested interest in the outcome of the study." How interesting.

    a. First of all, who is "we"? This is written on P&Z letterhead yet the response says "As a consulting team...we..." Are hired consultants writing responses for our P&Z Department? On P&Z letterhead? And posting them on the P&Z website seemingly as coming from P&Z? If, in fact, the consultant is writing the responses for P&Z would it not be entirely appropriate to question if <u>they</u> might have a "vested interest" in whether or not a consultant is retained to prepare the study as opposed to having City staff prepare it?

       The purpose of the February 26th meeting notes was to document the questions raised during the meeting and the answers provided. The meeting notes were prepared by city staff and as a result were put on Planning and Zoning letterhead. During the meeting, some of the questions were answered by the consultant team and others were answered by city staff. Question "c" in the section "Council Request for Study" was answered by the Consultant Team.

    b. Taken at face value, does this not say that our P&Z department cannot be relied upon to approach such a study objectively?

    c. Does it not also imply that P&Z might (or would) have a "vested interest" in the outcome? Is there truly confusion within P&Z as to who you and your associates work for and whose interests you are expected to represent? Does P&Z commonly have "vested interests" in issues we are asking them to evaluate on behalf of the citizens of Alexandria?

    d. Going forward, are we now on notice that it is unrealistic to expect P&Z to be able approach matters with an "objective" (P&Z's term, not mine) view? Should we be concerned that you may well have a "vested interest" (again, P&Z's term, not mine) in matters you are evaluating? Does most every issue you deal with not to some extent have "competing interests"? Henceforth will each significant issue now require an outside consultant if the community is to be assured of an unbiased assessment of the facts?

Response to 7b, c, and d
The city staff have the ability and expertise to approach matters objectively. At the beginning of the study, a number of individuals and organizations expressed the hope that the study would be objective. Staff's comments on this subject were intended to confirm that it would be.

8. Does "Public Review Draft" on the cover of the report presented on the P&Z website infer that, in fact, there are other (non-public) drafts? If so, could we know what those are and how they differ from the one presented to the public?

   The initial draft of the report was reviewed by the city staff. ***All of*** *the information presented in the initial draft is also presented in the public draft. The city staff made some formatting suggestions to condense the Executive Summary and the body of the report to make it more readable to the public. Any information that was removed from the Executive Summary and the report was incorporated into the appendices. In addition, the staff recommended some minor editorial changes.*

9. I would direct your attention to the "findings" noted on page 8 of the report. Is there anything here that surprises anyone? Is there anything that a person with even limited financial ability could not logically have concluded before we started? And we had to pay $125k for confirmation? To many that was clearly money we did not have to spare and it was not well spent.

   Neither the city staff nor the consultant team had preconceived conclusions prior to the start of the study. The purpose of the study was to gather factual information to inform the Eisenhower West small area planning process.

10. All of which brings me back to my bottom line question of February - with this information now provided/confirmed by an objective third party with no vested interests, what is anyone going to do differently?

    The information gained from the study is intended to provide critical background information that the City Council can use to develop a planning policy for these uses and help determine the timing of a small area plan for the Eisenhower West area.

Commenter #3: Virginia Paving

Dennis A Luzier, District Manager
Virginia Paving Company
14850 Conference Center Drive
Suite 210
Chantilly, VA 20151

The Virginia Paving Company, a division of the lane Construction Corporation, commends the City of Alexandria for completing the Draft Industrial Use Study. The Study provides a wealth of valuable data and findings.

Virginia Paving discussed the Draft in its entirety, and needed corrections and clarifications, with Mr. Karl Moritz and Ms. Veronica Davis on August 12, 2009. In response to the call for comments by September 1, 2009, Virginia Paving is also submitting the following clarifications and corrections, many of which were highlighted in the June 18, 2009, letter.

1. As highlighted in the June 18, 2009 letter, the amount of revenue the City received from Virginia Paving remains low. The Alexandria branch of the Virginia Paving Company paid $741,000 to the City in 2008. (This is a conservative estimate based on the findings of the 2009 George Mason University Economic Impact Study for Virginia Paving's Alexandria operations. This total does not include taxes FCC, which leases space from Virginia Paving, paid the City in 2008).

   Additional information provided by Virginia Paving breaks down the taxes paid as follows:

Real estate	*$111,216*
Personal property	*$231,916*
Environmental services	*$82,279*
Hot mix use tax	*$110,684*
Business license	*$23,775*
Cell phone tax	*$379*
Utility	*$30,370*
City sales	*$30,302*
Sales (City share from state sales tax)	*$120,000*
TOTAL	*$740,921*

   The taxes identified in the report, supplied by the City of Alexandria, include only four categories: property taxes, business taxes, business license, and sales tax. A notable exclusion from the report is the hot mix use tax. The taxes paid by Virginia Paving, as provided by Virginia Paving, will be noted in the report.

2. Throughout the Draft, Virginia Paving and its parent company, The Lane Construction Corporation, are not accurately identified. Please correct out official name, which is: Virginia Paving Company, a division of The Lane Construction Corporation.

   The change has been noted.

3. Virginia Paving's business is not accurately or consistently described throughout the Draft. The following is the proper description of the business: Virginia Paving Company produces asphalt and builds and maintains area roads.

   The change has been noted.

4. Throughout the Draft, two different acreages are listed for Virginia Paving's site - 11+ acres and 9 acres. Virginia Paving's site is 11+ acres.

   The change has been noted.

5. Alternative B: As stated previously, designating one property owner's site as a public park is inappropriate. The cost estimate for the park in Appendix C is $1.6 million +/- , is extremely low. Cost estimates for Braddock Stations' Implementation suggested a passive park cost at $30/sq. ft. to build. Adjusting for Virginia Paving's site would put the cost as upwards of $11.7 million, as least, not including land costs.

   Alternative B designated Virginia Paving's property as a public park due to the Resource Protection Area, floodplain, and proximity to existing open space at Samuel W Tucker Elementary School. The Cameron Run/Backlick Run area presents an opportunity for regionally connected open space in an area with high potential to be productive habitat that also contributes to management of stormwater quantity and quality.

   The comment regarding construction costs of the park is noted. Park construction costs at $30 per square foot multiplied by the 491,315 SF of the Virginia Paving property equals an estimated construction cost of over $14.7 million.

6. Alternative A and B severely limit the amount of developable land for the Virginia Paving parcel. The draft assumes most of Virginia Paving's land is not developable due to the RPA and flood plain constraints. The RPA and flood plain can be changed in conjunction with a development proposal that offers to change the Backlick Run channel, build flood protection measures, or provide mitigating wetlands elsewhere. In addition, even if is assumed only one-third or one-quarter of the land can be built on, the developer would build tall and use the remaining land as open space. Thus, the total development potential on VPC land is underestimated. It's worth noting that prior to development, all of Cameron Station was in the flood plain, and today,

Tucker Elementary School and some of the newest condos and townhouses in Cameron Station remain in the flood plain. Just because something is in a flood plain doesn't make it entirely undevelopable.

The study aims to provide a realistic, conservative approach to the level of development that can be achieved. The costs, benefits and feasibility of utilizing more of the environmentally sensitive land in the study area would need to be assessed by a more in depth study done by a developer. Mitigation of flood plain conditions is identified in the study.

7. Alternative D still seems to have too low of FAR for a transit oriented development option - it's still the same as Column A. It should be noted in the Draft that this isn't a Small Area Plan study and those figures are merely demonstrative of possible development in the area, not final proposed development limits.

   The comment has been noted in the report. The density appropriate to support TOD is an important consideration in the future small area planning process, and as part of that process should also address other sites in Alexandria closest to the Metro entrance such as the Metro parking lot and light industrial uses on the south side of Eisenhower Avenue. The densities in the TOD alternative reflect some of the challenges the sites present to developing TOD on the sites closest to the Metro station.

8. Currently, infrastructure improvement estimates do not include cost of land acquisition. Cost estimates in the Draft should better acknowledge this mission link because it affects total infrastructure costs. Additionally, the cost of a multimodal bridge is the same as the estimate in the Landmark/Van Dorn Small Area Plan study, which also did not include land acquisition.

   The comment has been noted in the report.

9. Virginia Paving also believes the business valuation and relocation cost estimates in the Draft are extremely low and shouldn't be taken for exact numbers in the future Eisenhower West Small Area Plan Study - these are just estimates at this point.

   On page 39 of the Draft report, there is extensive language that explains these estimates are demonstrative in purpose. In addition, there is recognition that only the business owners know the value required for them to sell their property and business.

10. Emissions: this is a very important finding that needs emphasizing: "Emissions from the four industrial sources in the study area, including both the industrial processes

and associated truck traffic, compromise a very small fraction of the total City-wide criteria air pollutant emissions.

The sentence has been added.

11. Needs to be clarified: Virginia Paving has spent more than $4 million in improvements to its operations and site, not $12 million, in accordance with the November 2006 SUP. The facility has proven it can co-exist with its surroundings residential and business neighbors.

    The change has been noted.

12. Needs to be added: In 2007 and 2008, Virginia Paving removed 24,700 truck loads from area roads by receiving aggregate via rail.

    The change has been noted.

13. Needs to be added: Virginia Paving does not operate 24 hours a day and seven days a week. In accordance with the 2006 SUP, Virginia Paving is only permitted to operate 110 nights per year.

    The change has been noted.

14. Needs to be removed: In Table ES-1 under quality of life for Virginia Paving, noise is listed. As required during the 2006 SUP process, Virginia Paving conducted noise tests for the City and the result clearly indicated that Virginia Paving is not creating excessive noise from its property. Please remove “noise” from this table.

    The change has been noted.

Commenter #4: Eisenhower Partnership

Felix Oliver
Eisenhower Partnership
2034 Eisenhower Avenue, Suite 145
Alexandria, VA 22314

When the City Council unanimously passed the *Recommendations of the Mayor's Economic Sustainability Work Group* in December 2007, the report recognized that "Metrorail is the most underutilized asset in which the City has made a substantial investment and has not received a full return." One of the group's key recommendations in the report was to "capture the full economic development potential of the City's Metrorail Stations," including:

1.) "Develop land use plans for transit oriented development (TOD) at the… Van Dorn Metrorail station;" and
2.) "Model density on best practices such as the retail/office/residential redeveloped Clarendon area in Arlington County which has a mix of heights and densities."[1]

It is with this doctrine in mind, unanimously embraced by the Mayor and City Council, that we make the following comments and assessments of the Eisenhower West Industrial Use Study ("Study"):

1. The Study currently uses a set of four pre-defined redevelopment scenarios (Alternatives A thru D) with specified densities which guide the results of a yes/no decision on whether or not a particular site is feasible for redevelopment. Using pre-defined development alternatives as the basis of comparison to determine a conclusion to the Study, limits and shapes the outcome of the results. Additionally, it might lead one to believe that these four sites would not ever be feasible for redevelopment given the conclusion of the study, which doesn't match the vision that City Council and the Economic Sustainability Work Group have for the Van Dorn Metro Station (i.e. "retail/office/residential"). More could be learned if the intensity of the development Alternatives needed to make redevelopment feasible is a conclusion of the study results, rather than determining the Alternatives prior to conducting the math, which tries to fit redevelopment feasibility into four pre-drawn boxes.

[1] *Recommendation's of the Mayor's Economic Sustainability Work Group*. City of Alexandria, Virginia. December 11, 2007. Page 4-5.

Recommendation:

The Study should calculate the minimum FAR required (on a gross FAR basis, not developable land FAR since density can be transferred) for each site whereby it might make economic sense to redevelop – in essence, mathematically "back into" the minimum appropriate FAR it would take to mitigate the total impact of a particular site's cessation/redevelopment – thereby developing a baseline or breakeven point. This approach will afford citizens, landowners, businesses, and City Council the opportunity to make informed decisions related to the upcoming Eisenhower West Small Area Plan, as well as provide a good place from which to begin that planning process.

The study's scenarios reflect both near-term market conditions and site-specific issues that make redevelopment of these sites challenging even over the long term. One of the study's objectives was to determine if near-term market conditions are likely to support the amount of redevelopment necessary to make industrial relocation financially feasible. The study also identifies those issues that a small area plan would have to address to achieve different development outcomes.

It is important to note that the FARs found in the analysis estimate the "actual" density of the development based on the use of building types likely to be considered for the site, rather than the maximum FAR that might be permitted by zoning. Appendix F of the report more fully explains this methodology, and identifies the types of construction considered for the site.

2. FAR measurements for any one particular site included in this Study should be considered on a gross FAR SF basis (rather than using a misleading developable land SF measurement) since a site's FAR gained from the square footage of non-developable area could be transferred and built on the developable part of a particular site.

   Recommendation:

   When making reference to the total density the Study should always use gross FAR for build-out calculations since zoning regulations don't discriminate against a parcel's buildable FAR based on the parcel's developable land. This will yield more developable FAR in the Study and more accurately portray the density being discussed and measured.

   Table 9 in the report includes gross FAR calculations for each property under each alternative. As mentioned earlier the FAR calculations in the report relate to actual *use of FAR, and should not be construed as the maximum FAR that might be recommended under a change of zoning.*

3. The assumptions currently used for the gross FAR for the four subject parcels are widely inconsistent with the adopted recommendations of the City's Economic Sustainability Work Group. The highest gross FAR given to any single site in these alternative scenarios is 1.9 FAR, for the Covanta site under Alternative A from Table F-13. Covanta is located directly across the street from the Metro Station, and densities around Metrorail should be greater than in any other part of the City. Other sites around the Van Dorn Station are zoned OCH which allow densities of up to 3.0. The highest total gross density measurement in any Alternative for these four parcels taken together is 0.9 (Alternative D), far below the density that surrounding parcels have by-right with their existing zoning.

   <u>Recommendation</u>***:***
   Any TOD scenario should have densities that are much greater than those used in this Study and should reflect proximity to mass-transit when compared to alternative areas of the city that have no direct access to mass-transit. Mid-rise and townhome intensity style developments (used in the Study as the redevelopment Alternatives) are inappropriate and contribute to the "underutilization of the City's investment in Metro."
   A. In the latest Landmark/Van Dorn Small Area Plan, which has no direct pedestrian access to Metro, the gross density for the "West End Town Center" is 2.5. "Pickett Place" has an FAR of 2.0.
   B. Density in Clarendon, which the Mayor's Economic Sustainability Work Group recommends as a model, has densities as high as 4.8 FAR. (Some developments in the Ballston and Rosslyn areas reach densities of as much as 10.0 FAR next to the Metro Stations)

The density appropriate to support TOD is an important consideration that will continue to be explored in the future small area planning process, which will have a longer-term planning horizon than this study. The densities in the study's TOD alternative reflect some of the current and long-term challenges the sites present to developing TOD on the sites closest to the Metro station.

If the area identified for this study as developable on the Covanta, Virginia Paving, and Norfolk Southern sites were built to a gross FAR of 4.8, it would result in buildings that are approximately ten to twenty stories in height.

