

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 6, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
CHAIRMAN AND MEMBERS OF THE PLANNING COMMISSION

FROM: FAROLL HAMER, DIRECTOR OF PLANNING AND ZONING

SUBJECT: ATTACHMENT TO DOCKET ITEM #17: WATERFRONT PLAN WORK
GROUP REPORT AND DISCUSSION OF OUTSTANDING ISSUES

BACKGROUND: On June 28, 2011, the City Council adopted Resolution 2467, calling for the establishment of a Mayor-appointed Waterfront Plan Work Group (*Work Group*) with the general charge to: **(1) identify elements of the Waterfront Small Area Plan (*Plan*) for which there is agreement; and (2) identify, categorize and narrow the areas of the Plan for which there is disagreement.** The Work Group consisted of seven members: Christopher Ballard, Bert Ely, Mindy Lyle, Elliot Rhodeside, Nate Macek, David Olinger, and Bob Wood. With Councilman Paul Smedberg as convener, the Work Group held 15 public meetings between late-July and mid-December. On December 20, 2011, the Work Group released its report, which was immediately made available online through the City's website: www.alexandriava.gov/waterfrontworkgroup. The release of the report was announced through the City's eNews and on the City's website and was widely reported by local media.

DISCUSSION: The final report was prepared by two Work Group members, Nate Macek and Bob Wood, and the Group as a whole reviewed and approved its transmission to City Council. The report contains an excellent summary of the Work Group's findings (pp. 6-24) and a table (p. 24) listing the many subject areas of general agreement of Work Group members, as well as the elements of the Plan for which general agreement was not reached.

Following the executive summary, the Report is structured by topic area. The section for each topic area opens with a concise summary of the Work Group's position, followed by a more detailed summary of their key findings. This is followed by a discussion of the plan principles the Work Group endorses, and concludes with detailed discussion of every Plan

recommendation. This structure, with increasing levels of specificity, was chosen by the Work Group to be comprehensive while allowing readers to easily follow the main issues.

Work Group Activities and Findings

Some key elements of the Work Group’s activities and findings include:

Vision statement. The Work Group endorsed the goals in the draft Plan and created an overall vision statement to precede them: The Work Group’s vision of the Waterfront is “*A vibrant waterfront that celebrates our historic and cultural legacy, expands and supports public uses, yet retains and preserves the special charm and ambiance of our community for future generations.*”

Plan Statements. The Work Group agreed to 62 “plan statements” – general principles adopted by the Work Group to guide its evaluation of Plan recommendations. Through their plan statements, the Work Group endorsed:

- The need for a new plan. (vote: 6 agreed, 0 disagreed, 1 abstention)
- Additional development on the Waterfront. (6-1-0)
- Boutique hotels, as defined by the Planning Commission. (4-2-1)
- The height limits in the proposed Plan. (4-2-1)
- Having revenues from new development pay for “as great a portion” of Waterfront plan costs “as feasible.” (7-0)
- A “significant public space” where King Street meets the river. (6-1-0)
- A new pier in the vicinity of King Street/Waterfront Park. (6-1-0)
- The principle that the public should have access to the entire shoreline. (5-2-0)
- Limiting vehicle access to the unit block of King Street and The Strand and creating a pedestrian-focused area there. (6-0-1)
- A study of Union Street to improve vehicle, pedestrian, bicycle circulation. (7-0-0)
- Flood mitigation, as generally described in the Plan, albeit with concerns that should be addressed the next phase of engineering. (7-0-0)
- A majority of Work Group members (4-3) support the increase in density recommended by the draft Plan.

Recommendations. The Work Group suggested changes to 71 recommendations– ranging from significant new recommendations to minor editorial changes to updates. These are summarized in Attachment 1 of this memorandum. The Work Group Report, in Appendix C, contains a table of every Plan recommendation with the changes recommended by the Work Group highlighted.

