

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 14, 2011
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: FAROLL HAMER, DIRECTOR, PLANNING AND ZONING
RE: WATERFRONT PLAN COSTS AND REVENUES

This memorandum reviews the derivation of the cost and revenue estimates for the Waterfront Plan, including:

- the Planning Commission's recommended Waterfront Plan
- Alternative 1: Parks and museum emphasis
- Alternative 2: Expenditures are the same as the Planning Commission recommendation, but revenue is based on the development that can be approved under current zoning without a special use permit
- Alternative 3: Expenditures are the same as the Planning Commission recommendation, but revenue is based on the development that can be approved under current zoning with a special use permit

Attached to this memorandum are the following:

- Attachment 1: details about the parameters and assumptions used in making the cost and revenue estimates
- Summary table: development scenarios, revenues, and costs
- Illustrations: slides from the June 11, 2011 Council worksession powerpoint presentation illustrating the options.
- Revenues: For each of the *four* development alternatives, a table showing revenues by source, including assumptions
- Costs: for each of the *two* public expenditure alternatives, a table showing costs by location, phase and type

Waterfront Plan Revenues

- Revenue parameters and assumptions are detailed in Attachment 1.
- Revenue is estimated solely from net tax increases due to new development in the following categories: real property, sales tax, meals tax, BPOL tax, and transient lodging tax. The positive impact of new waterfront development, parks, and/or cultural attractions on existing development value or on the sales of existing businesses, is not included.
- At buildout, the *Planning Commission recommendation*, with a mix of housing, hotel, and restaurant/retail yields a net tax revenue of \$3.8 million. With a phased buildout over 15 years, cumulative tax revenues at the end of 25 years will total \$51 million (in 2011 dollars).
- At buildout, *Alternative 1 – Parks and Museums* yields a net increase in tax revenue of \$164,000. This assumes that the Beachcomber becomes a restaurant and that the private cultural intuitions pay property tax.
- At buildout, *Alternative 2 – Current zoning with no SUP* yields a net increase of \$977,000 per year. This is insufficient to cover the planned increase of \$1 million per year in operating and maintenance costs.
- At buildout, *Alternative 3 – Current zoning with SUP* yields a net increase of \$1.5 million per year. This is sufficient to cover the planned increase of \$1 million per year in operating and maintenance costs, but the remaining funds would not be sufficient to cover the capital cost of the plan.
- On average, a hotel room yields about \$3,600 in net tax revenue annually while a housing unit of about twice the size yields \$1,200, despite the fact that a hotel room is about half the average size of an apartment or condo.
- All revenues above are in 2011 dollars. Staff prepared a “net present value” analysis of the Planning Commission’s recommendation, based upon the phasing program contained in the draft plan’s supplemental materials. This analysis shows that cash flow becomes positive in year 21. It is not useful to prepare net present value analyses of the other alternatives, since none of these options yield revenues that can support the planned improvements.

Waterfront Plan Costs

Cost parameters and assumptions are discussed in more detail in Attachment 1.

Costs for the Planning Commission Recommendation, Alternative 2 and Alternative 3

- The Planning Commission recommendation and Alternatives 2 and 3 are assumed to have the same level of public expenditures on flood mitigation, parks, shoreline improvements, piers, etc.
- The Waterfront Plan’s recommended park, cultural, marine and shoreline improvements are estimated to cost up to \$44 million. The differences between the February draft plan and the Planning Commission’s recommendation:
 - Added the cost of Windmill Hill Park bulkhead repair

- Reduced costs of piers and costs related to the parking lot/restaurant building in Waterfront Park, which is no longer in the plan.
- Flood mitigation is estimated to cost \$6.5 million and includes elevating the foot of King Street and the Strand where flooding is most frequent, as well as integrating a low flood wall into the proposed park improvements between King Street and Duke Street.
- Operating costs have been included in the cost/revenue calculation. The cost/revenue scenario contains an increase of \$1 million per year in operating costs – the increase would occur over the first decade as the plan is implemented.
- The capital costs of the Plan include the purchase of a waterborne debris skimmer and the operating costs cover additional staff for its operation.
- Alternatives 2 and 3 assume the same costs (and the same improvements) as the Planning Commission recommendation.

Additional Costs for Alternative 1: Parks and Museums Recommendation

- *Alternative 1 – Parks and Museums* assumed City acquisition of both Robinson Terminal properties and the majority of the Cummings/Turner block (the Cummings warehouse (the Art League), the Turner shopping strip (Mystic, et al), and two historic warehouses on South Union Street. Current assessed values were used to estimate acquisition cost but market price is likely to be higher.
- The Parks and Museums alternative was calculated to add \$150 million to the cost of the Planning Commission recommendation for a total cost of \$227 million. The elements of the additional costs are:
 - \$55 million to acquire the two Robinson Terminals and construct the planned parks. This does not include the cost of the performing arts center on Robinson Terminal North.
 - \$53 million for an 87,000 square foot performing arts center. Of course, smaller centers can be constructed: a 32,000 sf center would be about \$19 million.
 - \$20 million to purchase the two historic warehouses on the Cummings/Turner block and restore them for use as a history center and a new Archaeology Museum.
 - \$22 million to purchase two lots in the Cummings/Turner block and to construct a new building to house a maritime museum, the Seaport Foundation, and the Art League.
- Once properties are purchased, buildings demolished, and sites prepared, the actual construction of the parks is a relatively minor element of the Parks and Museums alternative. The new parks are assumed to be of the same general character as Founders Park and are estimated to cost about \$7 million.

Attachment 1:

Waterfront Plan Cost and Revenue Parameters and Assumptions

Revenues

- Real Property Tax:
 - Real property tax rate: \$0.978 per \$100 assessed value. This was the tax rate for FY2011. Updating to the FY2012 tax rate does not change the total significantly.
 - The calculation of real property tax increase is of the *net* increase – over and above the real property taxes paid by the redevelopment sites today.
 - The future assessed value of land and improvement is based on the current average assessed values of comparable City properties.
- Sales Tax
 - Sales tax rate is the current sales tax rate.
 - Assumed retail sales/sf based upon King Street Retail Study.
- Meals tax
 - Meals tax rate is the current meals tax rate
 - Assumed restaurant sales/sf is conservative and based upon averages for Old Town/Waterfront area restaurants as well as discussions with retail experts.
- BPOL Tax
 - Estimated by Alexandria OMB based upon averages for similar businesses.
- Transient Lodging Tax
 - Transient lodging tax rate is the current rate.
 - Assumed room rate is 2010 City average.
 - Assumed occupancy rate is 3 points below 2010 City average.

Development Parameters

- Planning Commission recommendation: 450 hotel rooms; 340,000 sf housing; 50,000 sf of restaurant; 35,000 sf other (office, retail, restaurant).
- Alternative 1 – Parks and Museums: none (The scenario assumes the Beachcomber is a restaurant but it could be a cultural use instead).
- Alternative 2 – Current zoning with no SUP: Townhouses on Robinson Terminal North and South, mixed use on Cummings/Turner: 275,000 sf of housing and 33,000 sf other (office, restaurant, retail).
- Alternative 3 – Current zoning with SUP: Townhouses on Robinson Terminal North; multifamily, office and retail on Robinson Terminal South; mixed use on

Cummings/Turner: 410,000 sf housing; 150,000 sf office; 12,000 other (restaurant, retail).

