



Docket Item #12 A-F

Rezoning #2009-0001
Coordinated Development District #2009-0001
Transportation Management Plan #2009-0061
Street Name Case #2010-0002 - #2010-0006
Text Amendment #2010-0002
Adoption of Design Guidelines

Application	General Data	
Project Name: North Potomac Yard	PC Hearing:	June 1, 2010
	CC Hearing:	June 12, 2010
	If approved, CDD Expiration:	June 12, 2035 (25 years)
	Plan Acreage:	Site: 3,008,689 SF (69.07 acres)
Location: 3601 Jefferson Davis Hwy and 3601 Potomac Avenue	Existing Zone:	CDD #10
	Proposed Zone:	CDD #19
	Proposed Use:	Mixed-Use
	Net Floor Area:	Existing: 600,000 SF Proposed: 7,525,000 SF Total: 7,525,000 SF
Applicant: CPYR, inc., represented by Jonathan Rak and Ken Wire, McGuire Woods, LLP	Small Area Plan:	North Potomac Yard
	Historic District:	Old and Historic Alexandria
	Green Building:	Compliance with City's Green Building Policy

Purpose of Application
Rezone an existing retail center to develop North Potomac Yard into an urban, mixed-use community.
Special Use Permits, Modifications and other Approvals Requested
<ol style="list-style-type: none"> 1. Rezone to Create Coordinated Development District 19 (REZ #2009-0001) 2. Coordinated Development District Conceptual Design Plan (CDD #2009-0001) 3. Special Use Permit for a Transportation Management Plan (SUP #2009-0061) 4. Street Names for five new public streets (ST #2010-0002 – ST #2010-0006) – Approved by Planning Commission. For Council's information only. 5. Text Amendment to revise Zoning Ordinance Sections 5-602 and 5-610 (TA #2010-0002) 6. Adoption of North Potomac Yard Urban Design Standards

Staff Recommendation: APPROVAL WITH CONDITIONS
Staff Reviewers: Patricia Escher, AICP, Patricia.Escher@alexandriava.gov Kristen Mitten, Kristen.Mitten@alexandriava.gov Jessica McVary, AICP, LEED AP Jessica.McVary@alexandriava.gov

CITY COUNCIL ACTION, JUNE 12, 2010: City Council approved the Planning Commission and staff recommendation, with the amendment to condition #12 to state a

maximum of 2.25 million square feet of total development which shall include any portion of the existing retail center in existence as of June 12, 2010, which is not demolished or replaced pursuant to future DSUP approvals in CDD #19, shall be permitted in advance of the commencement of construction of a Metrorail station located within or adjacent to CDD #19, provided that the development complies with the conditions required herein.

PLANNING COMMISSION ACTION, JUNE 3, 2010: On a motion by Mr. Wagner, seconded by Ms. Fossum, the Planning Commission voted to initiate a text amendment to revise section 5-600 of the Zoning Ordinance to add CDD#19 to the CDD Table and to amend the role and configuration of PYDAC as requested by staff. The motion carried on a vote of 7 to 0.

On a separate motion by Mr. Wagner, seconded by Ms. Fossum, the Planning Commission voted to recommend approval of the rezoning, text amendment, CDD conceptual design plan, transportation management plan, and the North Potomac Yard Design Guidelines, subject to compliance with all applicable codes, ordinances and staff recommendations with amendments to conditions 14, 17b, 20, 26, 28, 79, 81, 85, 90j, 93, 94 and 110 (amended conditions highlighted). The Planning Commission also amended conditions 2, 3 and 6 of the transportation management plan (amended conditions highlighted). The Planning Commission approved the request for five new street names. The motion carried on a vote of 7 to 0.

Reason: The Planning Commission agreed with the staff analysis.

PLANNING COMMISSION ACTION, JUNE 1, 2010: The Planning Commission closed the public hearing, requested Staff to red-line the staff report/conditions/MOU with the edits and clarifications discussed and requested by the Planning Commission for review at a subsequent hearing, and recessed the hearing till June 3, 2010 due to the lateness of the hour.

Speakers:

Katy Cannady – resident, spoke against the proposed zoning application with concerns regarding increased taxes and congestion.

Judy Noritake – resident, spoke in favor of the application but noted a concern with the school site potentially planning to use open space within Crescent Park or on the Four Mile Run Bridge.

David Fromm – resident, spoke in favor of the proposal, however would have preferred to have additional time to review the staff report. Concerns were also raised regarding taxi and motorcoach parking, lack of monitoring of traffic impacts in adjacent neighborhoods once the project is built, recommended to expand PYDAC to 11 members to keep an odd number of members on the Committee and requested they report back to the neighborhoods they represent.