4. On Page 4 of the Study under the Executive Summary: Redevelopment Potential, the Study concludes that this area demonstrates weaker market demand for office over the long-term because there are other areas of competition. The Study goes on further in Executive Summary: Next Steps and seems to conclude that Landmark Van Dorn, Potomac Yards, and Braddock will present better options in the long-term for office use. The Study seems to make a blanket statement that because these four particular parcels did not present redevelopment potential based upon the four Alternatives presented, then therefore the rest of the Eisenhower West area and parcels around the Van Dorn Street Metro Station does not have future market demand and is not a redevelopment opportunity.

   This was a preliminary analysis to consider the full range of economic, environmental, and policy questions pertaining to the long-term future of these uses. This study did not analyze the entire Eisenhower West planning area as a whole. In addition, this study is not intended to provide a specific plan for redevelopment or zoning changes to the four uses.

   <u>Recommendation:</u>
   In none of the small area plans referenced by the Study that are cited as "competition" for Eisenhower West (with the exception of Braddock) is there an existing Metro Station in place. Office use that is located within walking distance to a Metro Station will in almost every case be a more desirable location than one without close proximity to Metro, and thus demand higher rents. So for the Study to conclude that a market for office in this area would not be demanded here over another location simply because a future supply of office has already been approved elsewhere, runs counter to the fundamental principles of supply and demand. In order for there to ever be redevelopment potential for the Eisenhower West area, the City must commit to doing a small area plan that reflects transit-oriented development principles that encourage high density mixed-use development.

   The Eisenhower West Small Area Plan is in the work program for the Department of Planning and Zoning and currently scheduled to begin in 2011. The work program is reviewed annually by the City Council.

   Over the next two to three years the federal government is seeking to lease several million square feet of high-security office space for DOD and DOD-type agencies that need facilities that meet their security requirements, but also have proximity to mass-transit. It is a real possibility that Victory Center along Eisenhower Avenue could land any one of the deals that are out on the street with the federal government. Such an event would drastically change the near-term market along Eisenhower, and should therefore be taken into consideration in the presentation of the market study results.

Appendix E recognizes that a significant Federal agency tenant moving in the Victory Center could create some demand pressure on the heavy industrial users. However, due to existing development momentum, Potomac Yard, and Carlyle/Eisenhower East are more likely to meet upcoming development demand.

The Metropolitan Washington Council of Government estimates that 1.6 million people will move into the region, and 1.2 million jobs will be created between 2005-2030. Given that 39% increase in population, and 32% increase in jobs over 2005 levels, there will need to be accommodations made for those people and jobs to be able to locate near Metro. The Van Dorn Station currently services an average of 3,500-3,900 riders per day. However, the Station as it is currently designed and built could accommodate up to approximately 13,000 riders per day without any platform extensions or enhancements. Given the drastic underutilization of this mass-transit asset, it would be in the City's best interest to put in place plans that would allow for higher quality development to take shape around the Van Dorn Metro Station to accommodate future increases in the population, workforce, and to follow-through on the City's charter to become a "Green City."

Acknowledged.

Commenter #5: West End Business Association

Kathy Burns, Vice President
West End Business Association
3213 Duke Street, Box 128
Alexandria, VA 22314

Earlier this year, the West End Business Association (WEBA) formed a Local Government Advisory Committee so that we could take a closer look at the many issues affecting the growth and development of the City. The purpose is so that the Committee can advise the Board of its findings and share those with our elected officials and City staff.

We would like our comments to be submitted for the record for the Public Review process of the current West End Industrial Uses Study. And if comments are to be distributed on the handout table at the Sept. 1, 2009, meeting, we would like ours to be included.

The comments will be included in the pubic record for the Eisenhower West Industrial Use Study. This Record of Responses to Public Comments will be transmitted to the Alexandria Planning Commission and City Council along with the Final Report in October.

WEBA agrees with the study's conclusions that there is not an immediate market pressure for redevelopment of the area, and that it would be far too expensive to relocate the four businesses under study.

1. WEBA does not support forced relocation of law-abiding and tax-paying businesses for the purpose of new development.

   Acknowledged.

2. WEBA believes the area will eventually redevelop and that market conditions, coupled with City incentives for the "right kind" of development, are the proper guides to that redevelopment

   Acknowledged.

3. WEBA does not support efforts to place additional residential development in the study area, unless it is as part of a large mixed-use project focused on the Van Dorn Metro Station.

   Acknowledged.

4. WEBA is concerned with the assumptions and methodologies embodied in the study, specifically:
    a. The four properties studied do not fully define the area; there are a number of other industrial uses nearby that detract from the area's current development potential. The area should be defined and studied as a whole. The Police Shooting Range, future Fire Station, City Mulch Pile, and other uses, including the crematorium on Vine Street, affect the desirability of the area.

    This study was initiated as a response to the recent debates around permitting for the Virginia Paving facility, the commencement of the ethanol transloading at the Norfolk Southern rail spur, and the recommendation of the Economic Sustainability Work Group. The City Council action specifically identified the four heavy industrial uses for study.

    b. The long-term development scenario D (Transit-oriented development) understates the amount of office space that could be attracted to the area and does not have a sufficiently high FAR to make redevelopment possible. This scenario should have tested for what level of development is necessary to make the area redevelopable.

    The density appropriate to support TOD is an important consideration that will continue to be explored in the future small area planning process, which will have a longer-term planning horizon than this study. The densities in the study's TOD alternative reflect some of the current and long-term challenges the sites present to developing TOD on the sites closest to the Metro station. If the area identified for this study as developable on the Covanta, Virginia Paving, and Norfolk Southern sites were built to a gross FAR of 4.8, it would result in buildings that are approximately ten to twenty stories in height.

    c. There is no consideration of City incentives for appropriate development

    The study describes the likely net fiscal benefits of mixed-use redevelopment and the potential use of incremental tax revenues to subsidize redevelopment.

    d. There is no effort to determine the role of a full occupancy of Victory Center on the area's development potential

    Appendix E recognizes that a significant Federal agency tenant moving in the Victory Center could create some demand pressure on the heavy industrial users as well as on the smaller light industrial, warehouse and flex buildings adjacent to the Victory Center.

e. The negative impact of the floodplain on certain properties is overstated. Cameron Station was entirely in the flood plain until it redeveloped; it made some changes, received a FIRM (Flood Insurance Rate Map) amendment, and developed into a residential community. Surely the industrial properties could do something similar. The fiscal impact sections are difficult to support, as they have erroneous assumptions on the level of development that can be achieved, the cost of land acquisition for public improvements, the value of the businesses studied, and the cost of capital improvements such as the proposed bridge to Metro.

The study considers a set of development levels that can be readily achieved. The costs, benefits, and feasibility of utilizing more of the environmentally sensitive land in the study area would need to be assessed by a more in depth study.

5. WEBA believes the City should focus on an overall City Master Plan that provides for public infrastructure needs such as schools, fire stations, and an efficient and effective transportation network whose activity nodes are supported by the right kind of development, adequate sewer capacity, recreation/community centers, and local government satellite offices. Once these elements are put in place, it will make more sense to carry out fine tuned neighborhood plans.

Acknowledged.

6. There is a need to coordinate Alexandria's land use and transportation plans for this area with Fairfax County's.

The Landmark Van Dorn Plan, the impending BRAC 133/Mark Center Development and the Potomac Yard Small Area Plan have increased the City's interactions and coordination with both Fairfax County and Arlington County.

7. We would also ask that we be kept informed of upcoming public meetings so that a representative of WEBA will be able to attend, and to provide comments, when an opportunity is afforded to do so.

The final public meeting for this study will be on September 15, 2009 from 6:30 - 8:30 PM at Patrick Henry Elementary School Auditorium. The community will have an opportunity to provide additional comments. A summary of the meeting will be included in the official record of responses to public comments.

Commenter #6: Chamber of Commerce

Andrew F. Palmieri, Chair
Government Relations Committee
Alexandria Chamber of Commerce

Based on our review of the public review draft of the Alexandria Industrial Use Study prepared for the City by Bay Area Economics, HDR, Inc and MACTAC Engineering dated July 2009 (the "Preliminary Report"), the Chamber provides the following comments:

1. The Chamber reiterates its position in support of the rights of existing businesses to continue lawful operation without needless governmental intervention. The Eisenhower West corridor and vicinity contain both heavy and light industrial uses that have, in many instances, existed for decades and should be permitted to continue their lawful operation unless and until the market determines otherwise. These businesses provide jobs and needed services for Alexandria residents and generate significant revenue for the City.

   Acknowledged.

2. While the Preliminary Report provides conservative estimates of the real estate tax revenue derived from these properties in their present use, it fails to take into account other economic impacts associated with these uses, including consumer convenience due to close proximity and the impact from loss of jobs if these businesses are terminated or relocated, all of which are difficult to quantify.

   While the study does not include a detailed analysis on impact to consumer convenience, there is recognition of the benefits of goods and services provided by the heavy industrial uses to the City of Alexandria. From page 29: "The City receives 100 percent of its asphalt from Virginia Paving. All of the solid waste collected the City of Alexandria is processed by the Covanta facility, which also produces electricity, used the City and its residents and businesses." In addition, the business cessation and relocation costs for Covanta include the financial impact to the city to replace the solid waste services.

3. To the extent that the Preliminary Report identifies future alternative uses for this area, it fails to recognize the levels of density that would be appropriate in such close proximity to the Van Dorn Street Metro Station. If and when the subject uses choose to vacate their property, the Chamber submits that the redevelopment plans for such properties should result in high density, mixed-use, urban projects that optimize the use of existing and future transportation infrastructure in the Van Dorn area, generating revenue at levels that replace lost revenue caused by the displacement of present uses.

This study is not intended to provide a specific plan for redevelopment of the four uses. This was a preliminary analysis to consider the full range of economic, environmental, and policy questions pertaining to the continuation of these uses.

4. The Chamber expresses its concern regarding the efficacy of the Study and the considerable cost associated with the Study to date. The Chamber submits that the work should have been performed by existing City staff within the appropriate departments at a fraction of the cost associated with hiring outside consultants. In the current economic environment, tax dollars should be spent wisely and should be focused on maximizing existing staff resources, providing vital services for public health, safety and education, and promoting economic development within the City.

   Certain aspects of the study, including the Pro-Forma calculations for the various development alternatives as well as some of the environmental analysis were best suited for a consultant with expertise in these fields. Furthermore, due to the sensitivity of the various industrial uses and the on-going legal challenges with Norfolk/Southern, the City determined a consultant was more appropriate to under take this specialized study.

Commenter #7: Carol L. James

Carol L. James
Alexandria Resident

1. Please note that the following observations and comments about the draft study report are offered as input to City leaders and staff from me solely in my role as a private, interested citizen rather than in my capacity as Brookville Seminary Valley Civic Association (BSCVA) representative to the Virginia Paving Community Liaison Committee. Due to the timing of this process (with comments due today and my having received notification of the report's availability only last week), there has been no meeting of BSVCA at which to discuss this draft report and receive additional community input. Also, due to time constraints, my reading and absorption of the full report is cursory. Should there be an opportunity to revise and extend these hurried comments at a later date, it would be appreciated.

   The final public meeting for this study will be on September 15, 2009 from 6:30 - 8:30 PM at Patrick Henry Elementary School Auditorium. The community will have an opportunity to provide additional comments. A summary of the meeting will be included in the official record of responses to public comments.

2. While I am NOT an attorney, my lay-person's understanding of recent court findings with respect to the "takings" issue is that private property cannot be taken by a public entity through eminent domain predominantly for the purpose of finding alternative uses that will generate more revenue for the public entity (e.g., the City of Alexandria) than do the existing landowners. Purportedly the original goal for commissioning this study and entertaining the idea of eliminating heavy industry was to optimize the use of METRO rail, arguably a broad public benefit. The report concludes that improving access to and use of METRO transit is unfeasible at the locations under study.

   This study was initiated as a response to the recent debates around permitting for the Virginia Paving facility, the commencement of the ethanol transloading at the Norfolk Southern rail spur, and the recommendation of the Economic Sustainability Work Group. This was a preliminary analysis to consider the full range of economic, environmental, and policy questions pertaining to the continuation of these uses as well as alternatives.

3. The other rationales for the elimination of heavy industry set forth in the draft study report, namely increased revenues for the City via projections of greater population density, additional jobs, property valuation and tax receipts, and so forth, seem to fall short of supporting any tenable legal argument for achieving a public good

worthy of the exercise of eminent domain. Indeed, the report indicates that public subsidies to support redevelopment would be likely. Not only that, redevelopment of these sites would "need to create potentially complex deal/transaction structures in which the different landowners share in the proceeds of the redevelopment." (Appendix F, page 8). These complex legal structures would be needed, one can assume, even if the four businesses were to voluntarily and simultaneously put their properties on the market.

This was an economic study to determine the market demand for a variety of uses and analysis of the financial viability and fiscal impact. In addition, this study examined some environmental impacts, particularly air quality, as well as a qualitative evaluation of quality of life and sustainability issues. A legal analysis of redevelopment of the four heavy industrial parcels is outside of the scope of this study.

4. The concept of "re-zoning" is bandied about. One could ask whether "re- zoning" can be defined as a "taking" achieved through other methods than the application of eminent domain. Again, as a non-lawyer, it appears to me that the legal issues in this matter supersede both the public policy and economic considerations and need to be assessed and addressed prior to determining any next steps. The City Attorney or outside counsel may enlighten me with respect to these concerns.

   The concept of "re-zoning" is quite distinct from "taking". The City's Zoning Ordinance has provisions to address business operation/activity that were in existence prior to a zoning change. A re-zoning can cause an existing use to become "non-cornforming," but the re-zoning action itself does not require the business to cease a non-conforming use that was in place before the re-zoning.

5. The report does not set forth assumptions about macro economic conditions driving its conclusions. For example, strategic elements are not considered. Industrial values are determined based on asset evaluations rather than, for example, operational or human resource considerations. This is the case at the macro- as well as the micro- analytic level. For example, while the report characterizes jobs at the four sites as being in low-growth sectors compared with the overall employment base in Alexandria and rates these jobs as lagging pay of other sectors, there is no consideration given to characterizing the jobs base in the area in other ways, for example by sector: public, independent (non- and not-for-profit) and private/for-profit. One could ask is it in Alexandria's strategic best interest to eliminate heavy industry? What is Alexandria's belief about its values? For example, does Alexandria's expressed value for diversity in race and ethnicity extend to embracing the value of a breadth of human endeavor and skill sets?

   The study provides information on the historical trends of the industrial job sector and does not intend to make a value judgment on the importance of the job sector.

One of the objectives of the City's existing Strategic Plan is "to seek to expand and diversify the City Tax and Non-Tax Revenue base." In the upcoming months, City Council will be embarking on reevaluating the strategic plan for the City, which may explore this objective in greater detail.