Costs

- Initial cost estimates were developed using information prepared for the City by three private sector engineering and landscape architecture firms. The cost estimates for flood mitigation come from the *Flood Mitigation Study* prepared by URS; cost estimates related to shoreline improvements, bulkhead repair, and pier construction were prepared by Moffat & Nichol engineers; and cost estimates for parks, plazas, landscaping, and other elements for the public realm were prepared by AECOM. Each of these firms is an expert in their respective fields with multiple examples of similar projects that have been designed and implemented.
- Building construction and historic building restoration costs were developed by City architects and confirmed with multiple private sector sources.
- City staff extensively validated the initial cost estimates for the Waterfront Plan with government and private industry experts. The analysis included comparisons to recent and current waterfront projects at National Harbor, Washington DC, and Arlington as well as National Park Service projects.
- Park costs were calculated for each of the individual planned elements (x square feet of new plaza, y number of new trees and shrubs, etc.) rather than applying a generic cost/square foot for the entire park.
- Because of the potential high cost of permitting and construction in a waterfront area, staff has included a much larger than normal estimate for contingency and design/engineering. The cost estimate includes a 30% contingency fund and the expected design/engineering cost is 20%.
- The new cultural space in the *Parks and Museums* alternative totals 170,000 square feet. New museum or performing arts space averages \$500/sf and staff confirmed this by reviewing the construction costs of multiple recently-built museums. Lower construction costs were used for the Art League and Seaport Foundation, as much of the square footage is of a workshop nature.
- The cost estimates for Fitzgerald Square include some funds for providing alternative facilities for the Old Dominion Boat Club. Discussions between the City and ODBC are continuing, and the cost estimates should not be interpreted as reflecting anything but a placeholder figure. However, these are described in the spreadsheet as the cost of providing replacement vehicle and boat parking and a replacement boat ramp.

Summary of Waterfront Plan Costs and Revenues

For the Four Plan Alternatives Present to City Council on June 11, 2011

| Planning Commission Recommendation | Alt 1: Parks and Museums | Alt 2: Current Zoning, No SUP | Alt 3: Current Zoning with SUP |
|------------------------------------|--------------------------|-------------------------------|--------------------------------|
|------------------------------------|--------------------------|-------------------------------|--------------------------------|

Development Scenarios for Each Alternative

| | | | | |
|---|-------------------|-----------------|-------------------|-------------------|
| Residential | 340,000 sf | 0 | 275,000 sf | 410,000 sf |
| Hotel (rooms) | 450 rooms | 0 | 0 | 0 |
| Other commercial (office, restaurant, retail) | 85,000 sf | 3,660 sf | 34,000 sf | 165,000 sf |
| Total | 788,000 sf | 3,660 sf | 309,000 sf | 575,000 sf |

In rooms or thousands of square feet. The scenarios reflect likely development, which may not achieve the maximum permitted.

Net Tax Revenues

| | | | | |
|---|--------------------|------------------|------------------|--------------------|
| Net increase in real property tax revenues | \$2,213,054 | \$127,112 | \$973,364 | \$1,661,201 |
| Retail sales tax revenues | \$83,633 | \$0 | \$18,788 | \$13,856 |
| Meals tax revenues | \$701,960 | \$51,240 | \$121,380 | \$109,900 |
| Total of sales and BPOL tax revenues from restaurants | \$210,588 | \$15,372 | \$36,414 | \$32,970 |
| Total transient lodging tax revenues | \$1,154,636 | \$0 | \$0 | \$0 |
| Sales tax revenues from transient lodging | \$161,211 | \$0 | \$0 | \$0 |
| Subtotal | \$4,525,082 | \$193,724 | \$1,149,945 | \$1,817,927 |
| Assume 15% for general city services | -\$678,762 | -\$29,059 | -\$172,492 | -\$272,689 |
| Net Tax Revenues | \$3,846,320 | \$164,666 | \$977,453 | \$1,545,238 |

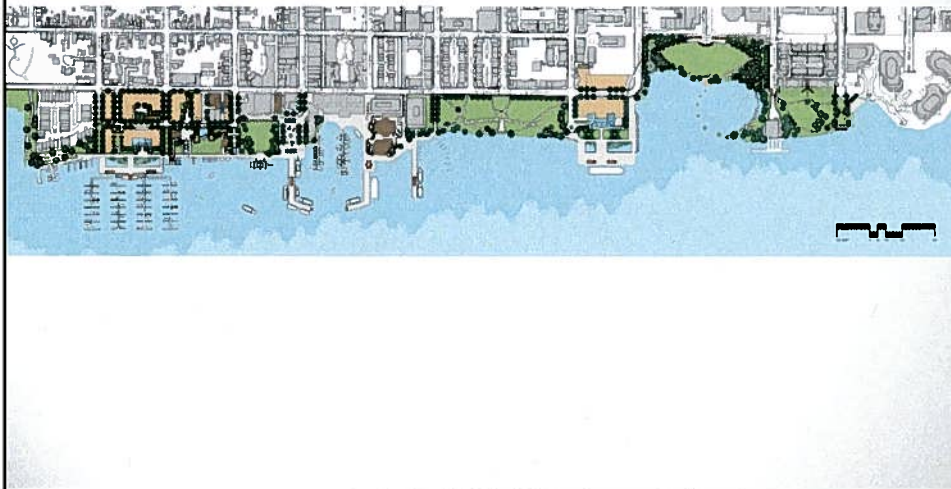
Plan Costs

| | | | | |
|---|---------------------|----------------------|---------------------|---------------------|
| Parks, shoreline improvements, public spaces, piers, etc | \$25,600,000 | \$66,000,000 | \$25,600,000 | \$25,600,000 |
| Flood mitigation* | \$4,300,000 | \$4,300,000 | \$4,300,000 | \$4,300,000 |
| Contingency (30%) | \$9,000,000 | \$21,000,000 | \$9,000,000 | \$9,000,000 |
| Museums, performing arts center, cultural institutions, etc | \$3,600,000 | \$98,000,000 | \$3,600,000 | \$3,600,000 |
| Plus design and engineering (20%) | \$8,500,000 | \$38,000,000 | \$8,500,000 | \$8,500,000 |
| Total costs | \$51,000,000 | \$227,300,000 | \$51,000,000 | \$51,000,000 |