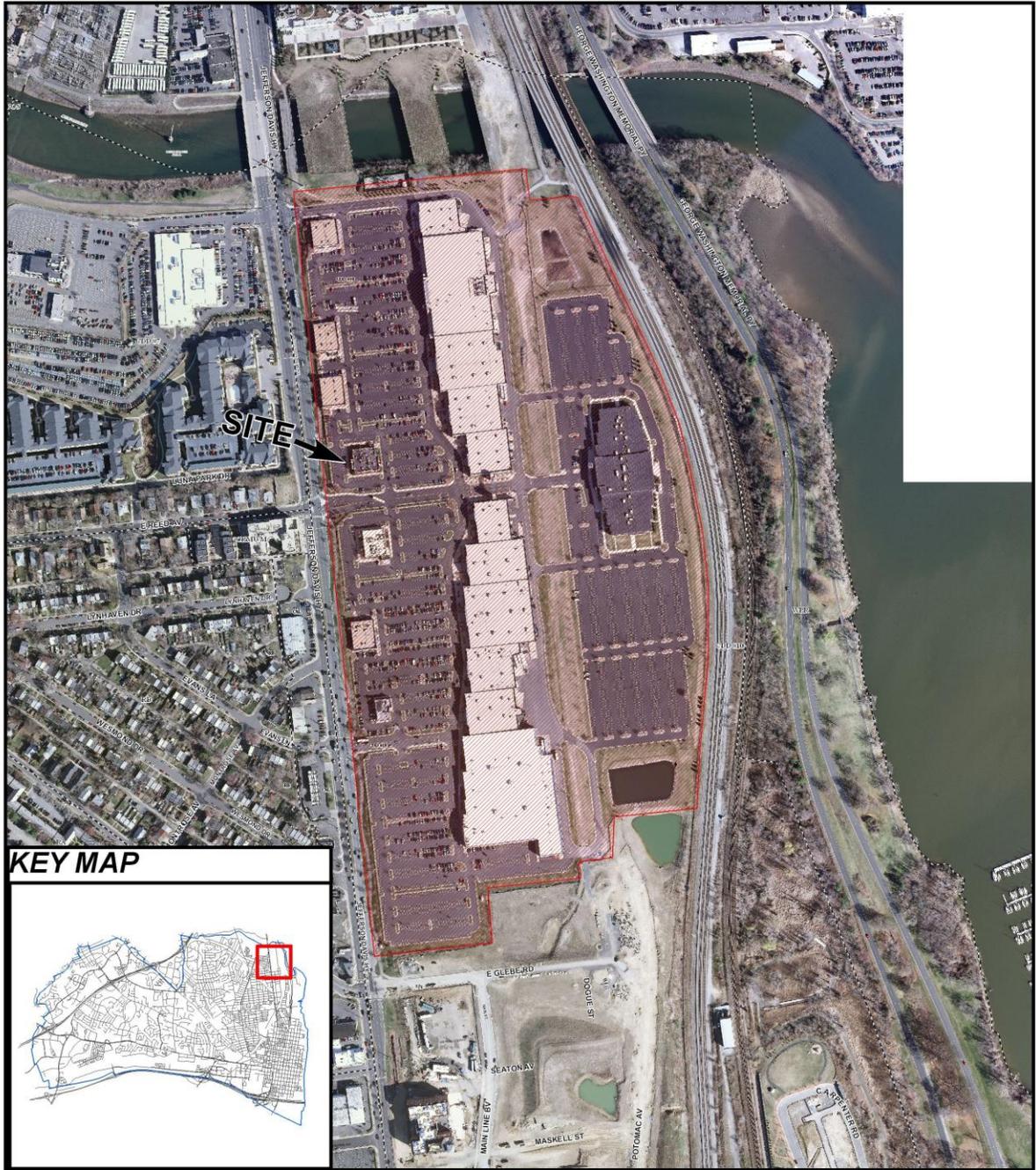
Poul Hertel – resident, cautioned the Commission that neighborhood impacts should be considered as far south as Powhatan Street and has concerns regarding the financial model for the Metrorail station.

Jonathan Rak, attorney for the applicant, represented the application.

North Potomac Yard
3601 Jefferson Davis Highway and 3601 Potomac Avenue

Kenneth Wire, attorney for the applicant, represented the application.