STAFF COMMENTS ON THE WORK GROUP RECOMMENDATIONS

General Comments

City staff congratulates the Waterfront Plan Work Group for successfully carrying out the charge given to it by the City Council. The Work Group identified the areas of agreement and disagreement and where there was disagreement, made sure that the differing positions are clear. The Work Group completed an extremely thorough, sensitive and thoughtful review, starting with an overall vision, then working through a set of guiding principles, and then finally going recommendation by recommendation to make sure that every element of the Plan supports the vision and principles they articulated.

The Work Group's report provides members of the public as well as public officials with the assurance that the draft Plan has been thoroughly vetted. Provisions in the Plan that are not controversial (and therefore had not gotten much attention) have been examined and, where appropriate, revised. With some of the more high-profile issues, the Work Group found ways to strike a balance between differing positions – examples include:

- ***Hotels.*** The Work Group addressed the debate over the Plan's strong preference for hotels by crafting new language that supports the same intent (land uses that welcome the public and support activity in adjacent public spaces) while expanding the options to include preferred uses other than hotel. The Work Group further supported the Plan's intent with stronger language regarding where residential development is discouraged.
- ***Public Space at the Foot of King Street.*** The Work Group addressed this issue by confirming that the long term goal of the City should be to have a high quality public space at the foot of King Street, not a parking lot, while also strongly supporting private property rights by specifying that public acquisition of the ODBC parking lot should be accomplished through negotiation and not eminent domain.
- ***Flood mitigation.*** The Work Group addressed the fact that while there is broad support for flood mitigation, they have concerns about how or whether certain issues (cost, technical feasibility, compatibility with historic character) will be addressed. The Work Group added language that directs the next, more detailed phase of design and engineering to address a specific list of concerns. Staff agrees that the issues identified by the Work Group should be addressed in the next phase of design.
- ***Pleasure boat marina.*** The Work Group also addressed concerns about the feasibility of a pleasure boat marina at Robinson Terminal South by making the Plan less specific about locations while continuing to be clear about the goals for facilities for commercial and pleasure boats.

- **Arts and history.** The Work Group also addressed concern that the Plan does not contain sufficient emphasis on arts and history, with several important changes, such as including recommendations calling on the City to work proactively to retain existing arts, history and cultural institutions and attract new cultural institutions to the waterfront; recommendations including arts, history and cultural institutions as preferred uses on redevelopment sites; and emphasizing the importance of the City’s role in funding and in attracting private funding for the arts and history elements of the Plan.
- **Traffic and parking.** The Work Group addressed traffic and parking concerns by including language in the Plan that begins implementation of the parking recommendations immediately and calls for a Union Street transportation management plan to be completed before development projects are approved.

Throughout the process, the Work Group was careful to ensure that all viewpoints were represented, expressed, and captured in the final report. The Work Group included members who articulated a wide range of views on every issue. In addition, the Work Group provided public comment periods at every meeting, devoted one meeting entirely to public comment, encouraged the public to post comments online and received summaries of online comments at every meeting, and received presentations from property owners and Citizens for an Alternative Alexandria Waterfront Plan. The Work Group report documents the positions and comments of Work Group members and is careful to distinguish between issues for which there was consensus (unanimous support), broad agreement (more than a bare majority in favor), or no agreement. In addition, the report includes individual positions and comments on every issue that was addressed by the Work Group.

Staff supports amending the draft Waterfront Plan to incorporate all of the changes recommended by the Waterfront Plan Work Group. The Work Group’s recommendations make the Plan stronger and improve how the Plan addresses issues of concern to many Alexandrians.

STAFF DISCUSSION OF OUTSTANDING PLAN ISSUES

As a result of the Waterfront Plan Work Group’s work, staff believes there are outstanding Waterfront Plan issues for Council’s consideration in five categories, four of which concern the redevelopment sites only: allowable redevelopment density, developer contributions and development controls, hotel as a land use, and the amount of public space on those sites. The sixth issue relates to funding plan implementation.