6. After an admittedly cursory reading of this report, I am unable to articulate either the problem or the opportunity. This participant in this process is left confused. When confronted with a business question, one approach is to do prize analysis. Does the prize one seeks to achieve warrant the blood invested: pain, confusion, risk, opportunity cost, and so forth? The commissioning of this study purportedly has had a "chilling effect" upon industrial development by private businesses in the West End in the current and near term. I'm wondering why a business or an investor, upon witnessing this process, reading this report, assessing this situation, and doing prize analysis, would see investment opportunity here in a world of myriad, less-complicated and more-hospitable prospects. What prize is the City pursuing? What question(s) needs to be addressed and analyzed?

   This study was initiated as a response to the recent debates around permitting for the Virginia Paving facility, the commencement of the ethanol transloading at the Norfolk Southern rail spur, and the recommendations of the Economic Sustainability Work Group. Three of the heavy industrial uses (Vulcan Materials, Virginia Paving Company and Covanta) have participated in the study and provided information.

   The report finds that there are other areas in the City that have fewer barriers to redevelopment and are otherwise more attractive for redevelopment than the study area. This study will inform the future Eisenhower West Small Area Plan provides a solid basis for decision-making.

Commenter #8: Vulcan Lands Inc.

Kenneth W. Wire
McGuireWoods, LLP
1750 Tysons Blvd, Suite 1800
McLean, VA 22102

On behalf of our client, Vulcan Lands Inc. ("Vulcan"), we are writing to provide comments on the draft Alexandria Industrial Land Use Study, dated July 2009 (the "Draft"). While Vulcan generally agrees with the Draft's overall findings that the demand for redevelopment is weak and that there are significant obstacles to near term redevelopment, the Draft does not adequately account for certain economic and environmental benefits provided by Vulcan's current use of the property located at 701 South Van Dorn Street (the "Property). The Draft also makes several purely speculative assumptions concerning the redevelopment options.

Vulcan previously provided the City with information regarding Vulcan's current use of the Property by letter, dated June 24, 20009, *attached.* The June 24th letter noted several facts regarding the current use of the Property and the accompanying economic and environmental benefits which do not appear to be accounted for in the Draft. These issues include:

1. Table 1 on Page 19 of the Draft states that Vulcan only supplies materials to Virginia Paving. Vulcan, however, supplies building materials to a wide variety of customers including the City Government and private contractors.

   The change has been noted. In addition, Table ES-1 has been revised to reflect the change.

2. Table 1 also states that dust is generated by Vulcan's current use. Vulcan, however, employs a variety of dust suppression measures including the truck wheel wash and wet suppression and sealing of on-site materials. As a result of these measures, Vulcan has yet to receive any complaint concerning the generation of dust from the Property.

   The change has been noted.

3. The Draft also does not account for economic benefit associated with the supply of low cost building materials that Vulcan provides to the City. The low cost materials are directly attributable to the railcar access to the Property, as the distribution costs for the building materials is the most significant cost component.

   The comment has been noted on Page 29 of the report.

4. The Draft's estimate of relocation costs for the current use of the Property to another location outside of the City is not adequate. Excluding the cost of purchasing an alternative site, Vulcan currently estimates the cost of the relocation to be closer to $1 million. The relocation figures also do not account for the loss of business that would undoubtedly occur from Vulcan having to raise the price of its materials to account for the increased transportation costs.

   The revised cost estimate will be noted in the final report. The challenge of a potential relocation on Vulcan's business operations is discussed in the report and the comment's emphasis of this condition is acknowledged.

We are also providing the following comments on the redevelopment scenarios listed in the Draft:

1. The redevelopment scenarios are overly simplistic and are not supported by the analysis the City has required in the past when determining the desired density for any property. For example, the proposed density does not account for infrastructure capacity for the existing roads, sewer, and schools. The Draft also does not provide even a basic massing model to determine whether or not the proposed density is even appropriate for the Property given the community's expectations for setbacks, heights and open space.

   This was a preliminary analysis to consider the full range of economic, environmental, and policy questions pertaining to the long-term future of these uses. This study is not intended to provide a specific plan for redevelopment or zoning changes to the four uses. While the proposed density does not account for infrastructure capacity specifically, the infrastructure report (Appendix H) does provide estimation of infrastructure costs such as sewer and water lines, stormwater detention, fire hydrants, utilities, and traffic signals. In addition, the fiscal impact analysis (Appendix G) includes a cost impact to the schools ($1,154 per resident) and public safety ($449 per service population member).

   The densities in the alternatives reflect some of the challenges the sites present to developing. It is important to note that the densities found in the analysis estimate the "actual" density of the development based on the use of building types likely to be considered for the site. Appendix F of the report more fully explains this methodology, and identifies the types of construction considered for the site.

2. Table 12 on page 63 states that various emissions will be reduced under all redevelopment scenarios. The Draft, however, does not account for the increase in the number of truck trips that will result from the need to supply all building materials within the City limits by truck rather than by railcar, nor does it account for the greater truck road miles required for delivery from outside of the City.

The air quality analysis (Appendix C) provides a detailed analysis of the air quality under each redevelopment scenario. The analysis does account for the industrial truck traffic in each scenario. Exhibit 8 of the Appendix outlines the assumptions for emissions changes for each alternative

These clarifications and issues provide future support for the retention of the existing uses on the Property for the foreseeable future. We respectfully request that staff address these issues in advance of the community meeting on September 15, 2009.

The Record of Response to Public Comments will be made available prior to the community meeting.

Vulcan appreciates the efforts and hard work that staff has put into working with the property owners and the community in preparing the Draft. Vulcan looks forward to continuing to work with staff and the community to ensure this vital industrial use continues to provide services to both the City and the community.

Acknowledged.

Commenter #9: Tom Stanos (Added 9/15/09)

Tim Stanos
Alexandria Resident

I am sending this message as a formal comment regarding the Eisenhower West Industrial Land Use Study.

I live in a residential community on the West end of Eisenhower Ave and am concerned with the current debate over whether to relocate one or more industrial businesses for the purposes of redevelopment. Not only do these business create jobs for many Alexandria residents, the individuals who are employed by these companies provide a boon to the local economy by shopping at nearby grocery stores, restaurants, etc. A decision by the City Council to relocate these business would not only be a massive financial undertaking (financed with taxpayer dollars), it would deal a blow to these nearby shops and food chains without any guarantee that the upside of redevelopment would cover the costs of relocation. I am pleased that the results of the study confirmed this point of view, although I question whether the study was even necessary given the common sense needed to reach this conclusion.

Finally, I bought my condo in 2005. As with any other would-be home buyer, it was my responsibility to conduct due diligence on the surrounding area and the community writ large to determine whether I would be happy/comfortable in a place populated in part by industry. For those who moved into a nearby residential complex and at some point later decided they didn't like the idea of living next to a paving company, or a waste processing facility, etc., I would invite them to either a) learn to live with the consequences of their poor due dilligence; or b) move to a home that is more suitable to their standard of living. Businesses and Alexandria taxpayers should not have to suffer as a result of their neglect and subsequent unhappiness.

Thank you for offering the opportunity to comment.

Acknowledged.

Comments: September 15, 2009 Community Meeting (Added 9/21/09)

Small Area Plan

1. In the small area plan, the City should not create a plan that allows other heavy industrial uses to locate on these parcels as these current businesses cease operations.

   Acknowledged.

2. The City may want to consider putting the Eisenhower West Small Area Plan on hold, since the businesses are not going anywhere in the short term.

   Acknowledged.

3. The Eisenhower West Small Area Plan should not be put off. Otherwise, we will end up in a situation like Beauregard, where the City is doing a small area plan as a result of immediate development pressure in the area. In the past, developers have been interested in redeveloping parcels in the Eisenhower West area, but were told to wait until City completes a small area plan. This City has impacted developers' ability to pursue redevelopment.

   Acknowledged.

Analysis and Findings

4. I hope this study confirms that this area is going to stay industrial and the businesses are not leaving. This is a tough neighborhood for development due to light industrial and heavy industrial. Other parts of the City are more desirable. The City should work with business to make them better.

   Acknowledged.

Study and Consultants

5. One of the problems with report is the scenarios sound like redevelopment plans for neighborhood. This study was about Eisenhower West. The Staff memo to the Planning Commission and City Council should clearly state that the scenarios in the report at not redevelopment plans for the neighborhood.

   Acknowledged.

6. The money and staff resources on this study could have been better spent on moving Eisenhower West Small Area Plan forward. This study was started to placate the people that want the businesses gone. For many of us it was a forgone conclusion that these businesses will not relocate until they are ready to relocate. This study should have focused on the surrounding areas.

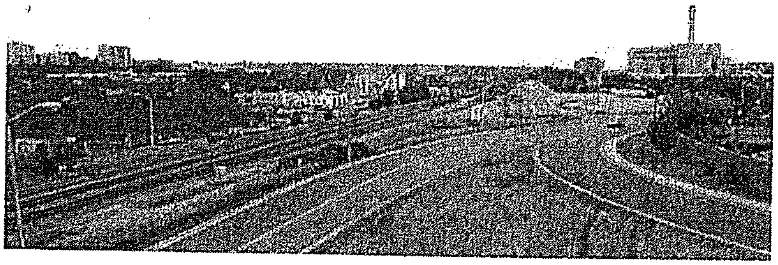
   Acknowledged.

7. The City created this conflict of uses by allowing residential uses such as Cameron Station to be built next to heavy industrial uses. This study was important to explore these issues rather than having the acrimony.

   Acknowledged.

Attachments

Commenter #1



Alexandria Industrial Use Study

Submitted To:
City of Alexandria

Covanta comments 8/11/09 ← Aug 11, 2009

Submitted By:
Bay Area Economics (BAE)
HDR, Inc.
MACTEC Engineering

M Renga

PUBLIC REVIEW DRAFT

Submitted by

Michael Renga
Business Manager

COVANTA

Covanta Alexandria/Arlington, Inc.
A Covanta Company
5301 Eisenhower Ave
Alexandria, VA 22304
Tel 703 370 7722 Ext 608
Fax 703 461 3097
Email mrenga@covantaenergy.com

Printed on recycled paper

July 2009

Executive Summary

The City of Alexandria commissioned this Industrial Use Study to explore various economic questions concerning four industrial uses in the West End section of the City. As a result of recent land use and business operating debates in the Eisenhower West area, the City of Alexandria initiated this special economic study of the four industrial land uses:

- Vulcan Materials Van Dorn Yard (Vulcan): provides aggregate materials, such as stone and gravel to other companies in the area
- Virginia Paving Asphalt Plant (VA Paving): produces asphalt
- Covanta Energy from Waste (Covanta) Facility: produces energy from ~~incinerating~~ processing solid waste
- Norfolk Southern Railroad Ethanol Transloading Facility (Norfolk Southern): transfers ethanol from rail to trucks

Vulcan, Virginia Paving, and Covanta have been cooperative in providing information for this study. Norfolk Southern declined to participate in the study due to on-going litigation between Norfolk Southern and the City.

This technical study does not provide a specific plan for redevelopment of the four uses (either together or separately) nor was it intended to, but rather considers economic questions pertaining to the long-term future of each use. Specifically, the study considers market demand for a variety of uses and analyzes the financial viability and fiscal impact of redeveloping the four subject parcels (collectively known as the study sites) into a mixed-use, pedestrian- and transit-oriented development. The study also considers some of the environmental impacts of redevelopment, particularly air quality impacts, as well as a qualitative evaluation of quality of life and sustainability issues. This study provides important background information necessary to inform the future Eisenhower West small area plan.

Key questions explored in this study include the following:

- What are the economic and environmental costs and benefits of the existing industrial uses?
- What are the location requirements of the current industries and where could they relocate if the sites were redeveloped?
- What is the redevelopment potential of the area?
- Would the potential value appreciation in redeveloping the sites encourage the current operations to relocate?
- What is the cost of providing public services if the area undergoes redevelopment?
- How do the economic and environmental impacts of possible future redevelopment compare to existing conditions?

Findings by Topic

The summary below addresses the key questions posed by the Industrial Use Study.

What are the economic and environmental costs and benefits of the existing industrial uses?

The tables below summarize the economic and environmental costs and benefit associated with the four subject properties. Table ES-1 is a summary of the jobs, tax revenue, goods and services, and quality of life considerations associated with the existing uses. Table ES-2 summarizes the estimated emissions that can be attributed to the existing uses and the extent to which the existing uses contribute to the City's emissions.

where did this come from?

Table ES-1: Summary of Economic Benefits and Costs of Existing Uses

	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Economic Benefits/Costs				
Employees	3 to 7	170 to 191	48	N/A
Tax Revenue to City (a)	$140,000	$524,000	~~$331,000~~	N/A
Green Jobs Potential (b)	Yes	Yes	Yes	Yes
Other Benefits/Costs				
Goods and Services	Provides aggregate to Virginia Paving	Provides 100% of City asphalt	All solid waste collected by City is processed here. Provides electricity to City residents and businesses	N/A
Quality of Life	Noise, dust, and diminished views	Noise, dust, and diminished views	Noise and diminished views	Potential hazard

$1,060,000

Notes:
(a) City in various tax revenues in 2008, including real property taxes, business licenses, business tangible property, and sales tax.
(b) Definitions of what constitutes "green" jobs vary widely, but by some measures, a segment of the employment found at some of the four operations under study could be considered green because they either involve production of environmentally sustainable products or utilize production methods that result in waste reduction.

Source: City of Alexandria, 2009; MACTEC, 2009; HDR, Inc., 2009; BAE, 2009.

- The average of 234 jobs provided by Vulcan, Virginia Paving and Covanta represent less than one percent of total City employment in 2008.

Property Taxes = $910,000
business license = $150,000
$1,060,000

Communities continue to need SW services, asphalt services, etc.

what basis?

?

- Although having a solid base of goods-producing sectors such as manufacturing and construction can improve economic diversity, these sectors can often demonstrate as ~~much~~, if not more, volatility and fluctuation as service sectors. These sectors have also demonstrated relatively slower growth historically and are forecasted to continue lagging other sectors in the future.

source: VDEQ air emissions 2008

Table ES-2: Summary of Air Quality Conditions of Existing Uses

		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total	Percent of City Emissions (a)
Point and Mobile Sources of Emissions (tons/year) by Existing Use							
CO (carbon monoxide)	81.8	0.1	13.5	~~62.1~~	<0.1	76	0.4%
Nox (oxides of nitrogen)	496.78	0.5	14.8	~~576.4~~	0.1	592	12.9%
PM_{10} (particulate matter less than 10 microns in size)	1.45	0.8	7.0	~~4.2~~	0.2	12	0.5%
$PM_{2.5}$ (particular matter less than 2.5 microns in size)		0.1	4.8	3.1 ?	<0.1	8	1.4%
SO_2 (sulfur dioxide)	7.74	<0.1	5.2	~~12.6~~	<0.1	18	0.4%
VOC (volatile organic compounds)	2.28	<0.1	4.0	2.3 ✓	<0.1	6	0.2%

Notes:
(a) City emissions total includes point, mobile, area, and non-road mobile sources.

Source: MACTEC, 2009; BAE, 2009.

Source?