North Potomac Yard
3601 Jefferson Davis Highway and 3601 Potomac Avenue



**NORTH
POTOMAC YARD**

06/01/10



TABLE OF CONTENTS	Page #
I. Summary.....	5
A. Recommendation	
B. Significant Topics	
C. Project Description	
II. CDD Description	9
A. Overview – CDD Conceptual Design Plan	
B. Neighborhoods	
III. Zoning	12
A. Existing Zoning	
B. Proposed Zoning	
C. Coordination with Adjoining CDD	
D. Text Amendment to Revise Zoning Ordinance Section 5-600	
IV. Staff Analysis	15
A. Consistency with the City’s Plans and Policies	15
B. Metrorail Station – Feasibility and Financing	16
C. Phasing and Implementation	19
D. Transportation and Parking	22
E. Transportation Management Plan	26
F. Water Management Master Plan	26
G. Open Space, Public Art and Archaeology	29
H. Uses	31
I. Urban Design Standards and Guidelines	32
J. Public Benefits and Community Facilities	35
K. Affordable Housing	36
L. Street Names	37
V. Community	38
VI. Conclusion	39
VII. Staff Recommendations	40
A. General	40
B. CDD Conceptual Design Plan	41
C. North Potomac Yard Urban Design Standards	42
D. Development Phasing	42
E. Infrastructure	44
F. Metrorail Station	51
G. Parking	54
H. Streets & Transportation	57

TABLE OF CONTENTS (cont.) **Page #**

VII. Staff Recommendations (Cont.)	
I. Transit	57
J. Utilities	58
K. Environmental Sustainability	59
L. Stormwater	60
M. Neighborhood Traffic Calming	62
N. Open Space	62
O. Uses	66
P. Retail Management and Business Improvement District	70
Q. Community Facilities	71
R. Affordable Housing	73
S. Archaeology & Public Art	74
T. Code Administration	75
U. Transportation Management Plan	75
VIII. Appendix – Background	78
A. Site Context	
B. Site History	
C. Project Evolution	
IX. Attachments	81
1. Block Numbers and ¼ Mile Radius	
2. Circulation Easement Locations	
3. Interim Route 1 Right-of-Way Dedication for Transition	
4. Landbay G, Block D Interim Access	
5. Interim Main Line Boulevard Connection	
6. Street Name Exhibit	
7. Crescent Park Boundaries and Bridge “C”	
8. Neighborhood Traffic Calming Exhibit	
9. Retail Signage Exhibit	
10. TMP Attachment	
11. Memorandum of Understanding	

<u>List of Tables</u>	<u>Page #</u>
Table 1: Proposed Description of North Potomac Yard CDD	13
Table 2: Changes in Travel Time and Speeds on Route 1	23
Table 3: Parking Maximums	54
Table 4: Bicycle Parking Requirements	56
Table 5: Development Summary Table	68
Table 6: Single Occupancy Vehicle Goals	76

I. SUMMARY

A. Recommendation

Staff recommends approval of the North Potomac Yard Coordinated Development District (CDD) Conceptual Design Plan and associated applications subject to compliance with the North Potomac Yard Small Area Plan, North Potomac Yard Urban Design Standards, and staff recommendations. The CDD Conceptual Design Plan is consistent with the North Potomac Yard Small Area Plan, adopted by Planning Commission and City Council in May, 2010.

B. Significant Topics

This application presents a number of significant topics of importance to the community and the following summary highlights major issues that are discussed in detail in the staff report:

Infrastructure Feasibility and Financing

- A Metrorail station is necessary to support the ultimate development proposed in North Potomac Yard.
- Although the proposed development creates significant new net revenues which will more than cover the debt service obligation of a \$275 million bond financing, without developer contributions there is a \$9 million projected gap in initial financing.
- City staff and CPYR, the property owner of North Potomac Yard, have developed and negotiated a Memorandum of Understanding (MOU) which outlines mechanisms to finance the design and construction of the station, including new net tax revenues, two special tax districts, developer contributions, bond financing and a \$32 million shortfall guarantee which will more than cover the projected gap as well as some downside risk protection.

Phasing and Implementation

- All implementation of the CDD is subject to the MOU noted above.
- Development in North Potomac Yard is phased to ensure that adequate infrastructure, particularly transportation infrastructure, is in place to support proposed development as construction occurs.
- An adequate amount of development near the proposed Metrorail station is necessary to provide projected revenues required to fund the design and construction of the station.
- Prior to Metrorail station construction, a maximum of 2,000,000 square feet of development is permitted (including the existing 600,000 square feet of retail). This additional development must be within ¼ mile of the station entrance and each new block that is submitted for development must be contiguous.
- During construction of the station and after the high capacity transitway planned for the area is fully operational, a maximum of 3,700,000 square feet of development is permitted within ¼ mile of the entrance. Again, each new block that is submitted for development must be contiguous.