* Flood mitigation plus contingency and design/engineering is \$6.7 million

Planning Commission Recommendation

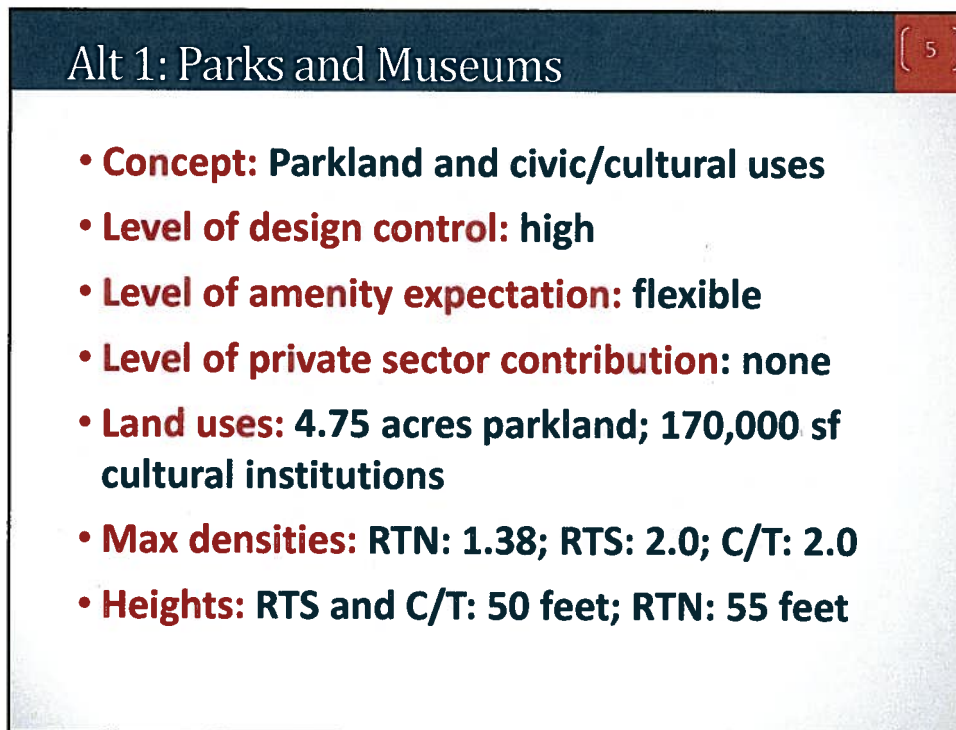
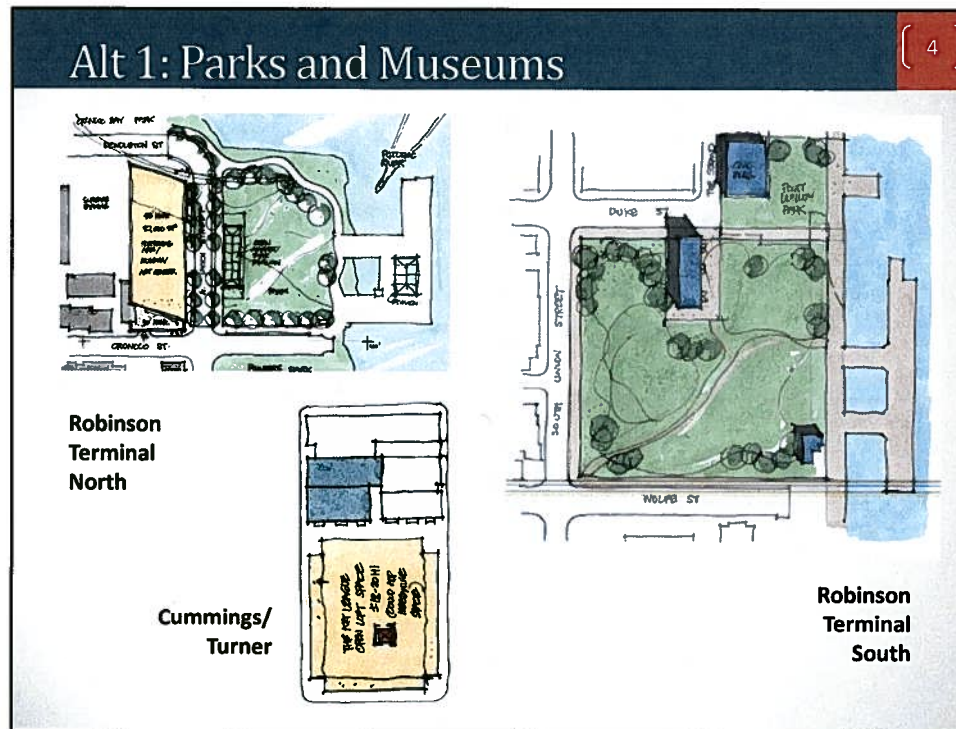
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Planning Commission Recommendation

3

- **Concept:** private development compatible with active and public waterfront; high expectations for contributions to public amenities
- **Level of design control:** high
- **Level of amenity expectation:** high, detailed
- **Level of private sector contribution:** highest
- **Land uses:** hotel (40%), residential (40%), other (20%). Active ground floor uses in key locations.
- **Max densities:** RTN: 1.69; RTS: 2.32; C/T: 3.0
- **Heights:** RTS and C/T: 50 feet; RTN: 30-45-66 feet
- **Architecture:** Inspired by 18th/19th Century Alexandria waterfront



Alt 2: Current Zoning, no SUP

6



Alt 2: Current Zoning, no SUP

7

- **Concept:** low density option under current zoning
- **Level of design control:** low
- **Level of amenity expectation:** low
- **Level of private sector contribution:** low
- **Land uses:** Townhouses or mixed use
- **Densities:** RTN & RTS: 1.0; C/T: 1.25
- **Heights:** 30 feet

Alt 3: Current Zoning with SUP

8



Alt 3: Current Zoning with SUP

9

- **Concept:** maximize density with current zoning
- **Level of design control:** medium
- **Level of amenity expectation:** medium
- **Level of private sector contribution:** limited
- **Land uses:** Taller townhouses or mixed use with retail/restaurant
- **Densities:** RTN: 1.38; RTS and C/T: 2.0
- **Heights:** 50 feet

Alt 3: Current Zoning with SUP

8



Alt 3: Current Zoning with SUP

9

- **Concept:** maximize density with current zoning
- **Level of design control:** medium
- **Level of amenity expectation:** medium
- **Level of private sector contribution:** limited
- **Land uses:** Taller townhouses or mixed use with retail/restaurant
- **Densities:** RTN: 1.38; RTS and C/T: 2.0
- **Heights:** 50 feet

Revenues from Planning Commission Recommendation

Real Property Tax

| | |
|--|---------------|
| Redevelopment parcels: square feet of land | 359,892 |
| Value of Land, per square foot | \$180 |
| Redevelopment parcels: square feet of planned improvements | 788,050 |
| Value of Improvements, per square foot | \$265 |
| Upon Redevelopment, Total Value of Land and Improvements | \$273,613,810 |
| Real property tax rate (per \$100 value) | \$0.978 |
| Real property tax revenues | \$2,675,943 |
| Minus current tax revenues from redevelopment parcels | -\$462,889 |
| Net increase in real property tax revenues | \$2,213,054 |

Sales Tax from Retail

| | |
|---|-------------|
| Amount of total development anticipated to be retail (sf) | 22,302 |
| Annual revenues per square foot | \$375.00 |
| Total retail revenues | \$8,363,250 |
| Sales tax rate | \$0.01 |
| Retail sales tax revenues | \$83,633 |