$PM_{2.5}$?

- Emissions from the four industrial sources in the study area, including both the industrial processes and associated truck traffic, comprise a very small fraction of the total City-wide criteria air pollutant emissions.

What are the location requirements of the current industries and where could they relocate if the sites were redeveloped?

Table ES-3 summarizes the relocation requirements of each of the uses and the potential relocation sites available.

Table ES-3: Relocation Considerations

Consideration	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Land	Minimum of 15 acres	Minimum of 9 acres	See Notes (a)	N/A
Transportation Access	Need rail line	Need rail line	See Notes (a)	Need rail line
Proximity to end user	N/A	Need to be within short distance from current location to continue to serve current market	See Notes (a)	Need to minimize travel to tank farms in Springfield and Fairfax City
Estimated Business Relocation/ Cessation Costs (b)	$15.5 million/ $7 to $15 million	$10.5 to $14.5 million/ $23 to $27 million	$300 to $335 million for new facility, $11.5 million for transfer station	N/A
Possible Relocation Alternative (c)	Industrial Zone in Springfield close to Newington exit on I-95	Industrial Zone in Springfield close to Newington exit on I-95	None identified	Industrial Zone in Springfield close to Newington exit on I-95

Notes:

(a) The agreements governing the Covanta operation and acceptance of solid waste from Alexandria and Arlington (the jurisdictions) severely constrain the ability for the site to relocate. The existing lease is set to expire on October 1, 2025, at which time the facility reverts to the City and County. Priort to 2025, redeveloping the site of the EfW facility would be a violation of the terms of the lease, requiring renegotiation of terms that would be statisfactory to Covanta and requiring a costly replication of the site on another site suitable to Covanta. After 2025, when the land and all of the improvements on it revert to the City of Alexandria and Arlington County, the terms of the lease will be met and there will be no obligation to provide a relocation or buyout to Covanta. However, if a relocation of the site is desired after that date, the City, in agreement with Arlington County, will need to either address its waste disposal needs through the siting and construction of a new facility, or arrange for a different method for the disposal of their waste. for Covanta site

HDR

(b) ~~Covanta~~ estimated business relocation/cessation costs do not include property acquisition.

(c) The site that represents the closest available property that meets the basic requirements for each of the uses. Relocation issues and constraints are discussed in the report.

Source: City of Alexandria, 2009; Vulcan, 2009; Virginia Paving, 2009; HDR, Inc., 2009; BAE, 2009.

What is the redevelopment potential of the area?

A market analysis and an analysis of the characteristics of the study sites yields these findings:

- **Residential** uses have the greatest long-term market support and would likely be the predominant use of the study sites.
- **Neighborhood serving retail** can be supported on the site and would provide an amenity that would enhance the marketability of the site.
- **Office space** could be constructed, but demonstrates weaker market support as it would be competing against a large supply of proposed office space in and near Alexandria.

Appendix F describes in detail the assumptions, methodology, and findings of the financial analysis.

How do the economic and environmental impacts of possible future redevelopment compare to existing conditions?

The fiscal impact of the redevelopment alternatives measures estimated net revenue by subtracting the estimated costs to service new development from the estimated general fund revenue gained from taxes produced by the new development.

Table ES-6: Impacts of Redevelopment Compared to the Status Quo

		Alternatives			
Benefits/Costs	**Status Quo**	**A**	**B**	**C**	**D**
Economic					
Fiscal Impact	$890,000	$4,450,000	$4,230,000	$1,950,000	$3,620,000
Potential Employees	234	4,500	4,460	80	2,500
Environmental					
Change in Emissions from Industrial Retention Scenario (tons/yr) (a):					
CO	N/A	-16	-20	7.3	-50
NO_x	N/A	-579	-579	-11	-586
PM_{10}	N/A	-7.6	-7.9	-6.4	-10.2
$PM_{2.5}$	N/A	-7.6	-7.7	-4.8	-7.8
SO_2	N/A	-18	-18	-5.1	-18
VOC	N/A	0.6	0.1	-1.6	-3.4

Notes:
(a) The table shows that in most cases emissions will decrease in the immediate West End Study Area; however, these emissions will not eliminate but rather transferred to other Northern Virginia neighborhoods where the industrial sources may be relocated.

Source: MACTEC, 2009; BAE, 2009.

??

does the modelling #s change when Mactec uses updated emission #s from Table ES-2 for Covanta?

study, the information provided in this report is limited to what is available from public sources and from independent research on freight rail operations and ethanol production and delivery.

Benefits, Costs and Impacts of Existing Uses

This section provides an overview of the various benefits, costs, and impacts of the four existing uses as they currently operate. Factors considered in this assessment include employment and business operations, fiscal impact on the City, and the operations' impact on environmental air quality. Tables 1 and 2 summarize the economic and environmental conditions associated with the four subject properties.

Table 1: Benefits, Costs and Impacts of Existing Uses

	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Economic Benefits/Costs				
Employees	3 to 7	170 to 191	48	N/A
Tax Revenue to City (a)	$140,000	$524,000	~~$331,000~~ $1,060,000	N/A
Green Jobs Potential (b)	Yes	Yes	Yes	Yes
Other Benefits/Costs				
Goods and Services	Provides aggregate to Virginia Paving	Provides 100% of City asphalt	All solid waste collected by City is processed here. Provides electricity to City residents and businesses	N/A
Quality of Life	Noise, dust, and diminished views	Noise, dust, and diminished views	Noise and diminished views	Potential hazard

Notes:
(a) City in various tax revenues in 2008, including real property taxes, business licenses, business tangible property, and sales tax.
(b) Definitions of what constitutes "green" jobs vary widely, but by some measures, a segment of the employment found at some of the four operations under study could be considered green because they either involve production of environmentally sustainable products or utilize production methods that result in waste reduction.

Source: City of Alexandria, 2009; MACTEC, 2009; HDR, Inc., 2009; BAE, 2009.

Source: VDEQ air emissions 2008

Table 2: Summary of Air Quality Conditions of Existing Uses

	Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total	Percent of City Emissions (a)
[illegible]						
CO (carbon monoxide) 81.8	0.1	13.5	~~62.1~~	<0.1	76	0.4%
Nox (oxides of nitrogen) 496.78	0.5	14.8	~~576.4~~	0.1	592	12.9%
PM_{10} (particulate matter less than 10 microns in size) 1.45	0.8	7.0	~~4.2~~	0.2	12	0.5%
$PM_{2.5}$ (particular matter less than 2.5 microns in size) ?	0.1	4.8	3.1 ?	<0.1	8	1.4%
SO_2 (sulfur dioxide) 7.74	<0.1	5.2	~~12.6~~	<0.1	18	0.4%
VOC (volatile organic compounds) 2.28	<0.1	4.0	2.3 ✓	<0.1	~~6~~	0.2%

Notes:
(a) City emissions total includes point, mobile, area, and non-road mobile sources.

Source: MACTEC, 2009; BAE, 2009.

Economic Benefit: Employment and Business Operations

The existing operations directly employ an estimated average of 234 full time employees, as depicted in Table 3. This figure does not include numbers of direct employees for Norfolk Southern's operations, and it also does not include personnel who are not employed directly by the four businesses, such as private haulers who pick up material at Vulcan and the ethanol transloading facility. Virginia Paving employees represent the majority of this figure, at 170 to 191 full-time jobs, according to a recent economic impact study commissioned by Virginia Paving.[1] Covanta's operation supports 48 full-time employees and the Vulcan site employs anywhere from 3 to 7 staff members depending on demand conditions.

Table 3: Direct Employment of Current Uses

	Employment Range		
Entity	Minimum	Maximum	Average
Vulcan	3	7	5
Virginia Paving	170	191	181
Covanta	48	48	48
Total	**221**	**246**	**234**

Source: Virginia Paving, 2009; Vulcan Materials, 2009; Covanta, 2009; HDR, 2009; BAE, 2009.

[1] Source: *The Impact of the Virginia Paving Company on the City of Alexandria Economy*, prepared by Stephen Fuller, PhD, Director, Center for Regional Analysis, George Mason University. The study examines the facility's 2008 payroll data. According to the study, as many as 40 employees reside in Alexandria. The company also hired 17 independent contractors as haulers. Additionally, FCC Environmental, which operates on the property, employed 24 full time workers in 2008.

salary for Vulcan's subsector, Nonmetallic Mineral Product Manufacturing, was $49,200 in 2008. The average salary across all Alexandria industries in 2008 was $60,300.

Economic and Employment Diversity

What basis?

A diverse economy with employment and firms drawing from a variety of industry sectors tends to be more stable than less diverse economies that may be reliant on only a few more prevalent sectors. Less diverse economies can be prone to more fluctuation in employment and overall economic activity if exposed to only a few larger sectors. Although the four operations do produce high quality jobs in certain industrial sectors, they represent only a small fraction of all jobs in the City. While goods-producing sectors such as manufacturing and construction can improve economic diversity, these sectors can often demonstrate as much, if not more, volatility and fluctuation as service sectors. These sectors have also demonstrated relatively slower growth historically and are forecasted to continue lagging other sectors in the future.

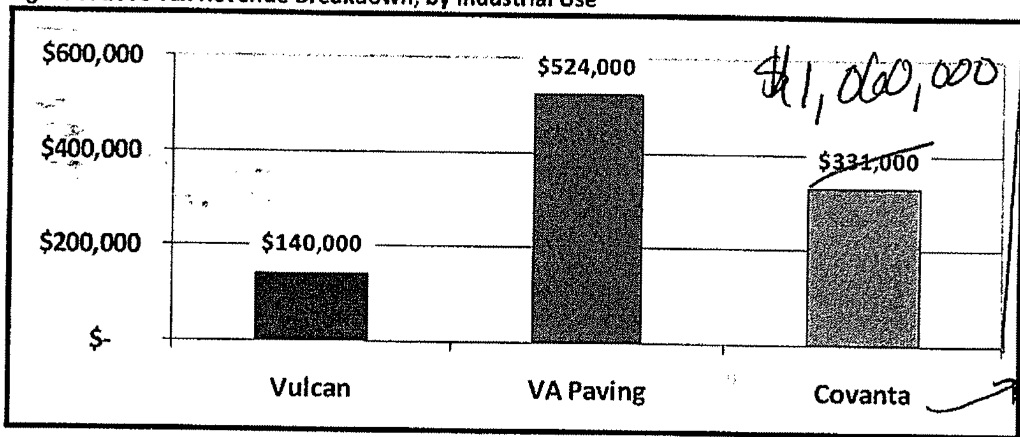
Update

Economic Benefit: Tax Revenues

Update #

According to the City of Alexandria, Covanta, Virginia Paving, and Vulcan Materials contributed a total of $995,000 to the City in real property taxes, business licenses, business tangible property, and sales tax[2] in 2008. This total represents 0.2% of the $520,459,050 in total general fund revenues for the same fiscal year. The breakdown is shown below~~, with~~ the exclusion of Norfolk Southern, which is exempt from taxation at the local level. Norfolk Southern pays into a state railroad fund. The City of Alexandria receives an allocation from the railroad fund contributions, based on the state's assessment of railroad property in the City.

Figure 3: 2008 Tax Revenue Breakdown, by Industrial Use



Source: City of Alexandria, 2009; BAE, 2009.

---

[2] These taxes represent the bulk, but not necessarily all, of the revenue the four existing uses contribute to the City.

(see updated #s from Table ES-2 or Table 2

Table 4: Stationary Air Emissions (Tons/Year)

Air Quality Emissions		Vulcan	Virginia Paving	Covanta	Norfolk Southern	Total
Criteria Pollutants (a)	CO	0	12.9	61.8	0	74.7
	NO_x	0	12.5	575.2	0	587.7
	PM_{10}	0.3	4.4	2.8	0	7.6
	$PM_{2.5}$	<.01	4.4	2.8	0	7.3
	SO_2	0	5.2	12.6	0	17.8
	VOC	0	3.9	2.3	<0.1	6.2
Hazardous Air Pollutants (HAPs) (b)		No Emissions	Arsenic Cadium Chromium Lead PCBs Halogens	Cadium Lead Mercury Acid gases Dioxins Furans	No Emissions	N/A
Greenhouse Gases (c)		No Emissions	Small amount from combustion	Generates from incineration of solid waste	No Emissions	N/A

Notes:
(a) The Clean Air Act requires the U.S. Environmental Protection Agency (USEPA) to set National Ambient Air Quality Standards (NAAQS) for common air pollutants. The USEPA calls these pollutants "criteria air" pollutants because it regulates them by developing human health-based and/or environmentally-based criteria (science-based guidelines) for setting permissable exposure levels. The NAAQS are for particle pollution (often referred to as particulate matter), ground-level ozone, carbon monoxide, sulfur oxides, nitrogen oxides, and lead.
carbon, monoxide, sulfur oxides, nitrogen oxides, and lead.
(b) The USEPA also regulates Hazardous Air Pollutants (HAPs), a group of 187 chemicals such as arsenic, benzene, formaldehyde, mercury, and dioxins. Some HAPs are known or suspected to cause cancer. Other HAPs may cause respiratory effects, birth defects, and reproductive and other serious health effects.
(c) A third group of air pollutants, primarily carbon dioxide and methane, are classified as Greenhouse Gases (GHGs). These pollutants are linked to global climate change, and the City is beginning to address GHG emissions through the Environmental Action Plan.

Source: MACTEC, 2009; BAE, 2009.

Covanta Facility. The facility operates under a Title V operating permit that sets emission limitations and all emissions parameters are measured continuously against those limits. The primary emission sources are three municipal waste combustion units. In response to Clean Air Act requirements, the City and Arlington County funded a $45 million pollution control upgrade in 2000. The retrofit dramatically lowered emissions of both criteria and hazardous air pollutants. The air pollution control equipment improvements consist of semi-dry flue gas scrubbers with insert new table "5"

lime injection, fabric filter baghouses, a nitrogen oxide control system, a mercury control system, and a continuous emissions monitoring (CEM) system.

The Covanta facility is permitted to emit small amounts of metals (cadmium, lead, mercury), acid gases (hydrogen chloride) and organics (dioxins and furans). The retrofit dramatically lowered emissions of both criteria and hazardous air pollutants (see Table 4), and the facility achieves emission results that are easily in compliance with the permitted levels. Table 5 shows the 9-year stack test results of the Covanta facility and compares to the EPA-permitted emissions limit. For 7 of the 9 priority pollutants, the 9-year average results are >90% below the allowable emissions level.

Although the Covanta facility generates GHGs, disposing of solid waste at the facility helps prevent climate change in several ways: (1) the facility avoids methane production that would occur if the waste was sent directly to a landfill; (2) the facility generates cleaner energy and reduces the amount of electricity generated from fossil fuels; and (3) by recovering steel from the waste stream, the facility reduces the quantity of fossil fuels and energy used for mining and manufacturing raw materials. It is estimated that for every ton of trash combusted, nearly one ton less of carbon dioxide equivalent is released into the air due to avoided methane from land disposal, fossil fuel power generation, and metals productions.