- Once the Metrorail Station is operational, the full build-out (7,525,000 square feet) of the site may proceed.

Transportation and Parking

- An interconnected series of streets and blocks, including a realigned Potomac Avenue, an extended Main Line Boulevard and an east-west connection at East Reed Avenue enable a multi-modal transportation network which accommodates pedestrians, bicyclists, local transit, high-capacity transitway, transitway stations and a new Metrorail station.
- To relieve traffic impacts in neighborhoods adjacent to North Potomac Yard, the applicant is required to design and implement a neighborhood traffic calming plan.
- Maximum parking ratios are proposed to reduce single-occupancy vehicle use and promote alternative modes of transportation.
- The applicant is required to develop a parking management plan which includes mechanisms for shared parking, valet parking, market-rate parking, on-street parking and unbundled residential parking (the cost to purchase or lease a parking space is separate from the cost to purchase or lease a residential unit) as well as a Transportation Management Plan to further reduce single occupancy vehicles.

Water Management and Environmental Sustainability

- The applicant is required to prepare a water management master plan to reduce potable water use by capturing and reusing rainwater and reducing wastewater generation through water conservation and use of low-flow fixtures.
- The applicant is also required to develop a stormwater management plan to reduce stormwater runoff by 30 percent. To reduce stormwater runoff, 25 percent of roofs are required to be vegetated roofs and an additional 25 percent of roofs are required to be pervious bed materials overlain with pavers.
- The neighborhoods within North Potomac Yard will achieve LEED for Neighborhood Development, Silver Certification, subject to the implementation of the Metrorail station and the high-capacity transitway. All office and residential development will achieve LEED Silver and LEED certification, respectively, or will adhere to the City Green Building Policy at the time of development, whichever is more restrictive.
- A water quality facility is proposed to function as an urban amenity in Crescent Park.
- The applicant is required to provide a monetary contribution for the construction of two relief sewers to ensure adequate conveyance capacity to the Alexandria Sanitation Authority (ASA).
- As the proposed development, in conjunction with other projected development in the City, may exceed the City's remaining current capacity at ASA, the applicant is required to continue working with the City to achieve additional capacity.

Open Space, Public Art and Archaeology

- The applicant is required to provide a total of 35 percent of the land area as usable open space on site, while 15 percent of the land area shall be ground level open space.
- The applicant is required to design and construct improvements to Four Mile Run.

- The applicant is required to design and construct or provide the necessary funding to construct an off-site synthetic field.
- There are significant new public open spaces that will be created: Crescent Park, the Four Mile Run Promenade, Market Common, Metro Square, and Potomac Yard Park (Landbay K extension) are required ground-level open spaces which shall be subdivided and dedicated to the City as public open spaces.
- Crescent Park, the Four Mile Run Promenade, Market Common, and Metro Square shall be maintained by the applicant and/or the management entity/business improvement district that will be formed.
- A perpetual public access easement is required for ground-level open spaces on Blocks 2 and 5, and 16 or 21 and the ground level open space on the western side of Block 3 shall be open to the public.

Uses

- As reflected on the zoning chart (Table 1), certain uses and net floor area amounts are fixed for certain blocks. However, an innovative aspect of this project is that there is a maximum of 3,395,000 square feet of net floor area in North Potomac Yard that may be developed as either office or residential.
- For the blocks assigned this flexible category of use, the final amount of development on each block may be transferred between blocks as part of a development special use permit. However, all blocks must still adhere to the *North Potomac Yard Urban Design Standards*.
- Allocation of this flexible category of use shall be evaluated in regard to the intent of the *North Potomac Yard Small Area Plan* occupancy goals. In particular, an overabundance of office use would be a concern from a traffic standpoint and in terms of creating and maintaining a vital neighborhood with activity in the evenings and weekends.
- Community facilities, public buildings and accessory uses are not deducted from the maximum permitted development.

Public Benefits and Community Facilities

- Block 4 shall be reserved for a possible Alexandria City Public School and shall be dedicated to the City. Office and/or residential uses above the school are permitted to be developed by the City.
- Day care facilities shall be permitted on any block.
- A live performance arts theater and cultural or civic use space shall also be provided.

Affordable Housing

- The applicant has agreed to provide a voluntary monetary contribution based on the formula adopted by the City Council (at the time of each building Certificate of Occupancy. In applying this formula, the base density that will be used to calculate the Tier 1 residential contribution is the 600,000 square feet possible under the current CDD zoning.