Meals Tax

| | |
|---|--------------|
| Amount of total development anticipated to be restaurant (sf) | 50,140 |
| Annual revenues per square foot | \$350.00 |
| Total annual restaurant revenues | \$17,549,000 |
| Meals tax rate | \$0.04 |
| Meals tax revenues | \$701,960 |

Sales Tax and BPOL from Restaurants

| | |
|---|--------------|
| Total annual restaurant revenues | \$17,549,000 |
| BPOL rate (per \$100 value) | \$0.20 |
| BPOL tax revenues | \$35,098 |
| Sales tax rate | 1% |
| Sales tax revenues from restaurants | \$175,490 |
| Total of sales and BPOL tax revenues from restaurants | \$210,588 |

Transient Lodging Tax

| | |
|---|--------------|
| Amount of total development anticipated to be hotel (rooms) | 450 |
| Room rate | \$151 |
| Occupancy rate | 65% |
| Revenues | \$16,121,138 |
| Transient lodging tax rate | \$0.065 |
| Transient lodging tax revenues | \$1,047,874 |
| Room nights | 106,763 |
| Room night tax rate (per room night) | \$1 |
| Room night tax revenues | \$106,763 |
| Total transient lodging tax revenues | \$1,154,636 |

Sales Tax and BPOL from Hotels

| | |
|---|--------------|
| Transient Lodging revenues | \$16,121,138 |
| BPOL rate (per \$100 value) | \$0.35 |
| BPOL tax revenues | \$56,424 |
| Sales tax rate | 1% |
| Sales tax revenues from transient lodging | \$161,211 |

Totals

| | |
|---|-------------|
| Net increase in real property tax revenues | \$2,213,054 |
| Retail sales tax revenues | \$83,633 |
| Meals tax revenues | \$701,960 |
| Total of sales and BPOL tax revenues from restaurants | \$210,588 |
| Total transient lodging tax revenues | \$1,154,636 |
| Sales tax revenues from transient lodging | \$161,211 |
| Grand Total | \$4,525,082 |

| | |
|---|------------|
| Assume 15% for general city services (for new development only) | -\$678,762 |
|---|------------|

| | |
|-------------------------|--------------------|
| Net Tax Revenues | \$3,846,320 |
|-------------------------|--------------------|

Notes:

788,050 is an estimated figure for total redevelopment on the three development sites developed for this scenario. Deduction for general city services does not include increased park operating costs.

Revenues from Alternative 1: Parks & Museums

Real Property Tax

| | |
|--|--------------|
| Redevelopment parcels: square feet of land | 83,602 |
| Value of Land, per square foot | \$180 |
| Redevelopment parcels: square feet of planned improvements | 170,864 |
| Value of Improvements, per square foot | \$265 |
| Upon Redevelopment, Total Value of Land and Improvements | \$60,327,320 |
| Real property tax rate (per \$100 value) | \$0.978 |
| Real property tax revenues | \$590,001 |
| Minus current tax revenues from redevelopment parcels | -\$462,889 |
| Net increase in real property tax revenues | \$127,112 |

Sales Tax from Retail

| | |
|---|----------|
| Amount of total development anticipated to be retail (sf) | 0 |
| Annual revenues per square foot | \$375.00 |
| Total retail revenues | \$0 |
| Sales tax rate | \$0.01 |
| Retail sales tax revenues | \$0 |

Meals Tax

| | |
|---|-------------|
| Amount of total development anticipated to be restaurant (sf) | 3,660 |
| Annual revenues per square foot | \$350.00 |
| Total annual restaurant revenues | \$1,281,000 |
| Meals tax rate | \$0.04 |
| Meals tax revenues | \$51,240 |

Sales Tax and BPOL from Restaurants

| | |
|---|-------------|
| Total annual restaurant revenues | \$1,281,000 |
| BPOL rate (per \$100 value) | \$0.20 |
| BPOL tax revenues | \$2,562 |
| Sales tax rate | 1% |
| Sales tax revenues from restaurants | \$12,810 |
| Total of sales and BPOL tax revenues from restaurants | \$15,372 |

Transient Lodging Tax

| | |
|---|---------|
| Amount of total development anticipated to be hotel (rooms) | 0 |
| Room rate | \$151 |
| Occupancy rate | 65% |
| Revenues | \$0 |
| Transient lodging tax rate | \$0.065 |
| Transient lodging tax revenues | \$0 |
| Room nights | 0 |
| Room night tax rate (per room night) | \$1 |
| Room night tax revenues | \$0 |
| Total transient lodging tax revenues | \$0 |

Sales Tax and BPOL from Hotels

| | |
|---|--------|
| Transient Lodging revenues | \$0 |
| BPOL rate (per \$100 value) | \$0.35 |
| BPOL tax revenues | \$0 |
| Sales tax rate | 1% |
| Sales tax revenues from transient lodging | \$0 |

Totals

| | |
|---|-----------|
| Net increase in real property tax revenues | \$127,112 |
| Retail sales tax revenues | \$0 |
| Meals tax revenues | \$51,240 |
| Total of sales and BPOL tax revenues from restaurants | \$15,372 |
| Total transient lodging tax revenues | \$0 |
| Sales tax revenues from transient lodging | \$0 |
| Grand Total | \$193,724 |

| | |
|---|-----------|
| Assume 15% for general city services (for new development only) | -\$29,059 |
|---|-----------|

| | |
|-------------------------|------------------|
| Net Tax Revenues | \$164,666 |
|-------------------------|------------------|

Notes:

Deduction for general city services does not include increased park and museum operating costs.

Revenues from Alternative 2: Current Zoning, No SUP

Real Property Tax

| | |
|--|---------------|
| Redevelopment parcels: square feet of land | 359,892 |
| Value of Land, per square foot | \$180 |
| Redevelopment parcels: square feet of planned improvements | 309,719 |
| Value of Improvements, per square foot | \$265 |
| Upon Redevelopment, Total Value of Land and Improvements | \$146,856,095 |
| Real property tax rate (per \$100 value) | \$0.978 |
| Real property tax revenues | \$1,436,253 |
| Minus current tax revenues from redevelopment parcels | -\$462,889 |
| Net increase in real property tax revenues | \$973,364 |

Sales Tax from Retail

| | |
|---|-------------|
| Amount of total development anticipated to be retail (sf) | 5,010 |
| Annual revenues per square foot | \$375.00 |
| Total retail revenues | \$1,878,750 |
| Sales tax rate | \$0.01 |
| Retail sales tax revenues | \$18,788 |

Meals Tax

| | |
|---|-------------|
| Amount of total development anticipated to be restaurant (sf) | 8,670 |
| Annual revenues per square foot | \$350.00 |
| Total annual restaurant revenues | \$3,034,500 |
| Meals tax rate | \$0.04 |
| Meals tax revenues | \$121,380 |