Norfolk Southern Facility.[4] As ethanol is transloaded (off-loaded by the railroad's contractor into tanker trucks) for final delivery to gasoline tank farms in Springfield and in Fairfax City, emissions of volatile organic compounds occur as organic vapors in "empty" cargo tanks are displaced to the atmosphere by the liquid being loaded into the tanks. Coarse particulate emissions are generated by trucks traveling on plant roads. The industrial operations at the Norfolk Southern transloading facility do not generate a significant amount of HAPs or GHGs. The emissions from Norfolk Southern are primarily ethanol, which is not classified as a HAP.

Baseline Emissions from Vehicles in the Study Sites

Emissions were calculated for vehicle traffic associated with the industrial operations as well as emissions from all types of vehicle traffic within a study area. The study area is bounded by the segment of the Capital Beltway from Clermont Avenue to I-395/I-495/I-95 Springfield Interchange. The western boundary is the segment of I-395 from the Springfield Interchange to Route 236/Duke Street. The northern boundary is Duke Street from I-395 to North Pickett Street. The eastern boundary is the line connecting the Duke Street/North Pickett Intersection and the Clermont Avenue/Capital Beltway Interchange. Included in the study area are South Van Dorn Street, South Pickett Street, and Edsall Road. A map of the study area boundaries is shown in Exhibit 3 of the Appendix C report.

---

[4] Information about Norfolk Southern ethanol transloading activities derives from general information made available to the public by the City of Alexandria on its website (http://alexandriava.gov/transloading). No information was provided by Norfolk Southern.

Table 2

Covanta Alexandria/Arlington Waste to Energy Facility - Stack Test Results through 2009

		NOx (ppmdv)	HCL (ppmdv)	SO_2 (ppmdv)	CO (ppmdv)	Mercury (ug/dscm)	Cadmium (ug/dscm)	Dioxins/Furans (ng/dscm)	Lead (ug/dscm)	Particulates (mg/dscm)
2001	Boiler 1	183.9	2.5	1.5	44.3	0.8	0.33	1.31	3.3	0.91
	Boiler 2	183	1.13	0.8	49	0.77	0.42	3.41	2	3.15
	Boiler 3	184.3	1.74	1.3	42.5	3.8	0.38	1.74	2.5	0.66
	AVERAGE	**183.73**	**1.79**	**1.20**	**45.27**	**1.79**	**0.38**	**2.15**	**2.60**	**1.57**
2002	Boiler 1	184.8	1.2	1.6	51.6	1.2	0.24	0.41	7.2	0.72
	Boiler 2	181.7	0.7	0.5	44.1	1.6	0.17	2.4	2.4	1.2
	Boiler 3	184.2	2.3	0.8	40.5	0.69	0.23	1.2	2.5	0.93
	AVERAGE	**183.57**	**1.40**	**0.97**	**45.40**	**1.16**	**0.21**	**1.34**	**4.03**	**0.95**
2003	Boiler 1	184.2	3.99	1.5	48.1	0.79	0.15		2.1	2.81
	Boiler 2	181.1	0.71	0.7	44.3	0.45	0.18		1.3	1.06
	Boiler 3	184.1	0.79	0.3	42.4	0.52	0.19	14.2	2.4	1.48
	AVERAGE	**183.13**	**1.83**	**0.83**	**44.93**	**0.59**	**0.17**	**14.20**	**1.93**	**1.78**
2004	Boiler 1	184	1.55	6	38	0.35	0.21		2.57	0.965
	Boiler 2	181	1.23	1	49	1.56	0.247	0.578	13.0	1.80
	Boiler 3	185	1.16	1	31	1.96	0.144		3.46	1.41
	AVERAGE	**183.33**	**1.31**	**2.67**	**39.33**	**1.29**	**0.20**	**0.58**	**6.34**	**1.39**
2005	Boiler 1	187	1.86	2	47	0.4	0.40	0.382	6.8	0.5
	Boiler 2	186	1.83	1	48	0.4	0.2		4.9	0.8
	Boiler 3	188	1.68	2	39	0.4	0.2		1.9	0.7
	AVERAGE	**187.00**	**1.79**	**1.67**	**44.67**	**0.40**	**0.27**	**0.38**	**4.53**	**0.67**
2006	Boiler 1	187	0.85	1	43	0.38	0.4		7.79	4.84
	Boiler 2	185	0.483	1	47	0.4	0.19		2.51	2.15
	Boiler 3	189	0.529	1	42	0.4	0.57	2.48	12.4	2
	AVERAGE	**187.0**	**0.62**	**1.00**	**44.00**	**0.39**	**0.39**	**2.48**	**7.57**	**3.00**
2007	Boiler 1	187	0.82	1	31	0.38	0.25		2.31	2.03
	Boiler 2	185	0.68	1	36	0.39	0.19	1.42	2.12	2.04
	Boiler 3	189	0.84	1	34	0.59	0.16		1.55	1.33
	AVERAGE	**187.0**	**0.78**	**1.00**	**33.67**	**0.46**	**0.20**	**1.42**	**1.99**	**1.80**

Covanta Alexandria/Arlington Waste to Energy Facility - Stack Test Results through 2009

		NOx	HCL	SO_2	CO	Mercury	Cadmium	Dioxins/Furans	Lead	Particulates
		(ppmdv)	(ppmdv)	(ppmdv)	(ppmdv)	(ug/dscm)	(ug/dscm)	(ng/dscm)	(ug/dscm)	(mg/dscm)
2008	Boiler 1	181	2.96	2	37	0.45	6.60	1.25	9.4	1.46
	Boiler 2	182	3,52	2	30	0.42	0.50		2.6	0.82
	Boiler 3	186	2.43	1	24	1.03	0.16		0.23	0.48
	AVERAGE	**183.0**	**3.0**	**1.67**	**30.3**	**0.63**	**2.4**	**1.25**	**4.1**	**0.9**
2009	Boiler 1	159	1.40	2	28	0.184	0.191		2.260	0.483
	Boiler 2	158	2.12	1	25	0.271	0.143		0.894	0.068
	Boiler 3	163	3.53	1	29	0.198	0.256	1.54	3.030	0.155
	AVERAGE	**160**	**2.35**	**1.33**	**27.33**	**0.22**	**0.20**	**1.54**	**2.061**	**0.235**
	EPA EMISSIONS LIMIT	**205**	**29**	**29**	**100**	**80**	**40**	**30**	**440**	**27**
	Percent (%) Below Limit for 2009 results	**22.0%**	**91.9%**	**95.4%**	**72.7%**	**99.7%**	**99.5%**	**94.9%**	**99.5%**	**99.1%**
	9-year Average Stack Test Results	**182**	**1.65**	**1.37**	**39.43**	**0.77**	**0.49**	**2.82**	**3.91**	**1.37**
	Percent (%) Below Limit for 9-year Avg Results	**11.2%**	**94.3%**	**95.3%**	**60.6%**	**99.0%**	**98.8%**	**90.6%**	**99.1%**	**94.9%**

The truck traffic associated with the four industrial sources was estimated given the assumptions and data sources used, as described in Appendix C report.

Table ~~X~~ 6 summarizes the criteria air pollutant emissions from the vehicle traffic in the study area. The truck traffic associated with the four industrial facilities accounts for only 0.13 percent of the total vehicles miles traveled (VMT) and a small percentage of the total emissions in the study area.

Motor vehicles also emit a number of HAPs, both in the exhaust gas and from fuel evaporation. The two primary HAPs emitted from motor vehicles are benzene and methyl tert-butyl ether (MTBE). The truck traffic associated with the four industrial facilities accounts for about 0.031 tons of benzene, compared to 23.2 tons of benzene from all other vehicles in the study area. The truck traffic associated with the four industrial facilities accounts for about 0.034 tons of MTBE, compared to 25.6 tons of MTBE from all other vehicles in the study area.

Table ~~X~~ 6: Onroad Vehicle Emissions in the Study Area

		Emissions (tons/yr)					
Source	VMT	CO	NOx	PM10	PM2.5	SO2	VOC
All Vehicles	375,393,790	2,612	553	145	11	4	204
Vulcan Materials	56,784	0.1	0.5	0.5	0.1	<0.1	<0.1
Virginia Paving	276,349	0.6	2.3	2.5	0.4	<0.1	0.1
Covanta	144,144	0.3	1.2	1.3	0.2	<0.1	0.1
Norfolk Southern	17,472	<0.1	0.1	0.2	<0.1	<0.1	<0.1
Total	**494,749**	**1.00**	**4.20**	**4.50**	**0.70**	**<0.1**	**0.20**
Contribution from Industrial Sources	**0.13%**	**0.04%**	**0.80%**	**3.10%**	**6.30%**	**0.20%**	**0.10%**

Source: MACTEC, 2009.

In addition, GHG emissions from the vehicle traffic in the study area were calculated. The truck traffic associated with the four industrial facilities accounts for about 752 tons of CO2, compared to 216,343 tons of CO2 from all other vehicles in the study area.

Baseline Emissions in the Study Area Compared to Larger Community Emissions

The previous two sections discussed the emissions from the stationary industrial operations and associated truck traffic in the study area. This section compares the emissions in the study area to the emissions generated City-wide by all sources in Alexandria. Data for this analysis were obtained from the Virginia Department of Environmental Quality (VADEQ).

Relocation and Business Cessation Analysis

The current location of the industrial area provides advantages, including its proximity to both rail and I-495 (the Capital Beltway) which allows these businesses to efficiently receive input materials and service minimize product delivery times to customers. Their location inside the Capital Beltway also provides access to a dense base of customers, including residents and businesses in Alexandria. The relocation site requirements described for each operation reflect the need to maintain those logistical requirements in an alternate location.

The table below summarizes the relocation requirements and relocation/business cessation costs.

Table 7: Summary of Relocation Requirements and Business Cessation Analysis

Consideration	Vulcan	Virginia Paving	Covanta	Norfolk Southern
Land	Minimum of 15 acres	Minimum of 9 acres	See Notes (a)	N/A
Transportation Access	Need rail line	Need rail line	See Notes (a)	Need rail line
Proximity to end user	N/A	Need to be within short distance from current location to continue to serve current market	See Notes (a)	Need to minimize travel to tank farms in Springfield and Fairfax City
Estimated Business Relocation/ Cessation Costs (b)	$15.5 million/ $7 to $15 million	$10.5 to $14.5 million/ $23 to $27 million	$300 to $335 million for new facility, $11.5 million for transfer station	N/A
Possible Relocation Alternative (c)	Industrial Zone in Springfield close to Newington exit on I-95	Industrial Zone in Springfield close to Newington exit on I-95	None identified	Industrial Zone in Springfield close to Newington exit on I-95

Notes:

(a) The agreements governing the Covanta operation and acceptance of solid waste from Alexandria and Arlington (the jurisdictions) severely constrain the ability for the site to relocate. The existing lease is set to expire on October 1, 2025, at which time the facility reverts to the City and County. Priort to 2025, redeveloping the site of the EfW facility would be a violation of the terms of the lease, requiring renegotiation of terms that would be statisfactory to Covanta and requiring a costly replication of the site on another site suitable to Covanta. After 2025, when the land and all of the improvements on it revert to the City of Alexandria and Arlington County, the terms of the lease will be met and there will be no obligation to provide a relocation or buyout to Covanta. However, if a relocation of the site is desired after that date, the City, in agreement with Arlington County, will need to either address its waste disposal needs through the siting and construction of a new facility, or arrange for a different method for the disposal of their waste.

(b) ~~Covanta~~ estimated business relocation/cessation costs do not include property acquisition.

(c) The site that represents the closest available property that meets the basic requirements for each of the uses. Relocation issues and constraints are discussed in the report.

Source: City of Alexandria, 2009; Vulcan, 2009; Virginia Paving, 2009; HDR, Inc., 2009; BAE, 2009.

HDR

of the Covanta facility

Commenter #2

Donald Buch

Dear Mr. Geratz:

Thank you for the opportunity to comment on the draft Eisenhower West Industrial Land Use Study. I have no issue with the quality of the work produced by the consultants; the detail is impressive. The bulk of my concern is focused on whether or not that detail and the consultants themselves were indeed necessary. As I suggested back in February, I believe that the key conclusions might reasonably have been drawn without any need to spend $125,000 on consultants, especially when the City budget is under such strain.

1. Did we really need a $125k consultant to advise us that moving a $300 million Covanta plant to free up less than 4 developable acres doesn't come close to being economically viable? And how great a demand could one reasonably expect for resultant housing units offering views over Eisenhower/the Metrorail line/VRE line or, alternatively, over the Norfolk Southern rail line and ethanol transloading facility? Not to mention the impact of significant escalations in waste disposal charges as our trash is transported to what would likely be a far more remote location. (Was the additional $45,000 spent on the Covanta study paid for by the City?)

2. Did we need a $125k consultant to tell us that Norfolk Southern (which appears central to the actions of several others) wouldn't participate in the study, given that the City is suing them? Even if NS did co-operate, is it realistic to think that having them move their rail line to some other location is either practical or economically viable? What has been the City's response to Norfolk Southern's apparently long-outstanding request that the City propose alternative locations should we wish them to relocate?

3. Vulcan and Virginia Paving are essentially here because Norfolk Southern is. Is there any reason to expect that they would, at great expense, relocate away from the/a rail line? And if Norfolk Southern won't talk to us, how far is anyone going to get assessing alternative futures for Vulcan and/or Virginia Paving?

4. Back in February I was told by P&Z that "Council specifically requested that <u>staff</u> [my underline] study the potential relocation of the four industrial uses as part of the study." Was it not implicit that they thought "staff" could handle the task? With respect to the study and the challenges it might present, was it not salient that none of the entities had expressed any desire to relocate? Or that Norfolk Southern refused to participate in the study? Or that the most rudimentary calculations would indicate relocation(s) made no economic sense? Was there no alternative but to pay a consultant $125k for this information? Could no one in P&Z or economic development ask the questions of the users or pencil out a preliminary financial evaluation?

5. We already have a Landmark/Van Dorn corridor plan seemingly to attract similar users and amenities (retail, housing, office, green space) to an area which is effectively adjacent to Eisenhower West. How's that going? Have we learned anything from it? Should we be diverting our attention away from it to start chasing another rainbow - this one seemingly much less economically viable? In February I was advised by P&Z that the study would not only look at "the popular concepts of office, residential and retail" but also "a mix of 'green' or less intense...uses". If the numbers don't start to

pencil for "intense" uses how could anyone suggest they'll pencil for parks and walking trails? And, again, do we need a $125k consultant to figure that out?

6. Do we have no one in our entire City Administration that could make these assessments? Is there no one in economic development that can do the math? Given the magnitude by which the options are clearly economically unrealistic, it is difficult to understand how the key conclusions could not be deduced in short order. Back in February I was told "...this study is to determine the circumstances under which the potential value of mixed use redevelopment is sufficient to meet the expanded costs of removing or relocating the industrial uses." Was there no alternative but to pay $125k to reach what was seemingly a foregone conclusion had even the most rudimentary of calculations been made before any consultants were hired?