- The Applicant may not apply for an affordable housing density bonus, pursuant to Section 7-700 of the Zoning Ordinance, unless they can demonstrate through the DSUP process, and associated traffic study that the proposed transportation infrastructure and open space amenities can support additional density.
- The applicant has indicated willingness to provide set-aside affordable units on site (to include affordable, workforce and public housing units) within North Potomac Yard. These units, if accepted by the City, shall be an offset to the voluntary monetary contribution.

North Potomac Yard Urban Design Standards

- The *North Potomac Yard Urban Design Standards* expand upon the urban design framework established in the *North Potomac Yard Small Area Plan* by establishing requirements for land use, density, building massing, building and site material, streets, sidewalks, open space, public art, parking and signage.
- Future development applications are required to comply with the Design Standards. Variations from the Design Standards must be recommended by the Potomac Yard Design Advisory Committee and the Planning Commission and approved by City Council.

C. Project Description

The applicant, CPYR, Inc., requests approval of the following applications to develop North Potomac Yard into an urban, mixed-use community:

- Rezoning (Zoning Map Amendment) to modify the zoning designation from Coordinated Development District #10 to Coordinated Development District #19;
- Coordinated Development District conceptual design plan;
- Special Use Permit for a Transportation Management Plan;
- Designation of five public street names; and
- Adoption of the *North Potomac Yard Urban Design Standards*.

Concurrent with this application, staff recommends that Planning Commission initiate a Zoning Text Amendment to revise language included in Section 5-600 of the Zoning Ordinance. Specifically, staff recommends amendments to Section 5-602, which identifies each of the Coordinated Development Districts and Section 5-610, which authorizes and governs the Potomac Yard Design Advisory Committee.

The *North Potomac Yard Small Area Plan*, adopted by City Council in May, 2010, envisions North Potomac Yard as an environmentally and economically sustainable urban, mixed-use community which compliments adjacent neighborhoods and creates a regional destination. To fulfill the vision and guiding principles of the *North Potomac Yard Small Area Plan*, the applicant proposes to construct the network of streets, parks and plazas recommended in the Plan. In addition, the applicant proposes a mixture of uses including office, residential, hotel, entertainment, retail, restaurant and civic uses.

Development of North Potomac Yard provides many public benefits including:

- Mixture of uses and density sufficient to support a new Metrorail station;
- Network of streets, public open spaces, parks and urban squares;
- Incorporation of sustainable design and green building techniques;
- Community amenities, such as funding for a performing arts center;
- Land and funding for a new school to be sited; and
- Affordable housing.

II. COORDINATED DEVELOPMENT DISTRICT DESCRIPTION

A. Overview - Coordinated Development District Conceptual Design Plan

CPYR, inc. requests approval of a Coordinated Development District (CDD) conceptual design plan to redevelop North Potomac Yard (Landbay F). The overall development program proposed for North Potomac Yard provides for 7,525,000 square feet of development. Within this overall development envelope, there is a minimum of 1,930,000 square feet of office, 930,000 square feet of retail, 170,000 square feet of hotel, 1,100 residential units and nearly 10 acres of open space.

In addition, within the overall development envelope, the proposed CDD provides 3,395,000 square feet that may be developed as either office or residential. The allocation and mixture of the aforementioned uses is determined by the proximity to transit, including a future Metrorail station and a high-capacity transitway, as well as planned surrounding uses, open space and market conditions. To ensure future flexibility due to market conditions, the exact mixture of uses will be determined during the development review process, although all buildings will require adherence to the *North Potomac Yard Urban Design Standards*.

North Potomac Yard is designed with an interconnected series of streets, blocks, parks and a mixture of uses intended to establish true urban neighborhoods. The streets generally form a grid with block sizes typical of other Alexandria neighborhoods including Old Town and Del Ray. Likewise, the streets provide north-south connections from Crystal City to Potomac Yard Landbay G and several east-west connections. Extensions of East Reed Avenue, Evans Lane and Wesmond Drive are proposed to enhance connectivity between North Potomac Yard and neighborhoods located west of Route 1 (Jefferson Davis Highway), such as Lynhaven.

The open space network is an equally significant component of the urban framework in North Potomac Yard. Designed to serve residents, adjacent neighborhoods and visitors, the open space is a defining element of the community and provides connections to local and regional open space systems and trails. The open space includes active and passive spaces, as well as rooftop gardens, urban squares and plazas designed for civic gatherings and events.

B. Neighborhoods

As recommended in the *North Potomac Yard Small Area Plan*, the applicant proposes to create three distinct neighborhoods within the framework of interconnected streets and open spaces. While the individuality of each neighborhood is expressed through architectural character, scale, uses and open spaces, the neighborhoods are visually unified by the street network, consistent streetscape and central theme of sustainability. The three neighborhoods, described in further detail below, are Crescent Gateway, Market, and Metro Square.