Sales Tax and BPOL from Restaurants

| | |
|---|-------------|
| Total annual restaurant revenues | \$3,034,500 |
| BPOL rate (per \$100 value) | \$0.20 |
| BPOL tax revenues | \$6,069 |
| Sales tax rate | 1% |
| Sales tax revenues from restaurants | \$30,345 |
| Total of sales and BPOL tax revenues from restaurants | \$36,414 |

Transient Lodging Tax

| | |
|---|---------|
| Amount of total development anticipated to be hotel (rooms) | 0 |
| Room rate | \$151 |
| Occupancy rate | 65% |
| Revenues | \$0 |
| Transient lodging tax rate | \$0.065 |
| Transient lodging tax revenues | \$0 |
| Room nights | 0 |
| Room night tax rate (per room night) | \$1 |
| Room night tax revenues | \$0 |
| Total transient lodging tax revenues | \$0 |

Sales Tax and BPOL from Hotels

| | |
|---|--------|
| Transient Lodging revenues | \$0 |
| BPOL rate (per \$100 value) | \$0.35 |
| BPOL tax revenues | \$0 |
| Sales tax rate | 1% |
| Sales tax revenues from transient lodging | \$0 |

Totals

| | |
|---|-------------|
| Net increase in real property tax revenues | \$973,364 |
| Retail sales tax revenues | \$18,788 |
| Meals tax revenues | \$121,380 |
| Total of sales and BPOL tax revenues from restaurants | \$36,414 |
| Total transient lodging tax revenues | \$0 |
| Sales tax revenues from transient lodging | \$0 |
| Grand Total | \$1,149,945 |

| | |
|---|------------|
| Assume 15% for general city services (for new development only) | -\$172,492 |
|---|------------|

| | |
|-------------------------|------------------|
| Net Tax Revenues | \$977,453 |
|-------------------------|------------------|

Notes:

Deduction for general city services would likely be higher for this scenario because of the much higher concentration of housing; the deduction does not include increased park operating costs.

Revenues from Alternative 3: Current Zoning with SUP

Real Property Tax

| | |
|--|---------------|
| Redevelopment parcels: square feet of land | 359,892 |
| Value of Land, per square foot | \$180 |
| Redevelopment parcels: square feet of planned improvements | 575,119 |
| Value of Improvements, per square foot | \$265 |
| Upon Redevelopment, Total Value of Land and Improvements | \$217,187,095 |
| Real property tax rate (per \$100 value) | \$0.978 |
| Real property tax revenues | \$2,124,090 |
| Minus current tax revenues from redevelopment parcels | -\$462,889 |
| Net increase in real property tax revenues | \$1,661,201 |

Sales Tax from Retail

| | |
|---|-------------|
| Amount of total development anticipated to be retail (sf) | 3,695 |
| Annual revenues per square foot | \$375.00 |
| Total retail revenues | \$1,385,625 |
| Sales tax rate | \$0.01 |
| Retail sales tax revenues | \$13,856 |

Meals Tax

| | |
|---|-------------|
| Amount of total development anticipated to be restaurant (sf) | 7,850 |
| Annual revenues per square foot | \$350.00 |
| Total annual restaurant revenues | \$2,747,500 |
| Meals tax rate | \$0.04 |
| Meals tax revenues | \$109,900 |

Sales Tax and BPOL from Restaurants

| | |
|---|-------------|
| Total annual restaurant revenues | \$2,747,500 |
| BPOL rate (per \$100 value) | \$0.20 |
| BPOL tax revenues | \$5,495 |
| Sales tax rate | 1% |
| Sales tax revenues from restaurants | \$27,475 |
| Total of sales and BPOL tax revenues from restaurants | \$32,970 |

Transient Lodging Tax

| | |
|---|---------|
| Amount of total development anticipated to be hotel (rooms) | 0 |
| Room rate | \$151 |
| Occupancy rate | 65% |
| Revenues | \$0 |
| Transient lodging tax rate | \$0.065 |
| Transient lodging tax revenues | \$0 |
| Room nights | 0 |
| Room night tax rate (per room night) | \$1 |
| Room night tax revenues | \$0 |
| Total transient lodging tax revenues | \$0 |

Sales Tax and BPOL from Hotels

| | |
|---|--------|
| Transient Lodging revenues | \$0 |
| BPOL rate (per \$100 value) | \$0.35 |
| BPOL tax revenues | \$0 |
| Sales tax rate | 1% |
| Sales tax revenues from transient lodging | \$0 |

Totals

| | |
|---|-------------|
| Net increase in real property tax revenues | \$1,661,201 |
| Retail sales tax revenues | \$13,856 |
| Meals tax revenues | \$109,900 |
| Total of sales and BPOL tax revenues from restaurants | \$32,970 |
| Total transient lodging tax revenues | \$0 |
| Sales tax revenues from transient lodging | \$0 |
| Grand Total | \$1,817,927 |

| | |
|---|------------|
| Assume 15% for general city services (for new development only) | -\$272,689 |
|---|------------|

| | |
|-------------------------|--------------------|
| Net Tax Revenues | \$1,545,238 |
|-------------------------|--------------------|

Notes:

Deduction for general city services would likely be higher for this scenario because of the much higher concentration of housing; the deduction does not include increased park operating costs.

Waterfront Plan Cost Estimates - Alternative 1 - Parks and Museums

Last updated June 14 2011

| Name | Boundaries of Phasing Location |
|--------------------|--------------------------------------|
| Rivergate | From the Tide Lock to Madison Street |
| Oronoco | Madison Street to Pendleton Street |
| Robinson North | Pendleton Street to Oronoco Street |
| Founders | Oronoco Street to Queen Street |
| Thompsons | Queen Street to Cameron Street |
| Torpedo | Cameron Street to ODBC club house |
| Fitzgerald | ODBC club house to Wales Alley |
| Waterfront Park | Wales Alley to Prince Street |
| Point Lumley | Prince Street to Duke Street |
| Robinson South | Duke Street to Wolfe Street |
| Windmill Hill Park | Wilkes Street to Franklin Street |

| Waterfront Plan | Flood Mitigation | Total |
|-----------------|------------------|--------------|
| \$1,015,600 | \$0 | \$1,015,600 |
| \$2,498,100 | \$0 | \$2,498,100 |
| \$68,255,480 | \$0 | \$68,255,480 |
| \$709,400 | \$0 | \$709,400 |
| \$2,534,900 | \$22,500 | \$2,557,400 |
| \$1,500,000 | \$0 | \$1,500,000 |
| \$5,392,400 | \$1,088,454 | \$6,480,853 |
| \$1,889,550 | \$1,620,884 | \$3,510,434 |
| \$49,933,193 | \$1,620,884 | \$51,554,077 |
| \$24,555,506 | \$0 | \$24,555,506 |
| \$5,500,000 | \$0 | \$5,500,000 |

| WATERFRONT PLAN Anticipated Phasing (year) | | |
|--|--------------|--------------|
| 0-3 | 4-6 | 7-15 |
| \$0 | \$0 | \$1,015,600 |
| \$0 | \$0 | \$2,498,100 |
| \$0 | \$51,974,420 | \$0 |
| \$0 | \$0 | \$709,400 |
| \$1,599,100 | \$0 | \$935,800 |
| \$120,000 | \$1,380,000 | \$0 |
| \$0 | \$5,392,400 | \$0 |
| \$0 | \$1,889,550 | \$0 |
| \$5,995,164 | \$45,558,913 | \$0 |
| \$0 | \$0 | \$24,555,506 |
| \$0 | \$0 | \$5,500,000 |