7. Which leads me to what I would suggest is a rather astounding statement in your documentation of questions raised at your February 26th meeting. In response to question "c" in the section "Council Request for Study" we are told "Planning and Zoning staff have the talent and expertise to conduct this study." So, why didn't they? The noted response goes on "However, given the competing interests of this study it is best to have an objective third party prepare the report. As a consulting team we ("we"?) do not have a vested interest in the outcome of the study." How interesting.

a. First of all, who is "we"? This is written on P&Z letterhead yet the response says "As a consulting team...we..." Are hired consultants writing responses for our P&Z Department? On P&Z letterhead? And posting them on the P&Z website seemingly as coming from P&Z? If, in fact, the consultant is writing the responses for P&Z would it not be entirely appropriate to question if <u>they</u> might have a "vested interest" in whether or not a consultant is retained to prepare the study as opposed to having City staff prepare it?

b. Taken at face value, does this not say that our P&Z department cannot be relied upon to approach such a study objectively?

c. Does it not also imply that P&Z might (or would) have a "vested interest" in the outcome? Is there truly confusion within P&Z as to who you and your associates work for and whose interests you are expected to represent? Does P&Z commonly have "vested interests" in issues we are asking them to evaluate on behalf of the citizens of Alexandria?

d. Going forward, are we now on notice that it is unrealistic to expect P&Z to be able approach matters with an "objective" (P&Z's term, not mine) view? Should we be concerned that you may well have a "vested interest" (again, P&Z's term, not mine) in matters you are evaluating? Does most every issue you deal with not to some extent have "competing interests"? Henceforth will each significant issue now require an outside consultant if the community is to be assured of an unbiased assessment of the facts?

8. Does "Public Review Draft" on the cover of the report presented on the P&Z website infer that, in fact, there are other (non-public) drafts? If so, could we know what those are and how they differ from the one presented to the public?

9. I would direct your attention to the "findings" noted on page 8 of the report. Is there anything here that surprises anyone? Is there anything that a person with even limited financial ability could not logically have concluded before we started? And we had to pay $125k for confirmation? To many that was clearly money we did not have to spare and it was not well spent.

10. All of which brings me back to my bottom line question of February - with this information now provided/confirmed by an objective third party with no vested interests, what is anyone going to do differently?

Thank you for the time and effort you have devoted to this study as well as the time you have taken and are taking to explain P&Z's perspectives to the community.

Donald N. Buch
Alexandria Resident

Commenter #3

VIRGINIA PAVING COMPANY

Division of The Lane Construction Corporation

An Equal Opportunity Employer M/F/V/D

Northern Virginia Area Office
14850 Conference Center Drive
Suite 210
Chantilly, VA 20151
(703) 230 0850
(703) 230 0851 Fax

August 28, 2009

Via E-mail to dirk.geratz@alexandriava.gov

Mr. Dirk Geratz, Principal Planner
Department of Planning & Zoning
City Hall, Room 2100
Alexandria, VA 22314

Re: Draft Industrial Use Study

Dear Mr. Geratz:

The Virginia Paving Company, a division of The Lane Construction Corporation, commends the City of Alexandria for completing the Draft Industrial Use Study. The Study provides a wealth of valuable data and findings.

Virginia Paving discussed the Draft in its entirety, and needed corrections and clarifications, with Mr. Karl Moritz and Ms. Veronica Davis on August 12, 2009. In response to the call for comments by September 1, 2009, Virginia Paving is also submitting the following clarifications and corrections, many of which were highlighted in the June 18, 2009, letter (attached).

Virginia Paving once again respectfully requests that these clarifications and corrections be included in the Study, prior to the September 15, 2009, community meeting and the October 2009 City Council work session.

1. As highlighted in the June 18, 2009, letter, the amount of revenue the City received from Virginia Paving remains low. The Alexandria branch of the Virginia Paving Company paid $741,000 to the City in 2008. (This is a conservative estimate based on the findings of the 2009 George Mason University Economic Impact Study for Virginia Paving's Alexandria operations. This total does not include the taxes FCC, which leases space from Virginia Paving, paid the City in 2008.)
2. Throughout the Draft, Virginia Paving and its parent company, The Lane Construction Corporation, are not accurately identified. Please correct our official name, which is: Virginia Paving Company, a division of The Lane Construction Corporation.
3. Virginia Paving's business is not accurately or consistently described throughout the Draft. The following is the proper description of the business: Virginia Paving Company produces asphalt **and** builds and maintains area roads.

Alexandria and Occoquan Branch
P.O. Box 22247
Alexandria, VA 22304
(703) 751 7100
(703) 751 4249 Fax

Sterling and Chantilly Branch
P.O. Box 1235
Sterling, VA 20167
(703) 471 8787
(703) 837 3023 Fax

Stafford and Fredericksburg Branch
P.O. Box 910
Stafford, VA 22555
(540) 752 5519
(540) 752 5633 Fax

4. Throughout the Draft, two different acreages are listed for Virginia Paving's site—11+ acres and 9 acres. Virginia Paving's site is 11+ acres.

The following comments relate to the development alternatives listed in the Draft, many were highlighted in the June 18, 2009, letter:

1. Alternative B: As stated previously, designating one property owner's site as a public park is inappropriate, especially considering acquisition costs have not been calculated. The cost estimate for the park in Appendix C, $1.6 million +/-, is extremely low. Cost estimates for Braddock Stations' Implementation suggested a passive park cost at $30/sq. ft. to build. Adjusting that for Virginia Paving's site would put the cost at upwards of $11.7 million, at least, not including land costs.

2. Alternatives A & B severely limit the amount of developable land for the Virginia Paving parcel. The Draft assumes most of Virginia Paving's land is not developable due to RPA and flood plain constraints. The RPA and flood plain can be changed in conjunction with a development proposal that offers to change the Backlick Run channel, build flood protection measures, or provide mitigating wetlands elsewhere. In addition, even if it is assumed only one-third or one-quarter of the land can be built on, the developer would build tall and use the remaining land as open space. Thus, the total development potential on VPC land is underestimated. It's worth noting that prior to development, all of Cameron Station was in the flood plain, and today, Tucker Elementary School and some of the newest condos and townhouses in Cameron Station remain in the flood plain. Just because something is in a flood plain doesn't make it entirely undevelopable.

3. Alternative D still seems to have too low of FAR for a Transit Oriented Development option—it's still the same as Column A. It should be noted in the Draft that this isn't a Small Area Plan study and these figures are merely demonstrative of possible development in the area, not final proposed development limits.

4. Currently, infrastructure improvements estimates do not include cost of land acquisition. Cost estimates in the Draft should better acknowledge this missing link because it affects total infrastructure costs. Additionally, the cost of a multi-modal bridge is the same as the estimate in the Landmark/Van Dorn Small Area Plan study, which also did not include land acquisition.

5. Virginia Paving also believes that the business valuation and relocation cost estimates in the Draft are extremely low and shouldn't be taken for exact numbers in the future Eisenhower West Small Area Plan Study—these are just estimates at this point.

Virginia Paving would also like to highlight some additional points and findings in the Draft, and would again request that some of the following information and corrections be incorporated (or emphasized), including:

1. Emissions: This is a very important finding that needs emphasizing: "Emissions from the four industrial sources in the study area, including both the industrial processes and associated truck traffic, comprise a very small fraction of the total City-wide criteria air pollutant emissions".

2. Needs to be clarified: Virginia Paving has spent more than $4 million dollars in improvements to its operations and site, not $12 million, in accordance with the November 2006 SUP. The facility has proven it can co-exist with its surrounding residential and business neighbors. (Attached is a list of improvements.)

3. Needs to be added: In 2007 and 2008, Virginia Paving removed 24,700 truck loads from area roads by receiving aggregate via rail.

4. Needs to be added: Virginia Paving does not operate 24 hours a day and seven days a week. In accordance with the 2006 SUP, Virginia Paving is only permitted to operate 110 nights per year.

5. Needs to be removed: In Table ES-1 under quality of life for Virginia Paving, noise is listed. As required during the 2006 SUP process, Virginia Paving conducted noise tests for the City and the results clearly indicated that Virginia Paving is not creating excessive noise from its property. Please remove 'noise' from this table.

Once again, the Virginia Paving Company, a division of The Lane Construction Corporation, commends the City of Alexandria on the significant amount of work that they have done with the Industrial Use Study. We are available to provide additional clarification, comment and information, as we have consistently done throughout the Study process.

Sincerely,

D. A. Luzier

Dennis A. Luzier
District Manager
Virginia Paving Company

Attachments

VIRGINIA PAVING COMPANY
Division of The Lane Construction Corporation

An Equal Opportunity Employer M/F/V/D

Northern Virginia Area Office
14850 Conference Center Drive
Suite 210
Chantilly, VA 20151
(703) 230 0850
(703) 230 0851 Fax

June 17, 2009

Via E-mail to dirk.geratz@alexandriava.gov

Mr. Dirk Geratz, Principal Planner
Department of Planning & Zoning
City Hall, Room 2100
Alexandria, VA 22314

Re: Industrial Use Study

Dear Mr. Geratz:

As requested at the Industrial Use Study Community Meeting on May 13, 2009, please find below comments and clarifications that we respectfully request be included in the Draft Report.

Virginia Paving Company would like to commend the City and the team of consultants for the amount of work completed on this study. Initiating a study to analyze costs, risks, benefits, and opportunities associated with redeveloping industrial sites is challenging. It is equally challenging to analyze development costs and opportunities for redevelopment, the feasibility of relocation, and the impacts and benefits of these uses.

First, an important comment was made at the community meeting on May 13, 2009, that there should be another option detailed: how to improve the existing industrial uses so that they better co-exist with their neighbors. Virginia Paving Company believes this is a viable alternative and wishes to point out that it has spent over $4 million dollars on improvements to its operations and its site since their SUP was amended in November 2006. Because of these significant improvements, we have proven that we can co-exist with our residential and business neighbors and should be mentioned in the draft report.

Alexandria and Occoquan Branch
P.O. Box 22247
Alexandria, VA 22304
(703) 751 7100
(703) 751 4249 Fax

Sterling and Chantilly Branch
P.O. Box 1235
Sterling, VA 20167
(703) 471 8787
(703) 837 3023 Fax

Stafford and Fredericksburg Branch
P.O. Box 910
Stafford, VA 22555
(540) 752 5519
(540) 752 5633 Fax

Second, Virginia Paving Company requests that the following information be added, amended or clarified before a draft report is released.

1. On page 7 of the presentation, it's not clear how Virginia Paving Company is 90% of Vulcan's work from their site. This needs to be clarified.

2. On page 8, Virginia Paving Company would like to add the following:

   a. In 2007 and 2008, Virginia Paving Company removed 24,700 truck loads from area roads by receiving aggregate via rail.
   b. With regard to the SUP, we have made $4 million in improvements since the adoption of the SUP.
   c. Virginia Paving Company can operate 110 nights per year.

3. On page 21, the amount of revenue from Virginia Paving Company is low. In 2008, our economic impact study shows that Virginia Paving Company paid $740,000 net to the City, not including the revenue the City received from FCC, which grossed $17 million in 2008.

4. On Page 21, the number of employees is low as well, Virginia Paving Company's site includes FCC and that would add 24-25 employees.

5. On Page 28/29, we ask for your source for the flood plain analysis that only 23% of the site is developable. It's worth noting that prior to development, all of Cameron Station was in the flood plain, and today, the school site remains in the flood plain. Therefore, because something is in a flood plain doesn't make it entirely undevelopable.

6. On Page 29, Virginia Paving Company questions why lower FAR's are attributable to the Virginia Paving Company site than the Vulcan site. This refers to the broader point that more land can be utilized for development with certain flood control measures as well as waivers can be requested to reduce the 100' RPA to 50' under the Zoning Ordinance.

7. On Page 31, Column C should be broken down between Vulcan and Virginia Paving Company and Column D seems to have low FAR for a transit oriented development option; it's the same as Column A.

8. On Page 32, Cost of infrastructure improvements doesn't include cost of land acquisition. This affects the total costs of the infrastructure, therefore it is be included. Further, the bullet on development constraints on Virginia Paving Company's property should be removed for the reasons stated in note 5.

9. On Page 33, the Fiscal Impact chart seems to be in error. The number listed as revenue received from existing uses is listed inaccurately as below $1 million, when you stated previously that it was at least $1.1 million. Please provide the source for these estimates? Is should also be noted that these numbers are low based on Virginia Paving numbers.

Virginia Paving Company would ask that you take these items into consideration for the presentation of your first formal draft of the Report on the Industrial Land Use Study.

We look forward to the draft and we remain available to answer any questions you may have. Yon can contact me at (703) 230-0850.

Sincerely,

Dennis A. Luzier
District Manager

Cc: JSC, MAS, DMH, file

Virginia Paving Company, Alexandria, Virginia
SUP Compliance Schedule

Project Description	SUP Condition	SUP Compliance Date	Completion Date
ENVIRONMENTAL IMPROVEMENT PROJECTS			
Plant 1 – Blue Smoke Control	11	12/31/2006	02/28/2007
Plant 2 – Fugitive Emission Control System	11	07/30/2007	07/24/2007
Plant 1 – Low NOx Burner	12	12/31/2007	03/14/2007
Plant 2 – Low NOx Burner	12	10/30/2006	03/14/2005
Asphalt Storage Tank – Vent Condensers	13	09/30/2006	08/17/2006
Plant 1 Asphalt Conveyors and Loadout – Fugitive Emissions Capture & Control	14	09/30/2007	08/24/2007
Plant 2 Asphalt Conveyors and Loadout – Fugitive Emissions Capture & Control	14	06/30/2008	06/28/2008
One-Half of On-Site Trucks & Diesel Engines – 90% Efficient Particle Traps	16	10/31/2006	09/30/2006
One-Half of On-Site Trucks & Diesel Engines – 90% Efficient Particle Traps	16	12/31/2006	12/22/2006
One-Third of VA Paving Dump Trucks – Replace Trucks	16	12/31/2007	10/25/2007
One-Third of VA Paving Dump Trucks – Replace Trucks	16	12/31/2008	7/25/2008
One-Third of VA Paving Dump Trucks – Replace Trucks	16	12/31/2009	On Schedule
Plant 1 – Increase Stack Height to 20 m	17	01/31/2007	12/20/2006
Plant 2 – Increase Stack Height to 20 m	17	01/31/2007	12/22/2006
Hot Oil Heater – Increase Stack Ht to 6 m	18	10/31/2006	01/20/2006
RAP Crusher – Water Sprays and Drop Enclosures	19	12/31/2006	06/25/2005
Plant 2 Product Shipment (Eastern End of Facility) – Pave Truck Access Area	22	10/31/2006	01/09/2006
All Material Transfer Points – Water Sprays and Enclosures	23	12/31/2006	12/16/2006
Install Stormwater Management Facility	29	12/31/2006	12/22/2006
Vegetate buffer between RAP pile and stream	31	Not Specified	12/22/2006
On-Site Stream Bank Stabilization	32	Not Specified	12/04/2006
All On-Site Trucks & Equipment – Noise Level Sensing Backup Alarms	39	05/27/2007	06/25/2006
Plant 1 Cylinder Exhaust Port – Noise Reducing Muffler	43	11/30/2006	07/20/2006
Plant 2 Cylinder Exhaust Port – Noise Reducing Muffler	43	11/30/2006	07/20/2006
Remove tack deposits, repair pavement	48	Within 90 days of City notice	Perpetual
Replace Locomotive Engine	51	12/31/2009	06/19/2009
Remove parking area from City ROW, or apply for encroachment or vacation	73	Not specified	On Schedule