Crescent Gateway Neighborhood

Located at a northern gateway to the City, the Crescent Gateway Neighborhood of North Potomac Yard is bordered by Four Mile Run and Potomac Yard Landbay E to the north and a new public street (New Street “B”) to the south. The neighborhood is approximately fifteen acres in size and includes Block 1 through Block 6. It is primarily residential in character although hotel, office, ground-floor retail and community facilities are permitted.

A defining feature of the neighborhood is the proposed park, Crescent Park, located on Block 1 in the northeastern portion of the neighborhood. Crescent Park, discussed in greater detail in the staff analysis section of the staff report, is approximately 2.3 acres and provides both active and passive recreation space. Conceptual designs for the park include a large gathering and event space, open space lawn areas and a stormwater management pond designed as a park amenity.

Consistent with the Small Area Plan and the Urban Design Standards, the applicant proposes to construct two new streets within the Crescent Gateway Neighborhood (New Street “A” and New Street “B”). New Street “A” is proposed to curve at Crescent Park, resulting in unique shapes on Blocks 2, 4 and 6. These distinctive shapes offer an opportunity to design curved buildings which reinforce the shape of the public realm.

Market Neighborhood

The Market Neighborhood is located in the central portion of North Potomac Yard and is bordered by New Street “B” to the north and New Street “C” to the south. The neighborhood is approximately 22 acres in size and includes Block 7 through Block 13. A mixture of uses is proposed in the Market Neighborhood including office, residential and ground floor retail. Envisioned as a local and regional shopping and entertainment destination, large scale retail and restaurant uses are proposed in the neighborhood.

Similar to Crescent Gateway, a defining element of the Market Neighborhood is a central open space. Located on Block 13, the open space, envisioned as an urban park, conceivably allows the periodic closure of adjoining East Reed Avenue for events such as farmers markets and festivals.

Consistent with the Small Area Plan, the applicant proposes to construct East Reed Avenue as well as New Street “C”. To ensure walkable, pedestrian oriented blocks the applicant has agreed to extend East Reed Avenue from Route 1 to the future Potomac Avenue right-of-way.

Metro Square Neighborhood

Located in the southern portion of North Potomac Yard, the Metro Square Neighborhood is bordered by New Street “C” to the north and Potomac Yard Landbay G to the south. The Neighborhood is approximately 26 acres and includes Blocks 14 through 23. Due to the proximity of the planned Metrorail station, higher densities and continuous building frontages are proposed within the neighborhood. The neighborhood primarily consists of office uses, although small amounts of retail and residential units are envisioned to ensure ground-level and night-time activity. Entertainment and live performance arts are also desired in this neighborhood. An urban park, Metro Square, is located in the heart of the neighborhood on Block 19.

The Metro Square Neighborhood is considered the transit center of North Potomac Yard. In this neighborhood, the planned Metrorail station, dedicated high-capacity transit and local transit converge.

Flexible Metrorail Zone

At this time, the final design and location of the planned Metrorail station requires an environmental study and additional coordination with the Washington Metropolitan Area Transit Authority (WMATA), the National Park Service (NPS) and other applicable Federal and State agencies. Similarly, details of the high-capacity transitway, including the type of vehicle used and the locations of the stations, are not yet finalized – leaving open the option of a rail-based transit system. As the final design and location of the aforementioned infrastructure is likely to alter streets, blocks, buildings and open space, the *North Potomac Yard Small Area Plan* establishes an overlay “flexible zone” in the blocks adjacent to the planned Metrorail station.

As details regarding the Metrorail station and high-capacity transitway are finalized, the recommended design of streets, blocks, buildings and open space in Blocks 14 through 16 and Blocks 18 through 21 will be processed as an amendment to the Coordinated Development District Conceptual Design Plan, subject to review and approval by Planning Commission and City Council prior to submittal of the first development special use permit in the flexible zone.

Although fundamental components of the flexible zone are yet to be determined, the Plan envisions the blocks within the zone as highly urban in character, with maximum building height and office density due to the proximity to Metrorail, high-capacity transit, and local transit service.

Potomac Yard Park

Located on the eastern border of North Potomac Yard, the Potomac Yard Park is 3.5 acres and is bordered by Potomac Avenue on the west and the rail corridor on the east. Potomac Yard Park (Block 24) is an essential component of each of the aforementioned neighborhoods as it serves to unify the neighborhoods of North Potomac Yard with the remainder of the Potomac Yard

development. Furthermore, Potomac Yard Park provides an important extension of the regional park network which connects Four Mile Run to Braddock Road.