1. Allowable Density on the Redevelopment Sites

Site	Existing (sf)	<i>Change</i>	Current Zoning with SUP (sf)	<i>Change</i>	Settlement Agreement (sf)	<i>Change</i>	Waterfront Plan (sf)
Robinson Terminal North	91,814		195,296		238,816		238,816
Robinson Terminal South	139,141		327,393		380,529		380,529
Cummings/Turner Block	70,732		128,360		128,360*		192,540
Totals	301,687	<i>349,362</i>	651,049	<i>96,656</i>	747,705	<i>64,180</i>	811,885

Today, there is about 300,000 square feet of building on the three redevelopment sites, much of which is occupied by warehouses. Current zoning, adopted in 1992, would allow an increase of about 350,000 square feet. The draft Waterfront Plan would allow a further increase, up to an additional 160,000 square feet.

The greatest potential impact from new development will come from density that is already approved. Under current (1992) zoning, building square footage can more than double and the uses would likely have greater impacts than warehouse.

The Waterfront Plan Work Group agrees that current controls on redevelopment are insufficient to ensure that it is compatible with Old Town and contributes toward parks, arts, history and other benefits in the Plan. By increasing permitted densities above the current zone, the City is able to institute greater controls over future development and to ask for increased developer contributions.

In terms of density, there is a relatively small difference between what is allowed today and what the Plan recommends. On the Robinson Terminal sites, the range of possibility is just under 100,000 square feet, which is the difference between current zoning and the density permitted by the 1983 settlement agreements. On the Cummings/Turner block, the difference between current zoning and the Plan recommendation is 64,000 square feet. If the differences were larger, a “split-the-difference” compromise might be a possibility but in this case, it would not likely satisfy either side.

The issue is further complicated by the fact that the Robinson Terminal Warehouse Corporation has taken the City to court, claiming that they have the right to the 1983 settlement agreement density. While no one knows how a judge would rule in such a lawsuit, it is clear that a negotiated solution is much more likely to result in a positive outcome. The Plan contains more stringent controls on development and higher levels of developer contributions while permitting densities equal to the 1983 settlement agreement.

Staff continues to support the densities proposed in the Waterfront Plan because the increase in control over future development and the increase in developer contributions is significant compared to a relatively modest increase in density.

2. Developer Contributions and Development Controls

Staff has prepared a table summarizing the developer contributions (“benefits of density”) and development controls added by the Plan (see Attachment 2).

The Waterfront Plan Work Group has suggested changes to the Plan, including changes to the development guidelines and the hotel/restaurant policy, that strengthen the developer contribution and controls provisions (pp. 98-102). City staff endorses these changes.

Some other small area plans are more specific about off-site developer contribution requirements and the Waterfront Plan could be made more specific in this regard. Ways that the Plan could be more specific include specifying a dollar-per-square-foot contribution to off-site improvements (parks, flood mitigation, arts and history) or identifying specific land dedications or off-site improvements (historic preservation projects, parks, flood mitigation) that would be the responsibility of a developer.

3. Hotels

Much of Waterfront redevelopment over the past two decades has been office or residential, and while both of these land uses have supported high quality public spaces, neither of these land uses have supported active public spaces where visitors can engage in a range of enlightening and enjoyable activities.

The draft Plan emphasizes hotels as a land use that contributes to active public spaces in several ways: hotels are not bothered by an adjacent public space that is full of activity – they benefit from it; the ground floors of hotels contain uses where the public is typically welcome; hotels engage in the programming of events and can also supply support to events in adjacent public spaces; and hotels can contribute financially to capital and operating costs of nearby public spaces. Hotels also have relatively low neighborhood impacts, with low traffic generation and

parking requirements. Loading and unloading can be screened, restricted to certain hours, and, in each of the potential hotel locations, locations away from Union Street are possible.

The number and size of hotels has been a discussion point over the past year. The Plan would limit hotels to no more than three, with no more than 150 rooms per hotel, among other limits that ensure that no hotel would be high-rise and no hotel could support conventions or large meetings. Staff's perspective is that some of these restrictions on hotels address perceived rather than actual impacts, but staff also believes that the current set of controls on hotels, including those proposed by the Waterfront Plan Work Group, are about as tight as possible while allowing hotels to be a financially feasible option.