Commenter
4
Eisenhower
Partnership

August 3, 2009

SUBJECT: COMMENTS ON ALEXANDRIA INDUSTRIAL USE STUDY FOR EISENHOWER WEST

When the City Council unanimously passed the *Recommendations of the Mayor's Economic Sustainability Work Group* in December 2007, the report recognized that "Metrorail is the most underutilized asset in which the City has made a substantial investment and has not received a full return." One of the group's key recommendations in the report was to "capture the full economic development potential of the City's Metrorail Stations," including:

1.) "Develop land use plans for transit oriented development (TOD) at the... Van Dorn Metrorail station;" and
2.) "Model density on best practices such as the retail/office/residential redeveloped Clarendon area in Arlington County which has a mix of heights and densities."[1]

It is with this doctrine in mind, unanimously embraced by the Mayor and City Council, that we make the following comments and assessments of the Eisenhower West Industrial Use Study ("Study"):

A. The Study currently uses a set of four pre-defined redevelopment scenarios (Alternatives A thru D) with specified densities which guide the results of a yes/no decision on whether or not a particular site is feasible for redevelopment. Using pre-defined development alternatives as the basis of comparison to determine a conclusion to the Study, limits and shapes the outcome of the results. Additionally, it might lead one to believe that these four sites would not ever be feasible for redevelopment given the conclusion of the study, which doesn't match the vision that City Council and the Economic Sustainability Work Group have for the Van Dorn Metro Station (i.e. "retail/office/residential"). More could be learned if the intensity of the development Alternatives needed to make redevelopment feasible is a conclusion of the study results, rather than determining the Alternatives prior to conducting the math, which tries to fit redevelopment feasibility into four pre-drawn boxes.

Recommendation:

- The Study should calculate the minimum FAR required (on a gross FAR basis, not developable land FAR since density can be transferred) for each site whereby it might make economic sense to redevelop – in essence, mathematically "back into" the minimum appropriate FAR it would take to mitigate the total impact of a particular site's cessation/redevelopment – thereby developing a baseline or breakeven point. This approach will afford citizens, landowners, businesses, and

[1] *Recommendation's of the Mayor's Economic Sustainability Work Group*. City of Alexandria, Virginia. December 11, 2007. Page 4-5.

City Council the opportunity to make informed decisions related to the upcoming Eisenhower West Small Area Plan, as well as provide a good place from which to begin that planning process.

B. FAR measurements for any one particular site included in this Study should be considered on a gross FAR SF basis (rather than using a misleading developable land SF measurement) since a site's FAR gained from the square footage of non-developable area could be transferred and built on the developable part of a particular site.

Recommendation:

- When making reference to the total density the Study should always use gross FAR for build-out calculations since zoning regulations don't discriminate against a parcel's buildable FAR based on the parcel's developable land. This will yield more developable FAR in the Study and more accurately portray the density being discussed and measured.

C. The assumptions currently used for the gross FAR for the four subject parcels are widely inconsistent with the adopted recommendations of the City's Economic Sustainability Work Group. The highest gross FAR given to any single site in these alternative scenarios is 1.9 FAR, for the Covanta site under Alternative A from Table F-13. Covanta is located directly across the street from the Metro Station, and densities around Metrorail should be greater than in any other part of the City. Other sites around the Van Dorn Station are zoned OCH which allow densities of up to 3.0. The highest total gross density measurement in any Alternative for these four parcels taken together is 0.9 (Alternative D), far below the density that surrounding parcels have by-right with their existing zoning.

Recommendation:

- Any TOD scenario should have densities that are much greater than those used in this Study and should reflect proximity to mass-transit when compared to alternative areas of the city that have no direct access to mass-transit. Mid-rise and townhome intensity style developments (used in the Study as the redevelopment Alternatives) are inappropriate and contribute to the "underutilization of the City's investment in Metro."
    - i. In the latest Landmark/Van Dorn Small Area Plan, which has no direct pedestrian access to Metro, the gross density for the "West End Town Center" is 2.5. "Pickett Place" has an FAR of 2.0.
    - ii. Density in Clarendon, which the Mayor's Economic Sustainability Work Group recommends as a model, has densities as high as 4.8 FAR. (Some developments in the Ballston and Rosslyn areas reach densities of as much as 10.0 FAR next to the Metro Stations)

D. On Page 4 of the Study under the Executive Summary: Redevelopment Potential, the Study concludes that this area demonstrates weaker market demand for office over the long-term because there are other areas of competition. The Study goes on further in Executive Summary: Next Steps and seems to conclude that Landmark Van Dorn, Potomac Yards, and Braddock will present better options in the long-term for office use. The Study seems to make a blanket statement that because these four particular parcels did not present redevelopment potential based upon the four Alternatives presented, then therefore the rest of the Eisenhower West area and parcels around the Van Dorn Street Metro Station does not have future market demand and is not a redevelopment opportunity.

Recommendation:

- In none of the small area plans referenced by the Study that are cited as "competition" for Eisenhower West (with the exception of Braddock) is there an existing Metro Station in place. Office use that is located within walking distance to a Metro Station will in almost every case be a more desirable location than one without close proximity to Metro, and thus demand higher rents. So for the Study to conclude that a market for office in this area would not be demanded here over another location simply because a future supply of office has already been approved elsewhere, runs counter to the fundamental principles of supply and demand. In order for there to ever be redevelopment potential for the Eisenhower West area, the City must commit to doing a small area plan that reflects transit-oriented development principles that encourage high density mixed-use development.
- Over the next two to three years the federal government is seeking to lease several million square feet of high-security office space for DOD and DOD-type agencies that need facilities that meet their security requirements, but also have proximity to mass-transit. It is a real possibility that Victory Center along Eisenhower Avenue could land any one of the deals that are out on the street with the federal government. Such an event would drastically change the near-term market along Eisenhower, and should therefore be taken into consideration in the presentation of the market study results.
- The Metropolitan Washington Council of Government estimates that 1.6 million people will move into the region, and 1.2 million jobs will be created between 2005-2030. Given that 39% increase in population, and 32% increase in jobs over 2005 levels, there will need to be accommodations made for those people and jobs to be able to locate near Metro. The Van Dorn Station currently services an average of 3,500-3,900 riders per day. However, the Station as it is currently designed and built could accommodate up to approximately 13,000 riders per day without any platform extensions or enhancements. Given the drastic underutilization of this mass-transit asset, it would be in the City's best interest to put in place plans that would allow for higher quality development to

take shape around the Van Dorn Metro Station to accommodate future increases in the population, workforce, and to follow-through on the City's charter to become a "Green City."

WEST END BUSINESS ASSOCIATION
City of Alexandria, Virginia
Alexandria, VA 22314

Commenter #5

3213 Duke Street, Box 128

E:info@alexandriaWEBA.com
Website: www.alexandriaWEBA.com

Aug. 31, 2009

TO: Chairman John Komoroske and members of the Alexandria Planning Commission
RE: Comments on the West End Industrial Uses Study

Transmitted via email to: veronica.davis@alexandriava.gov

Dear Chairman Komoroske and members of the Alexandria Planning Commission,

Earlier this year, the West End Business Association (WEBA) formed a Local Government Advisory Committee so that we could take a closer look at the many issues affecting the growth and development of the City. The purpose is so that the Committee can advise the Board of its findings and share those with our elected officials and City staff.

We would like our comments to be submitted for the record for the Public Review process of the current West End Industrial Uses Study. And if comments are to be distributed on the handout table at the Sept. 1, 2009, meeting, we would like ours to be included.

WEBA agrees with the study's conclusions that there is not an immediate market pressure for redevelopment of the area, and that it would be far too expensive to relocate the four businesses under study.

- WEBA does not support forced relocation of law-abiding and tax-paying businesses for the purpose of new development.
- WEBA believes the area will eventually redevelop and that market conditions, coupled with City incentives for the "right kind" of development, are the proper guides to that redevelopment
- WEBA does not support efforts to place additional residential development in the study area, unless it is as part of a large mixed-use project focused on the Van Dorn Metro Station.
- WEBA is concerned with the assumptions and methodologies embodied in the study, specifically:
- *The four properties studied do not fully define the area; there are a number of other industrial uses nearby that detract from the area's current development potential. The area should be defined and studied as a whole. The Police Shooting Range, future Fire Station, City Mulch Pile, and other uses, including the crematorium on Vine Street, affect the desirability of the area.*
- *The long-term development scenario D (Transit-oriented development) understates the amount of office space that could be attracted to the area and does not have a sufficiently high FAR to make redevelopment possible. This scenario should have tested for what level of development is necessary to make the area redevelopable*
- *There is no consideration of City incentives for appropriate development*
- *There is no effort to determine the role of a full occupancy of Victory Center on the area's development potential*
- *The negative impact of the floodplain on certain properties is overstated. Cameron Station was entirely in the flood plain until it redeveloped; it made some changes, received a FIRM (Flood Insurance Rate Map) amendment, and developed into a residential community. Surely the industrial properties could do something similar. The fiscal impact sections are difficult to support, as they have erroneous assumptions on the level of development that can be achieved, the cost of land acquisition for public improvements, the value of the businesses studied, and the cost of capital improvements such as the proposed bridge to Metro.*
- WEBA believes the City should focus on an overall City Master Plan that provides for public infrastructure needs such as schools, fire stations, and an efficient and effective transportation network whose activity nodes are supported by the right kind of development, adequate sewer

WEST END BUSINESS ASSOCIATION
City of Alexandria, Virginia
Alexandria, VA 22314

3213 Duke Street, Box 128

E:info@alexandriaWEBA.com
Website: www.alexandriaWEBA.com

capacity, recreation/community centers, and local government satellite offices. Once these elements are put in place, it will make more sense to carry out fine tuned neighborhood plans.
- There is a need to coordinate Alexandria's land use and transportation plans for this area with Fairfax County's.

We would also ask that we be kept informed of upcoming public meetings so that a representative of WEBA will be able to attend, and to provide comments, when an opportunity is afforded to do so.

Sincerely,

Kathleen M. Burns, Vice President
West End Business Association
1036 N. Pelham St.
Alexandria, VA 22304
burnskathy@earthlink.net

CC: Faroll Hamer
Mayor and members of the City Council
Hart, Calley, Gibbs & Kemp PC

Commenter #6

ALEXANDRIA CHAMBER OF COMMERCE

September 1, 2009

VIA EMAIL – veronica.davis@alexandriava.gov

Department of Planning and Zoning
City of Alexandria
301 King Street
Alexandria, VA 22314
ATTN: Ms. Veronica Davis

Re: Eisenhower West Industrial Use Study

Dear Ms. Davis:

The Alexandria Chamber of Commerce (the "Chamber") has closely monitored the process and preliminary findings of the Eisenhower West Industrial Use Study (the "Study") since its inception in 2008. In response to the City's creation of the Study, the Chamber adopted the following policy in November, 2008, as an integral part of its 2009 Legislative Agenda:

> In the wake of the Norfolk-Southern ethanol transloading issue, the City has placed a moratorium on Special Use Permits for certain levels of industrial uses within the City. Moreover, the City has formed a task force to review the desirability and feasibility of continuing certain industrial uses along the Eisenhower West corridor. The Chamber recognizes that there needs to be a careful examination of compatible uses, taking into account the recent influx of residential and " light" commercial uses in this region. Notwithstanding the foregoing, the rights of business owners to lawfully operate their commercial enterprises should not be endangered by over-burdensome or after-the-fact legislation. These issues can be very fact specific and cannot be addressed with blanket support or opposition. As a general proposition, however, the Chamber will support the rights of business persons in the lawful operation of their business.
>
> ***Position: Chamber Opposes over-burdensome or after-the-fact legislation that imposes undue costs and restrictions on lawful operation of industrial use sites.***

Based on our review of the public review draft of the Alexandria Industrial Use Study prepared for the City by Bay Area Economics, HDR, Inc and MACTAC Engineering dated July 2009 (the "Preliminary Report"), the Chamber provides the following comments:

1. The Chamber reiterates its position in support of the rights of existing businesses to continue lawful operation without needless governmental intervention. The Eisenhower West corridor and vicinity contain both heavy and light industrial uses that have, in many instances,

existed for decades and should be permitted to continue their lawful operation unless and until the market determines otherwise. These businesses provide jobs and needed services for Alexandria residents and generate significant revenue for the City.

2. While the Preliminary Report provides conservative estimates of the real estate tax revenue derived from these properties in their present use, it fails to take into account other economic impacts associated with these uses, including consumer convenience due to close proximity and the impact from loss of jobs if these businesses are terminated or relocated, all of which are difficult to quantify.

3. To the extent that the Preliminary Report identifies future alternative uses for this area, it fails to recognize the levels of density that would be appropriate in such close proximity to the Van Dorn Street Metro Station. If and when the subject uses choose to vacate their property, the Chamber submits that the redevelopment plans for such properties should result in high density, mixed-use, urban projects that optimize the use of existing and future transportation infrastructure in the Van Dorn area, generating revenue at levels that replace lost revenue caused by the displacement of present uses.

4. The Chamber expresses its concern regarding the efficacy of the Study and the considerable cost associated with the Study to date. The Chamber submits that the work should have been performed by existing City staff within the appropriate departments at a fraction of the cost associated with hiring outside consultants. In the current economic environment, tax dollars should be spent wisely and should be focused on maximizing existing staff resources, providing vital services for public health, safety and education, and promoting economic development within the City.

In the event that you have any questions, regarding this matter, please do not hesitate to contact me.

ALEXANDRIA CHAMBER OF COMMERCE

Andrew F. Palmieri
Chair, Government Relations Committee

cc: Hon. William D. Euille, Mayor
Hon. Kerry Donley, Vice Mayor
Hon. Frank H. Fannon IV, Council Member
Hon. Alicia Hughes, Council Member
Hon. Robert Krupicka, Council Member
Hon. Redella S. Pepper, Council Member
Hon. Paul C. Smedberg, Council Member
James Hartmann, City Manager
Farroll Hamer, Director of Planning and Zoning
Richard Baier, Director of Transportation and Environmental Services
M. Catharine Puskar, Chair of Alexandria Chamber of Commerce
Tina Leone, President of Alexandria Chamber of Commerce

Commenter #7 Carol James

DATE: September 1, 2009
TO: Faroll Hamer, Director Planning and Zoning, City of Alexandria
FROM: Carol L. James, [redacted]
RE: Comments for the Planning Commission and City Council re: Draft Eisenhower West Industrial Use Study Report

Please note that the following observations and comments about the draft study report are offered as input to City leaders and staff from me solely in my role as a private, interested citizen rather than in my capacity as Brookville Seminary Valley Civic Association (BSCVA) representative to the Virginia Paving Community Liaison Committee. Due to the timing of this process (with comments due today and my having received notification of the report's availability only last week), there has been no meeting of BSVCA at which to discuss this draft report and receive additional community input. Also, due to time constraints, my reading and absorption of the full report is cursory. Should there be an opportunity to revise and extend these hurried comments at a later date, it would be appreciated.