| Waterfront Plan | Flood Mitigation | Total |
|-----------------|------------------|---------------|
| \$66,250,796 | \$4,352,722 | \$70,603,518 |
| \$19,875,239 | \$1,305,817 | \$21,181,055 |
| \$97,533,333 | | \$97,533,333 |
| \$36,731,873 | \$1,131,708 | \$37,863,581 |
| \$220,391,241 | \$6,790,247 | \$227,181,488 |

| WATERFRONT PLAN Anticipated Phasing (year) | | |
|--|---------------|--------------|
| 0-3 | 4-6 | 7-15 |
| \$7,714,264 | \$103,637,802 | \$35,214,406 |
| \$2,314,279 | \$31,091,340 | \$10,564,322 |
| \$2,005,709 | \$26,945,828 | \$3,600,000 |
| \$12,034,252 | \$161,674,971 | \$59,254,473 |

| Waterfront Plan | Flood Mitigation | Total |
|------------------|------------------|------------------|
| \$388,000 | \$0 | \$388,000 |
| \$339,600 | \$0 | \$339,600 |
| \$288,000 | \$0 | \$288,000 |
| privately funded | privately funded | privately funded |
| \$270,000 | \$0 | \$270,000 |
| \$1,068,100 | \$0 | \$1,068,100 |
| \$852,000 | \$0 | \$852,000 |
| \$308,000 | \$0 | \$308,000 |
| privately funded | \$0 | privately funded |
| \$51,974,420 | \$0 | \$51,974,420 |
| \$16,281,060 | \$0 | \$16,281,060 |
| \$69,400 | \$0 | \$69,400 |
| \$640,000 | \$0 | \$640,000 |
| privately funded | \$0 | privately funded |

| Waterfront Plan | Flood Mitigation | Total |
|------------------|------------------|------------------|
| \$388,000 | \$0 | \$388,000 |
| \$339,600 | \$0 | \$339,600 |
| \$288,000 | \$0 | \$288,000 |
| privately funded | privately funded | privately funded |
| \$270,000 | \$0 | \$270,000 |
| \$1,068,100 | \$0 | \$1,068,100 |
| \$852,000 | \$0 | \$852,000 |
| \$308,000 | \$0 | \$308,000 |
| privately funded | \$0 | privately funded |
| \$51,974,420 | \$0 | \$51,974,420 |
| \$16,281,060 | \$0 | \$16,281,060 |
| \$69,400 | \$0 | \$69,400 |
| \$640,000 | \$0 | \$640,000 |
| privately funded | \$0 | privately funded |

| WATERFRONT PLAN Anticipated Phasing (year) | | |
|--|-------------|-----------|
| 0-3 | 4-6 | 7-15 |
| \$0 | \$0 | \$388,000 |
| \$0 | \$0 | \$339,600 |
| \$0 | \$0 | \$288,000 |
| \$0 | \$0 | \$270,000 |
| \$0 | \$1,068,100 | \$0 |
| \$0 | \$0 | \$852,000 |
| \$0 | \$0 | \$308,000 |
| \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 |
| \$51,974,420 | \$0 | \$0 |
| \$16,281,060 | \$0 | \$0 |
| \$0 | \$0 | \$69,400 |
| \$0 | \$0 | \$640,000 |
| \$0 | \$0 | \$0 |

Elements of the Phasing Program

| | | |
|----------------|---|--|
| Rivergate | 1 | Enhanced landscaping; relocation of footpath to be closer to shoreline |
| Rivergate | 2 | Construct kayak launch and view "steps" at the foot of Montgomery Street |
| Rivergate | 3 | Shoreline naturalization, from rowing facility to "steps" at the foot of Montgomery Street |
| Rivergate | 4 | Implement history and art recommendations for the Rivergate/Tide Lock area |
| Oronoco | 1 | Rebuild and extend curved boardwalk |
| Oronoco | 2 | Regrade central lawn, provide overlooks, new paths, and new landscaping |
| Oronoco | 3 | Shoreline naturalization, from Pendleton Street to boardwalk; stage structure at water's edge; floating islands and riparian plantings |
| Oronoco | 4 | Re-create "Ralph's Gut" marsh to recall historic shoreline, demonstrate wetlands, etc. |
| Oronoco | 5 | Boxcars, play features, public art and historic interpretation, additional park user services (bike racks, etc) |
| Robinson North | 1 | Performing Arts/Museum/Flex Space |
| Robinson North | 1 | West's Point Park |
| Founders | 1 | Landscaping enhancement and turf repair |
| Founders | 2 | Shoreline naturalization, from Oronoco Street to Queen Street |
| Founders | 3 | Implement history and art recommendations |

| | | |
|-----------|---|--|
| Thompsons | 1 | Thompsons Alley bulkhead renovation, wider promenade between Founders Park, additional commercial docking locations; screening of alley from promenade |
| Thompsons | 2 | Public realm improvements for Food Court/Chart House area, including deck over "alley" and dining terraces at the entrance to both buildings |
| Thompsons | 3 | Potential future replacement of existing pleasure boat pier/slips with a third commercial pier. |

| | | |
|---------|---|---|
| Torpedo | 1 | Repair bulkhead; improvements to railing and furniture. |
| Torpedo | 2 | Extend Cameron Street pier (either beyond the pierhead line or along shore) |
| Torpedo | 3 | Public art and historic interpretation |
| Torpedo | 4 | Support changes identified by the Torpedo Factory |

| | | |
|------------|---|--|
| Fitzgerald | 1 | Demolish ODBC parking lot |
| Fitzgerald | 2 | Flood mitigation including elevating King Street and the Strand; repave, creating a pedestrian-oriented plaza or square in the unit block of King Street; Trolley and bus lane retained and marked with bollards |
| Fitzgerald | 3 | Construct new/repared bulkhead and esplanade between ODBC building and Waterfront Park |
| Fitzgerald | 4 | Construct Fitzgerald Square, including floodwall elements |
| Fitzgerald | 5 | Construct short King Street pier from Fitzgerald Square to pierhead line |
| Fitzgerald | 6 | Complete King Street pier beyond the pierhead line |
| Fitzgerald | 7 | Public art and historic interpretation for Fitzgerald Square and the King Street pier, such as iconic sculpture recalling ferry arch and historic ship docked at the foot of King Street |

| | | |
|-----------------|----|--|
| Waterfront Park | 1a | Replace ODBC parking lot; construct ODBC replacement boat parking near existing lot near Cameron Run Regional Park (no new parking will be located in Waterfront Park) |
| Waterfront Park | 1b | Flood wall elements, integrated into design as a terrace |
| Waterfront Park | 2 | Complete physical improvements to Waterfront Park, including plantings and a small stage |
| Waterfront Park | 3 | If desired, construct boat ramp at foot of Prince Street |
| Waterfront Park | 4 | Public art and historic interpretation for Waterfront Park; additional play features and services for park users |