III. ZONING

A. Existing Zoning

The Potomac Yard Retail Center was developed in 1995 pursuant to the underlying commercial and industrial zoning provisions of the Potomac Yard / Potomac Greens Coordinated Development District (CDD #10). Although the existing retail center was initially envisioned as an interim use, the Potomac Yard / Potomac Greens CDD Concept Plan, approved by City Council in 1999, incorporated the Retail Center as a continued use. The CDD Concept Plan, and the subsequently approved Alternative Concept Plan, limited development in Potomac Yard Landbay F to 600,000 square feet of retail (refer to Appendix I for additional background information, including a site context, site history and project evolution).

B. Proposed Zoning

The North Potomac Yard Small Area Plan specifically recommends the creation of a new Coordinated Development District (CDD #19) to fulfill the vision, guiding principles and recommendations established during the planning process. The Plan notes that approval of a new CDD is contingent upon compliance with the Plan recommendations as well as the North Potomac Yard Urban Design Standards.

Consistent with the North Potomac Yard Small Area Plan, the applicant requests approval to rezone the site from CDD #10 to CDD #19 and proposes a significant increase in density, from 600,000 square feet of retail development to 7,525,000 square feet of mixed-use development. The following table provides a description of the proposed CDD #19:

Table 1: Proposed Description of North Potomac Yard CDD

CDD#	CDD Name	Without a CDD Special Use Permit	With a CDD Special Use Permit		
			Maximum FAR and/or Development	Maximum Height	Uses
19	North Potomac Yard	The CSL zone regulations shall apply on the first 250 feet east of Route 1, and the I zone regulations shall apply on the remainder of the site. However, in no case shall the development exceed 600,000 square feet.	Maximum development levels will be as depicted in Table 5 of the CDD Conditions. Conversion of square footage between uses may be permitted through the development special use permit process. Refer to Table 3 of the CDD conditions for maximum parking ratios.	Heights shall be as shown in the North Potomac Yard Design Standards dated May 24, 2010.	Mixed-use development to include office, residential, retail and personal service, hotel, parks and open spaces and community facilities.

Many of the City’s adopted plans and policies, including the *North Potomac Yard Small Area Plan*, encourage new development to remain compatible with existing neighborhoods. A significant consideration in development review, particularly in rezoning applications, is whether the proposed development is compatible with surrounding neighborhoods. A challenge to compatibility associated with the applicant’s request to rezone the site is the increase in density proposed with the rezoning application.

As previously noted, the applicant requests approval to rezone the site from Coordinated Development District #10 to Coordinated Development District #19 and increase the permitted development from 600,000 square feet of retail to 7,525,000 square feet of mixed-use development. Although the increase in density appears substantial, staff supports the applicant’s request to rezone the site. Staff believes that the application is consistent with the *North Potomac Yard Small Area Plan*, is compatible with adjacent neighborhoods and offers many public benefits, as discussed below in further detail.

Staff believes that North Potomac Yard is an appropriate location for increased height and density, particularly with the development of a Metrorail station in Potomac Yard. Nearly seventy-acres in size, the site is large enough to accommodate both density and height while also providing adequate transitions to lower-density residential neighborhoods and the George Washington Memorial Parkway. To achieve a balance between density and height sufficient to

support a Metrorail station and compatibility with adjacent neighborhoods, the applicant proposes the highest densities adjacent to the future station and the greatest heights within the center of the site transitioning to lower heights both on the east and the west.

Although the increase in density proposed by the applicant appears substantial, it is important to note that the 7,525,000 square feet of development proposed has an approximate floor area ratio (FAR) of 2.5. The floor area proposed in North Potomac Yard is largely consistent with the FAR approved in Potomac Yard Landbay G and Potomac Yard Arlington, 2.2 and 2.03, respectively.

C. Coordination with Adjoining CDD

As stated in Section 5-600 of the Zoning Ordinance, Coordinated Development Districts (CDD) are intended to encourage cooperation and joint planning to ensure an integration of uses and infrastructure. The applicant, in consultation with City staff through the North Potomac Yard planning process, has proposed to expand the urban infrastructure approved in the southern portion of Potomac Yard, including streets and stormwater management systems. Likewise, the applicant has also proposed uses which are compatible to the uses approved in Potomac Yard Landbay G, including additional ground-level retail, entertainment and office uses.

While the applicant and adjacent property owners in Potomac Yard have coordinated the infrastructure and ensured compatibility of uses, there are several procedural issues which require resolution. Specifically, it is necessary to revise Coordinated Development District #10 to remove Landbay F from the boundaries of CDD #10 as well as update the conditions of approval, the Alternative Concept Plan and the Potomac Yard Urban Design Guidelines to remove references to Landbay F.