LEGAL CONSTRAINTS

While I am NOT an attorney, my lay-person's understanding of recent court findings with respect to the "takings" issue is that private property cannot be taken by a public entity through eminent domain predominantly for the purpose of finding alternative uses that will generate more revenue for the public entity (e.g., the City of Alexandria) than do the existing landowners. Purportedly the original goal for commissioning this study and entertaining the idea of eliminating heavy industry was to optimize the use of METRO rail, arguably a broad public benefit. The report concludes that improving access to and use of METRO transit is unfeasible at the locations under study.

The other rationales for the elimination of heavy industry set forth in the draft study report, namely increased revenues for the City via projections of greater population density, additional jobs, property valuation and tax receipts, and so forth, seem to fall short of supporting any tenable legal argument for achieving a public good worthy of the exercise of eminent domain. Indeed, the report indicates that public subsidies to support redevelopment would be likely. Not only that, redevelopment of these sites would "need to create potentially complex deal/transaction structures in which the different landowners share in the proceeds of the redevelopment." (Appendix F, page 8). These complex legal structures would be needed, one can assume, even if the four businesses were to voluntarily and simultaneously put their properties on the market.

The concept of "re-zoning" is bandied about. One could ask whether "re-zoning" can be defined as a "taking" achieved through other methods than the application of eminent domain. Again, as a non-lawyer, it appears to me that the legal issues in this matter supersede both the public policy and economic considerations and need to be assessed and addressed prior to determining any next steps. The City Attorney or outside counsel may enlighten me with respect to these concerns.

MACRO ECONOMIC AND STRATEGIC CONSIDERATIONS

The report does not set forth assumptions about macro economic conditions driving its conclusions. For example, strategic elements are not considered. Industrial values are determined based on asset evaluations rather than, for example, operational or human resource considerations. This is the case at the macro- as well as the micro-analytic level. For example, while the report characterizes jobs at the four sites as being in low-growth sectors compared with the overall employment base in Alexandria and rates these jobs as lagging pay of other sectors, there is no consideration given to characterizing the jobs base in the area in other ways, for example by sector: public, independent (non- and not-for-profit) and private/for-profit. One could ask is it in Alexandria's strategic best interest to eliminate heavy industry? What is Alexandria's belief about its values? For example, does Alexandria's expressed value for diversity in race and ethnicity extend to embracing the value of a breadth of human endeavor and skill sets?

PRIZE ANALYSIS

After an admittedly cursory reading of this report, I am unable to articulate either the problem or the opportunity. This participant in this process is left confused. When confronted with a business question, one approach is to do prize analysis. Does the prize one seeks to achieve warrant the blood invested: pain, confusion, risk, opportunity cost, and so forth? The commissioning of this study purportedly has had a "chilling effect" upon industrial development by private businesses in the West End in the current and near term. I'm wondering why a business or an investor, upon witnessing this process, reading this report, assessing this situation, and doing prize analysis, would see investment opportunity here in a world of myriad, less-complicated and more-hospitable prospects. What prize is the City pursuing? What question(s) needs to be addressed and analyzed?

Commenter #8 Vulcan Lands Inc

McGuireWoods LLP
1750 Tysons Boulevard
Suite 1800
McLean, VA 22102-4215
Phone: 703.712.5000
Fax: 703.712.5050
www.mcguirewoods.com

Kenneth W. Wire
Direct: 703.712.5362

MCGUIREWOODS

Land Use and Environmental
kwire@mcguirewoods.com

September 10, 2009

VIA EMAIL
Karl Mortiz, Deputy Director
Planning and Zoning
301 King Street, Suite 2100
Alexandria, VA 22314

RE: Draft Industrial Study

Dear Mr. Mortiz:

On behalf of our client, Vulcan Lands Inc. ("Vulcan"), we are writing to provide comments on the draft Alexandria Industrial Land Use Study, dated July 2009 (the "Draft"). While Vulcan generally agrees with the Draft's overall findings that the demand for redevelopment is weak and that there are significant obstacles to near term redevelopment, the Draft does not adequately account for certain economic and environmental benefits provided by Vulcan's current use of the property located at 701 South Van Dorn Street (the "Property). The Draft also makes several purely speculative assumptions concerning the redevelopment options.

Vulcan previously provided the City with information regarding Vulcan's current use of the Property by letter, dated June 24, 20009, *attached.* The June 24th letter noted several facts regarding the current use of the Property and the accompanying economic and environmental benefits which do not appear to be accounted for in the Draft. These issues include:

1. Table 1 on Page 19 of the Draft states that Vulcan only supplies materials to Virginia Paving. Vulcan, however, supplies building materials to a wide variety of customers including the City Government and private contractors.
2. Table 1 also states that dust is generated by Vulcan's current use. Vulcan, however, employs a variety of dust suppression measures including the truck wheel wash and wet suppression and sealing of on-site materials. As a result of these measures, Vulcan has yet to receive any complaint concerning the generation of dust from the Property.
3. The Draft also does not account for economic benefit associated with the supply of low cost building materials that Vulcan provides to the City. The low cost materials are directly attributable to the railcar access to the Property, as the distribution costs for the building materials is the most significant cost component.
4. The Draft's estimate of relocation costs for the current use of the Property to another location outside of the City is not adequate. Excluding the cost of purchasing an alternative site, Vulcan currently estimates the cost of the relocation to be closer to $1 million. The relocation figures also do not account for the loss of business that would

undoubtedly occur from Vulcan having to raise the price of its materials to account for the increased transportation costs.

We are also providing the following comments on the redevelopment scenarios listed in the Draft:

1. The redevelopment scenarios are overly simplistic and are not supported by the analysis the City has required in the past when determining the desired density for any property. For example, the proposed density does not account for infrastructure capacity for the existing roads, sewer, and schools. The Draft also does not provide even a basic massing model to determine whether or not the proposed density is even appropriate for the Property given the community's expectations for setbacks, heights and open space.
2. Table 12 on page 63 states that various emissions will be reduced under all redevelopment scenarios. The Draft, however, does not account for the increase in the number of truck trips that will result from the need to supply all building materials within the City limits by truck rather than by railcar, nor does it account for the greater truck road miles required for delivery from outside of the City.

These clarifications and issues provide future support for the retention of the existing uses on the Property for the foreseeable future. We respectfully request that staff address these issues in advance of the community meeting on September 15, 2009.

Vulcan appreciates the efforts and hard work that staff has put into working with the property owners and the community in preparing the Draft. Vulcan looks forward to continuing to work with staff and the community to ensure this vital industrial use continues to provide services to both the City and the community.

Sincerely,

Kenneth W. Wire

Enclosures

cc: City Councilmembers (via email to jackie.henderson@alexandriava.gov)
Faroll Hamer, Director, Planning and Zoning (via email)
Paul Miklich, Vulcan Materials (via email)
Carson L. Fifer, Jr., McGuireWoods (via email)

\98814691

McGuireWoods LLP
1750 Tysons Boulevard
Suite 1800
McLean, VA 22102-4215
Phone: 703.712.5000
Fax: 703.712.5050
www.mcguirewoods.com

Kenneth W. Wire
Direct: 703.712.5362

McGUIREWOODS

Land Use and Environmental
kwire@mcguirewoods.com

June 24, 2009

COPY

VIA EMAIL TO Jackie.Henderson@alexandriava.gov
Mayor Euille and Members of City Council
City of Alexandria
301 King Street, Suite 2100
Alexandria, Virginia 22314

RE: Eisenhower West Industrial Land Use Study

Dear Mayor Euille and Members of City Council:

On behalf of our client, Vulcan Lands Inc. ("Vulcan"), we are writing to provide information regarding the property owned by Vulcan located at 701 South Van Dorn Street (the "Property"). We are providing this information for the City and its consultant BAE to use in drafting and evaluating the Eisenhower West Industrial Land Use Study (the "Study"). It is our understanding that the City has retained BAE to draft a report to analyze the costs, risks, benefits and opportunities with redeveloping the Property. The purpose of this letter is to provide City staff and BAE with information regarding the current use of the Property, the benefits the current use provides to the City and the constraints on any near term redevelopment.

I. Summary.

The current industrial use is the highest and best use of the Property for the foreseeable future as: 1) the current use of the Property provides a significant benefit to both the City and Vulcan; 2) the Property is the sole storage and distribution site for various construction materials within the City limits with direct railroad access; and 3) the current real estate market and surrounding industrial uses present significant obstacles to near term redevelopment.

II. Description Of The Current Use Of The Property.

The Property consists of two separate parcels consisting of approximately 17.7 acres located at the southeastern corner of S. Van Dorn Street and S. Pickett Street. Since the early 1980's, Vulcan has used the Property for storage and distribution of various types of construction aggregate (crushed stone, sand, and gravel) and other similar building materials which are delivered to the Property by rail. The Property is currently improved with an access road, office trailer, hopper, utility building, storm water management pond and truck wheel wash holding pond. Vulcan employs various management and environmental measures such as the use of the truck wheel wash, wet suppression and sealing of various materials to control dust on-site and to prevent any off-site dust emissions. As a result of these various effective techniques, there have been few if any complaints related to Vulcan's operations and use of the Property. Unlike the other properties in the Study, the uses on the Property do not involve the mixing, processing or heating of petroleum based products.

The majority of sales from this facility occur during the peak construction periods in the spring, summer and fall. At peak operation, the railroad delivers up to 50 rail cars of aggregate products per day to the Property. Delivery is determined by railroad schedules but primarily occurs after normal business hours. Vulcan employees subsequently unload and stockpile the materials during the day. Vulcan employs 3 or 4 employees to unload the rail cars and place the material in inventory - ready for pickup by customers. During peak operation, approximately 400,000 tons of materials are sold from the Property each year. Over 90% of this material is delivered within the City limits, with the City government itself accounting for approximately 40% of total sales. As one of the largest open space industrial areas in the City, the Property has also been used for a variety of other uses, including: the training of fire and police rescue units and for the recycling of concrete recovered from the Pentagon after the September 11, 2001 terrorist attacks.

It is also important to note that at the community meetings to discuss the Study on February 26, 2009 and May 13, 2009 no one voiced any objection or concern with Vulcan's current use of the Property. While the community objected to the current uses of the other properties subject to the Study based on their proximity to residential uses and possible odors generated by those uses, not a single comment was made about Vulcan's Property. Vulcan's long-standing cooperative relationship with the community, diligent care of the Property, and the fact that the Property is surrounded by other industrial uses all contribute to the fact that the community does not object to the continued industrial use of the Property.

III. The Current Use Of The Property Provides Many Benefits To The City.

The City benefits from having the Property zoned as an industrial use. First, Vulcan is able to provide these essential building materials in a cost effective method to both the City and private/commercial developers as the Property is located within the City limits and has direct access to the railroad. The location of the Property and rail access is an important benefit as transportation costs from the point of production to the point of distribution/consumption can be a significant component of the total costs of materials – often transportation costs will exceed the cost of the raw materials. The Property is located in relative close proximity to the nearly 12 million square feet of planned development in the Landmark/Van Dorn Small Area Plan (the "Landmark Plan"). Thus, Vulcan's continued industrial use of the Property will enable Vulcan to provide quality building materials to the local community thereby making the build out of the Landmark Plan more cost-effective to private investors. The Property also provides the City government with low cost access to the materials needed to build public facilities and treat roadways in winter without having to store the materials on City property until needed.

Second, the delivery of nearly 400,000 tons of aggregate yearly to the City by rail car dramatically reduces the number of truck trips that would be needed to supply the same material to the City via public roads. The staging of the materials within the City limits also enables Vulcan to deliver large quantities of materials outside of normal peak traffic hours thereby further reducing the impact upon local roads. Thus, the rail access to the Property is a significant benefit to the City as the delivery by rail reduces the number of traffic trips, road maintenance and carbon emissions that would otherwise be generated if the same materials were delivered to the City by truck.

Third, the current use of the Property provides a significant source of tax income to the City. Vulcan currently pays an annual real estate tax of approximately $125,000.00 to the City. In addition, in 2008 the total gross sales from the Property were approximately $4,200,000.00. This sales revenue resulted in an annual business license tax renewal fee of approximately $2,000.00. Vulcan's current use of the Property has a positive impact on the City's budget as the current use provides a significant source of local tax revenues and only uses a minimal amount of public services.

Finally, the Property is also the last large open space industrial area in the City with rail access. Preserving the industrial use of the Property will enable the Property to accommodate the future industrial needs of the City. Therefore, it is essential that the Study also evaluate the highest and best use of the Property as an industrial property. The Study should not solely analyze the current industrial use of the Property against all other non-industrial uses, as such a comparison would ignore the value of the other future industrial uses on the Property.

IV. There Are Significant Obstacles To Redeveloping The Property With Any Other Use In The Near Future.

The Property is surrounded by industrial uses on the north and west, the railroad to the south and S. Van Dorn Street to the east. The current industrial use of the Property is clearly appropriate given these surrounding uses; however, these adjacent uses are an obvious obstacle to the redevelopment of the Property for any other type of use other than industrial in the foreseeable future.

In addition, the commercial, residential and retail density recommended by the Landmark Plan for the site of the Landmark Mall and along S. Van Dorn Street north of the Property makes it extremely unlikely that there will be any market demand for redevelopment of the Property in the foreseeable future. This issue was echoed by the community at the community meeting on February 26, 2009. The community stated that they do not want to see the Landmark Plan undermined by creating other opportunities for additional redevelopment outside of the planning area. The community stated that they wanted to see the vision on the Landmark Plan realized before even considering the potential redevelopment of other adjacent areas.

We trust that the City and their consultants will acknowledge the benefits of the current and continued industrial use of the Property, the stated obstacles to the redevelopment of the

Property, and the community's resistance to any redevelopment of the Property with other uses. We hope that this information is useful in your preparation of the Study.

Please let me know if you have any questions or if I can provide any additional information.

Sincerely,

Kenneth W. Wire

cc: Councilmembers Elect (via email to Jackie.Henderson@alexandriava.gov)
Faroll Hamer, Director, Planning and Zoning (via email)
Karl Moritz, Deputy Director, Planning and Zoning (via email)
Nancy Fox, BAE (via email)
Paul Miklich, Vulcan Materials Co. (via email)
Carson L. Fifer, Jr., McGuireWoods (via email)

\7908384.2