| | | |
|--------------|----|---|
| Point Lumley | 1 | Complete purchase of waterside parking lot in the 200 block of the Strand |
| Point Lumley | 2 | Complete bulkhead and waterside promenade, except for Alexandria Marine Supply property |
| Point Lumley | 3a | Complete park improvements, except for Alexandria Marine Supply property |
| Point Lumley | 3b | Flood wall elements, integrated into design of park |
| Point Lumley | 4 | Purchase and restore 204 & 206 S Union for History Center |
| Point Lumley | 5 | Construct park services building on Alexandria Marine Supply site |
| Point Lumley | 6 | Purchase debris skimmer, trailer, etc. |
| Point Lumley | 7 | New Art League Building on Cummings warehouse site |
| Point Lumley | 8 | Seaport Foundation/Maritime Museum |

| | | |
|--------------------|---|---|
| Robinson South | 1 | New Robinson South Park |
| Windmill Hill Park | 3 | Bulkhead and shoreline replacement and repair |

This alternative adds costs to the Planning Commission recommendation. The additional costs are in reverse type.

| | | |
|------------------------|----------|------------------------|
| \$1,599,100 | \$22,500 | \$1,621,600 |
| \$935,800 | \$0 | \$935,800 |
| commercial boat funded | | commercial boat funded |

| | | |
|------------------|------------------|------------------|
| \$120,000 | \$0 | \$120,000 |
| \$1,380,000 | \$0 | \$1,380,000 |
| privately funded | privately funded | privately funded |
| mixed | mixed | mixed |

| | | |
|------------------|------------------|------------------|
| \$96,000 | \$0 | \$96,000 |
| \$0 | \$480,622 | \$480,622 |
| \$1,200,000 | \$0 | \$1,200,000 |
| \$1,980,400 | \$607,832 | \$2,588,232 |
| \$736,000 | \$0 | \$736,000 |
| \$1,380,000 | \$0 | \$1,380,000 |
| privately funded | privately funded | privately funded |

| | | |
|------------------|------------------|------------------|
| \$708,000 | \$0 | \$708,000 |
| \$0 | \$1,620,884 | \$1,620,884 |
| \$904,800 | \$0 | \$904,800 |
| \$276,750 | \$0 | \$276,750 |
| privately funded | privately funded | privately funded |

| | | |
|-----------------|-----------------|-----------------|
| open space fund | open space fund | open space fund |
| \$2,000,000 | \$0 | \$2,000,000 |
| \$1,958,280 | \$0 | \$1,958,280 |
| \$0 | \$1,620,884 | \$1,620,884 |
| \$13,289,450 | \$0 | \$13,289,450 |
| \$2,557,481 | \$0 | \$2,557,481 |
| \$416,000 | \$0 | \$416,000 |
| \$16,148,907 | \$0 | \$16,148,907 |
| \$13,563,075 | \$0 | \$13,563,075 |

| | | |
|--------------|-----|--------------|
| \$24,555,506 | \$0 | \$24,555,506 |
| \$5,500,000 | \$0 | \$5,500,000 |

| | | |
|-------------|--|-----------|
| \$1,599,100 | | |
| | | \$935,800 |

| | | |
|-----------|--|-------------|
| \$120,000 | | |
| | | \$1,380,000 |

| | | |
|----------|--|-------------|
| \$96,000 | | |
| | | \$480,622 |
| | | \$1,200,000 |
| | | \$1,980,400 |
| | | \$736,000 |
| | | \$1,380,000 |

| | | |
|-----------|--|-----------|
| \$708,000 | | |
| | | \$904,800 |
| | | \$276,750 |

| | | |
|-------------|--|--------------|
| \$2,000,000 | | |
| \$1,958,280 | | |
| \$1,620,884 | | |
| | | \$13,289,450 |
| | | \$2,557,481 |
| \$416,000 | | |
| | | \$16,148,907 |
| | | \$13,563,075 |

| | | |
|--------------|--|--|
| \$24,555,506 | | |
| \$5,500,000 | | |

Waterfront Plan Cost Estimates - Planning Commission Recommendation

PLANNING COMMISSION RECOMMENDATION

| Name | Boundaries of Phasing Location |
|--------------------|--------------------------------------|
| Rivergate | From the Tide Lock to Madison Street |
| Oronoco | Madison Street to Pendleton Street |
| Robinson North | Pendleton Street to Oronoco Street |
| Founders | Oronoco Street to Queen Street |
| Thompsons | Queen Street to Cameron Street |
| Torpedo | Cameron Street to ODBC club house |
| Fitzgerald | ODBC club house to Wales Alley |
| Waterfront Park | Wales Alley to Prince Street |
| Point Lumley | Prince Street to Duke Street |
| Robinson South | Duke Street to Wolfe Street |
| Windmill Hill Park | Wilkes Street to Franklin Street |

| Waterfront Plan | Flood Mitigation | Total |
|-----------------|------------------|-------------|
| \$1,015,600 | \$0 | \$1,015,600 |
| \$2,498,100 | \$0 | \$2,498,100 |
| developer | developer | developer |
| \$709,400 | \$0 | \$709,400 |
| \$2,534,900 | \$22,500 | \$2,557,400 |
| \$1,700,000 | \$0 | \$1,700,000 |
| \$5,392,400 | \$1,088,454 | \$6,480,854 |
| \$1,889,550 | \$1,620,884 | \$3,510,434 |
| \$7,974,280 | \$1,620,884 | \$9,595,164 |
| developer | developer | developer |
| \$5,500,000 | \$0 | \$5,500,000 |

Cost Summary
 Construction total (not including civic building)
 Contingency (30%)
 Point Lumley Park Civic building or equivalent
 Plus design and engineering (20%)
 Grand total:

| Waterfront Plan | Flood Mitigation | Total |
|-----------------|------------------|--------------|
| \$25,614,230 | \$4,352,723 | \$29,966,952 |
| \$7,684,269 | \$1,305,817 | \$8,990,086 |
| \$3,600,000 | | \$3,600,000 |
| \$7,379,700 | \$1,131,708 | \$8,511,408 |
| \$44,278,198 | \$6,790,247 | \$51,068,446 |