Staff believes the Waterfront Plan Work Group's proposed language reduces the emphasis on hotels to the point that the Plan does not "rely" on three hotels to succeed. The Work Group's language includes hotels among the land uses that are preferred because they support an active Waterfront, but the revised language would not require hotels or specifically encourage hotels at any location. Staff does not believe the Plan needs to further limit the number of hotels (from three to two), but the Plan could recommend that, after the construction of a second hotel (if that were to occur), the City should conduct an analysis of the cumulative impact of hotels as a prelude to considering a text amendment that would remove hotels from the list of permitted future uses in the W-1 zone.

4. Public space on the redevelopment sites

The Plan recommends increased on-site open space on each of the redevelopment parcels, and, The Plan currently calls for open space on the redevelopment sites "as generally shown in the Plan illustrations." The designs in those illustrations attempt to balance a desire for open space on the river with open space through the sites. In addition, the Plan uses open space to showcase historic buildings so that, for example, the public will continue to see the south façade of the historic 206 South Union building and the historic 2 Duke Street building would be surrounded by open space.

In the case of the Robinson Terminal parcels, the open space requirement in the settlement agreements is a starting point to which significant additional space is added. On both Robinson Terminal sites, much of the additional space is on the piers; on Robinson Terminal South, the Plan also calls for east-west and north-south linear spaces recreating the form of historic alleyways and extending The Strand through the site.

For the Cummings/Turner block, the open space emphasis is on east-west public spaces that recreate historic alleyways. Alleys do not typically count as public space; in this case, the expectation is that the spaces will either be linear public spaces in the form of an alley, or they

will be true alleys but designed primarily for pedestrian use and visitor enjoyment, not vehicular traffic, loading/unloading, or “back of house” elements such as trash receptacles.

This issue has three main variables: density, height, and amount of open space. That is, one case increase open space without reducing density by increasing permitted heights. One could increase open space and keep the height limits the same, but only if densities are reduced. On each of the redevelopment sites, all of these variables are constrained, and the Plan’s illustrations show the maximum amount of open space that can be achieved given the height limits and densities in the Plan.

There has been some discussion by the Waterfront Plan Work Group and others that there should be more public space required on the redevelopment parcels or that the Plan should maximize the open space that is along the river, or both. The Work Group suggests that riverside open space widths of 100 feet or more are desirable. Staff agrees with the Work Group recommendation and endorses adding the Work Group language to the Plan, but we also note that the community has identified benefits to providing open space through the site as well. So it is important for the Plan to include wider riverside open space as a design objective along with the other design objectives identified by the community.

The Plan could note that riverside open space widths of less than 100 feet are acceptable only if it is found that public policy objectives are better met if the open space is located in a different configuration on the same site. In addition, Plan language could be strengthened by specifying a minimum percentage of each site that must be open space.

5. Funding and Implementation

Considerable financial analysis has accompanied the Waterfront Plan so that members of the public could be assured that the Plan’s implementation is financially feasible. Early on, members of the public warned that they did not want to see a Plan that the City could not afford to implement. In response, staff prepared detailed cost estimates that have been thoroughly vetted and prepared very conservative revenue estimates to show that the Plan’s recommendations would not place an undue financial burden on the City.

It is important to note that none of the land use recommendations in the Plan were made for revenue generation purposes; they were made to achieve the goal of an active and vibrant Waterfront. The land use recommendations were included in the Concept Plan that was released in the summer of 2010, and cost and revenue analysis was not conducted until the winter of 2010-11.

The revenue estimates include *assumptions* about the mix of future land uses. Not all of the land use assumptions are *requirements* of the Plan. For example, the revenue estimate assumes three 150-room hotels at buildout but the Plan does not require 450 hotel rooms. Also, the revenue

estimate assumes 50,000 square feet of retail at buildout, and although this is consistent with the Plan, there is no numerical limit or requirement for a specific amount of retail in the Plan.

The Plan does not require funds generated by new development to pay for the Plan; the Plan does not even suggest that it should. If that is desired, language will need to be added to the Plan. The Waterfront Plan Work Group has suggested language calling for the City to fund the Plan so that it could be implemented in a timely manner and that, generally, the City's annual Waterfront Plan implementation expenditures should be at least as much as the revenues from new development. Staff believes this language expresses the point well without raising unrealistic expectations or tying the City's hands too tightly. The annual budget and capital improvement program process will give the community and Council the opportunity to determine Waterfront Plan implementation resources.