Elements of the Phasing Program

| | | | | |
|----------------|---|--|------------------|------------------|
| Rivergate | 1 | Enhanced landscaping; relocation of footpath to be closer to shoreline | | |
| Rivergate | 2 | Construct kayak launch and view "steps" at the foot of Montgomery Street | \$388,000 | \$388,000 |
| Rivergate | 3 | Shoreline naturalization, from rowing facility to "steps" at the foot of Montgomery Street | \$339,600 | \$339,600 |
| Rivergate | 4 | Implement history and art recommendations for the Rivergate/Tide Lock area | \$288,000 | \$288,000 |
| | | | privately funded | privately funded |
| Oronoco | 1 | Rebuild and extend curved boardwalk | \$270,000 | \$270,000 |
| Oronoco | 2 | Regrade central lawn, provide overlooks, new paths, and new landscaping | \$1,068,100 | \$1,068,100 |
| Oronoco | 3 | Shoreline naturalization, from Pendleton Street to boardwalk; stage structure at water's edge; floating islands and riparian plantings | \$852,000 | \$852,000 |
| Oronoco | 4 | Re-create "Ralph's Gut" marsh to recall historic shoreline, demonstrate wetlands, etc. | \$308,000 | \$308,000 |
| Oronoco | 5 | Boxcars, play features, public art and historic interpretation, additional park user services (bike racks, etc) | privately funded | privately funded |
| Robinson North | 1 | Public amenity package | developer | developer |
| Founders | 1 | Landscaping enhancement and turf repair | \$69,400 | \$69,400 |
| Founders | 2 | Shoreline naturalization, from Oronoco Street to Queen Street | \$640,000 | \$640,000 |
| Founders | 3 | Implement history and art recommendations | privately funded | privately funded |

PLANNING COMMISSION RECOMMENDATION

| Waterfront Plan | Flood Mitigation | Total |
|------------------|------------------|------------------|
| \$388,000 | \$0 | \$388,000 |
| \$339,600 | \$0 | \$339,600 |
| \$288,000 | \$0 | \$288,000 |
| privately funded | privately funded | privately funded |
| \$270,000 | \$0 | \$270,000 |
| \$1,068,100 | \$0 | \$1,068,100 |
| \$852,000 | \$0 | \$852,000 |
| \$308,000 | \$0 | \$308,000 |
| privately funded | | privately funded |
| developer | | developer |
| \$69,400 | \$0 | \$69,400 |
| \$640,000 | \$0 | \$640,000 |
| privately funded | | privately funded |

| | | |
|-----------|---|--|
| Thompsons | 1 | Thompsons Alley bulkhead renovation, wider promenade between Founders Park, additional commercial docking locations; screening of alley from promenade |
| Thompsons | 2 | Public realm improvements for Food Court/Chart House area, including deck over "alley" and dining terraces at the entrance to both buildings |
| Thompsons | 3 | Potential future replacement of existing pleasure boat pier/slips with a third commercial pier. |

| | | |
|---------|---|---|
| Torpedo | 1 | Repair bulkhead; improvements to railing and furniture. |
| Torpedo | 2 | Extend Cameron Street pier (either beyond the pierhead line or along shore) |
| Torpedo | 3 | Public art and historic interpretation |
| Torpedo | 4 | Support changes identified by the Torpedo Factory |

| | | |
|------------|---|--|
| Fitzgerald | 1 | Demolish ODBC parking lot |
| Fitzgerald | 2 | Flood mitigation including elevating King Street and the Strand; repave, creating a pedestrian-oriented plaza or square in the unit block of King Street; Trolley and bus lane retained and marked with bollards |
| Fitzgerald | 3 | Construct new/repared bulkhead and esplanade between ODBC building and Waterfront Park |
| Fitzgerald | 4 | Construct Fitzgerald Square, including floodwall elements |
| Fitzgerald | 5 | Construct short King Street pier from Fitzgerald Square to pierhead line |
| Fitzgerald | 6 | Complete King Street pier beyond the pierhead line |
| Fitzgerald | 7 | Public art and historic interpretation for Fitzgerald Square and the King Street pier, such as iconic sculpture recalling ferry arch and historic ship docked at the foot of King Street |

| | | |
|-----------------|----|---|
| Waterfront Park | 1a | Replace ODBC parking lot; construct ODBC replacement boat parking near existing lot near Cameron Run Regional Park. (no new parking will be located in Waterfront Park) |
| Waterfront Park | 1b | Flood wall elements, integrated into design as a terrace |
| Waterfront Park | 2 | Complete physical improvements to Waterfront Park, including plantings and a small stage |
| Waterfront Park | 3 | If desired, construct boat ramp at foot of Prince Street |
| Waterfront Park | 4 | Public art and historic interpretation for Waterfront Park; additional play features and services for park users |

| | | |
|--------------|----|---|
| Point Lumley | 1 | Complete purchase of waterside parking lot in the 200 block of the Strand |
| Point Lumley | 2 | Complete bulkhead and waterside promenade, except for Alexandria Marine Supply property |
| Point Lumley | 3a | Complete park improvements, except for Alexandria Marine Supply property |
| Point Lumley | 3b | Flood wall elements, integrated into design of park |
| Point Lumley | 4 | Implement park and promenade improvements on Alexandria Marine Supply property |
| Point Lumley | 5 | Construct civic building on Alexandria Marine Supply site |
| Point Lumley | 6 | Purchase debris skimmer, trailer, etc. |
| Point Lumley | 7 | Redevelopment public amenity package |
| Point Lumley | 8 | Implement history and art recommendations |

| | | |
|----------------|---|------------------------|
| Robinson South | 1 | Public amenity package |
|----------------|---|------------------------|

| | | |
|--------------------|---|---|
| Windmill Hill Park | 3 | Bulkhead and shoreline replacement and repair |
|--------------------|---|---|

| | | |
|------------------------|----------|------------------------|
| \$1,599,100 | \$22,500 | \$1,621,600 |
| \$935,800 | \$0 | \$935,800 |
| commercial boat funded | \$0 | commercial boat funded |

| | | |
|-------------|-------|-------------|
| \$120,000 | \$0 | \$120,000 |
| \$1,380,000 | \$0 | \$1,380,000 |
| \$200,000 | \$0 | \$200,000 |
| mixed | mixed | mixed |

| | | |
|------------------|------------------|------------------|
| \$96,000 | \$0 | \$96,000 |
| \$0 | \$480,622 | \$480,622 |
| \$1,200,000 | \$0 | \$1,200,000 |
| \$1,980,400 | \$607,832 | \$2,588,232 |
| \$736,000 | \$0 | \$736,000 |
| \$1,380,000 | \$0 | \$1,380,000 |
| privately funded | privately funded | privately funded |

| | | |
|------------------|------------------|------------------|
| \$708,000 | \$0 | \$708,000 |
| \$0 | \$1,620,884 | \$1,620,884 |
| \$904,800 | \$0 | \$904,800 |
| \$276,750 | \$0 | \$276,750 |
| privately funded | privately funded | privately funded |

| | | |
|------------------|------------------|------------------|
| open space fund | open space fund | open space fund |
| \$2,000,000 | \$0 | \$2,000,000 |
| \$1,958,280 | \$0 | \$1,958,280 |
| \$0 | \$1,620,884 | \$1,620,884 |
| \$0 | \$0 | \$0 |
| \$3,600,000 | \$0 | \$3,600,000 |
| \$416,000 | \$0 | \$416,000 |
| developer | developer | developer |
| privately funded | privately funded | privately funded |

| | | |
|-----------|-----------|-----------|
| developer | developer | developer |
|-----------|-----------|-----------|

| | | |
|-------------|-----|-------------|
| \$5,500,000 | \$0 | \$5,500,000 |
|-------------|-----|-------------|