There is broad agreement that private funds will be necessary to successful plan implementation and many believe that the Plan could be stronger in this regard, in two areas:

- The Plan could more strongly articulate the City's responsibility in supporting and pursuing fund-raising efforts, either through direct actions such as matching funds or by creating and supporting organizations for that purpose. The Waterfront Plan Work Group recommends, and staff supports, language that addresses this issue.
- The Plan could be more specific about upfront and ongoing developer contributions to plan implementation and could more strongly articulate private development's role on going fundraising for plan implementation.

An early Plan implementation action could be a public process to explore and propose, for Council action, establishment of a foundation or similar non-profit organization for fundraising and otherwise supporting Waterfront improvements and activities. Issues include: governance structure and relationship to other organizations including City government, responsibilities and sphere of control, and sources of funding.

An additional element of plan implementation is the Waterfront Plan Work Group's recommendation that the Plan call for the City to be "proactive" in retaining existing private and public cultural uses and in attracting new ones. Ideally, the approach would emphasize private investment over public subsidy with the City's role focused on identifying opportunities and helping cultural institutions pursue and implement them.

TECHNICAL CORRECTIONS TO THE WORK GROUP REPORT

There are a very small number of statements in the Work Group report that staff does not believe are accurate. They are not recommendations but are part of the background discussion included in the report. These are:

- That this Plan can be funded over an acceptable timeframe with no hotels and no change in W-1 zoning (p. 99). *City staff analysis shows that redevelopment with no hotels and no change to the W-1 zone would yield increased taxes to the City, but not enough to fund implementation of the Plan in a reasonable time period. Staff analysis calculated about \$500,000 in net new taxes annually available to fund plan improvements totaling \$51 million. This would make implementation of the Plan not financially feasible.*
- That the additional control over new development and the additional contributions required of new development that are contained in the Plan can be achieved without allowing additional density on the redevelopment sites (p. 99). *The magnitude of the developer contributions and developer controls in the Plan would far exceed what could be requested of new development without a density increase. Applying significant new requirements on development without any compensating increase in density is akin to a downzoning, which is not legally defensible in Virginia.*
- That commercial development in the W-1 zone falls entirely within the Resource Protection Area (RPA) of the Chesapeake Bay (p. 100). *The RPA is limited to the area within 100 feet of the top of the river bank. The majority of the land area on the Robinson Terminal sites, and all of the land on the Cummings/Turner block, is outside the RPA. This is a technical clarification, as staff agrees with the Work Group that a very high level of environmental stewardship is needed for every aspect of the redevelopment sites, not just the portion in the RPA.*
- That the Robinson Terminal Warehouse Corporation (RTWC) continues to believe that hotels are not economically viable. *Earlier in the planning process, RTWC expressed concern about hotels as a required use and questioned the market for hotels. Since then, the hotel market has improved, the City conducted a hotel market analysis, and an established hotel developer has demonstrated a market for hotel rooms by proposing a hotel on the Cummings/Turner block. Moreover, with the Work Group's recommended changes, the Plan no longer mandates hotels. RTWC's current position is that hotels should be part of the potential land use mix and that they are comfortable with the Plan's recommendations regarding hotels. RTWC conveyed this position to the Work Group in a presentation and a follow-up letter.*

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ATTACHMENT 1: SUMMARY OF WATERFRONT PLAN WORK GROUP RECOMMENDATIONS

The Waterfront Plan Work Group suggested changes to 71 Plan recommendations— ranging from significant new recommendations to minor editorial changes. Some of the changes also update the Plan – for example, after the draft Plan was released, the Cummings parcels on the Cummings/Turner block were put under contract to new owners with specific development proposals. Among the Work Group’s positions:

- Public realm:
 - The use of eminent domain to accomplish Plan objectives is strongly discouraged.
 - The Work Group strongly supports a “world class” design with a holistic design vision prepared during the early phases of implementation.
 - The City should create a significant public space at the foot of King Street, including the elimination of the existing parking lot (through negotiations with ODBC) and the closure of the unit block of King Street to traffic.
 - There should be improved support infrastructure for activities and events.
 - Management, maintenance, and programming should be greatly improved and better coordinated.
- Marina, Piers and Shoreline
 - The Waterfront should have a more natural, inviting and environmentally sound shoreline.
 - Commercial and pleasure boat activity should be separated and there should be improved and expanded facilities for commercial boats and the option for a modern, self-supporting pleasure boat marina.
- Art and History
 - Art and history are fundamental to the design and development of the waterfront.
 - The City should take proactive measures to retain, enhance and strongly promote existing cultural institutions on the waterfront.
 - The City should take proactive measures to attract new cultural institutions to the waterfront.
 - Funding for art and history should reflect their importance to the overall plan.
 - The historical significance of West’s Point should be celebrated.
- Flood Mitigation
 - It is important to reduce the impact of flooding.
 - The next phase of the flood mitigation project should be a detailed design and engineering study of the proposed approaches.

- The study should address concerns raised by the Work Group on the impacts of flood mitigation on existing buildings, access issues, and historic character.
- Parking and Circulation
 - The City should begin immediate implementation of the Plan's parking recommendations.
 - The City should consider using City funds to expand the parking garages required of commercial redevelopment to provide additional public parking.
 - The City should conduct a Union Street transportation management study, following adoption of the Plan but completed prior to the approval of new development.
- Private Realm
 - Mixed-use, commercial development is likely and desirable.
 - Environmental amenities, particularly added green space, should be prominent features of development sites.
 - Cultural uses should be encouraged to anchor development and ground floor uses should primarily serve the public and complement the outdoor activities envisioned.
 - Residential development should be significantly controlled so as not to inhibit public access and enjoyment of adjacent public spaces; townhouses in particular are inconsistent with this objective.
 - There are two different positions regarding the scale and nature of development, with one position being that the density and uses proposed in the Plan as modest and necessary to promote an enlivened and commercially viable waterfront. The other position is that the 1992 zoning is legally defensible and entirely adequate to achieve the amenities necessary for a vibrant waterfront and that the number of hotel rooms is excessive in terms of neighborhood impacts and market viability.
 - There was general but not unanimous agreement that the one height limit change in the draft Plan – from 55 feet to 66 feet on the western half of Robinson Terminal North – should be supported.
 - There was general but not unanimous agreement that hotels should be part of the potential land use mix. The Work Group suggests revisions to Plan recommendations that include hotels as one of several preferred land uses that support active use of the Waterfront. There was no agreement to change the Plan's recommended number of no more than 3 hotels of 150 rooms each (450 rooms total). The Work Group supports the intent to limit meeting space in hotels but suggest more flexible language to accomplish it.
 - The Work Group acknowledges public desire for additional dining options. While there are no recommended changes to the proposed restaurant policy, there was consensus that a food court or restaurant row atmosphere should be avoided while potentially allowing new options.

- Expectations of developers regarding environmental amenities must go beyond the minimum.
- Implementation and Funding
 - Implementation should begin soon after adoption and include development of a design plan, introduction of new activities, and completion of a signature project in public spaces in the core area.
 - Implementation can benefit from a management structure whereby all of the City's waterfront-related activities are coordinated. The Work Group recommends a distinct office within City government responsible for Waterfront operations, maintenance, programming and Plan implementation. The Waterfront should have its own budget identity within the City's operating and capital budgets.
 - The City should establish a public body, possibly a reconfigured Waterfront Committee, to provide public input and leadership regarding plan implementation and waterfront area management.
 - Many of the art and history elements of the Plan are not included in the overall cost estimate. Both public and private sources of funds will be needed to ensure that these important elements of the Plan are implemented in a timely manner. The City should actively support the efforts to implement the art and history elements of the Plan, including active support of fundraising and grant management.
 - The City's annual funding of Waterfront projects should be sufficient for timely implementation and should generally be no less than the net annual revenues generated by redevelopment.