Although it is ideal to resolve the procedural issues with this application, staff has determined that it is acceptable to delay these revisions until such time as Potomac Yard Development, LLC submits an application for a CDD Amendment or a Development Special Use Permit for review and approval by Planning Commission and City Council.

D. Text Amendment to Revise Zoning Ordinance Section 5-600

The Potomac Yard Design Advisory Committee (PYDAC), established with the approval of the Potomac Yard and Potomac Greens Coordinated Development District, reviews preliminary development applications for compliance with the Potomac Yard Urban Design Guidelines and provides recommendations to Planning Commission and City Council. The membership requirements, authority and responsibilities of PYDAC are codified in Section 5-610 of the Zoning Ordinance.

As a means by which to ensure consistency between North Potomac Yard, Potomac Yard and Potomac Greens, staff believes that it is necessary to expand the authority of PYDAC to review preliminary development applications in North Potomac Yard for consistency with the *North Potomac Yard Urban Design Standards*. Furthermore, as portions of North Potomac Yard, Potomac Yard and Potomac Greens are located within the Old and Historic District and in close

proximity to the George Washington Memorial Parkway, staff recommends that PYDAC be expanded to ten members to include a representative from the National Park Service. For these reasons, staff requests that Planning Commission initiate a Zoning Text Amendment to amend Section 5-610 of the Zoning Ordinance. The amendments proposed by staff include:

Section 5-610 (B) – “The Potomac Yard design advisory committee shall consist of eleven members appointed by the city council, pursuant to title 2, chapter 4 of the Code of the City of Alexandria, Virginia, 1981, as amended, for staggered terms of two years. The committee shall include two members representing the Potomac East area; two members representing the Potomac West area; two members representing the Potomac Yard area; one member with urban design or architectural experience representing the National Park Service; one member representing the business community, and three qualified professionals skilled in landscape architecture, architecture or urban design. Each committee member shall be responsible for sharing information about the work of PYDAC with the community they represent.”

Section 5-610 (C) – “The purpose of the Potomac Yard design advisory committee is to review applications for preliminary development plan special use permit approval under this ordinance, within CDD No. 10 Potomac Yard/Greens and CDD No. 19 North Potomac Yard, for compliance with the respective urban design guidelines or design standards applicable therein, and make recommendation on such applications to the planning commission and city council through the director.”

In addition, staff requests that Planning Commission also amend Table 1, Coordinated Development Districts, in Section 5-602 of the Zoning Ordinance to include Coordinated Development District 19, North Potomac Yard.

IV. STAFF ANALYSIS

A. Consistency with the City’s Plans and Policies

In the last several years, the City has increasingly recognized the importance of sustainable development and has established sustainability as a primary goal in many recently adopted plans and policies, including the North Potomac Yard Small Area Plan, the Environmental Action Plan, the Economic Sustainability Report and the Green Building Policy. The City’s Strategic Plan, currently undergoing an update, also emphasized the importance of sustainable development and advocated mixed-use, transit-oriented development to maximize the use of public transit. Elements of sustainable development, such as increased height and density adjacent to Metrorail stations, mixed-use development, balanced land use, green infrastructure and energy efficient buildings are also specified in many of the aforementioned plans and policies.

Staff believes that the North Potomac Yard CDD Conceptual Design Plan is consistent with the City’s plans and policies, including the recently adopted North Potomac Yard Small Area Plan, and particularly the plans and policies which recommend sustainable building and site design and mixed-use, transit-oriented development. The CDD Conceptual Design Plan proposes a highly-walkable, transit-oriented development which consists of a mixture of uses, a network of

open spaces and height and density sufficient to support a Metrorail station as well as a high-capacity transitway. In addition, the applicant proposes an interconnected grid of streets, open spaces and urban plazas consistent with the framework established in the Plan and required in the Urban Design Standards. Sustainable site design and building techniques, including innovative stormwater management and water use reduction techniques, such as green roofs and reuse of captured rainwater are also proposed to ensure compliance with the recommendations of the Plan and the requirements of the proposed Urban Design Standards.

B. Metrorail Station – Feasibility and Financing

In October 2008, City Council established the Potomac Yard Metrorail Station Feasibility Work Group (Work Group) to assess the technical and financial feasibility of a Metrorail Station in Potomac Yard. The Work Group identified several potential locations for the Metrorail station and evaluated the constructability, cost and ridership estimates associated with each potential location. The results of the evaluation determined that three locations (A, and the B alternatives) were acceptable to proceed with further analysis, specifically an environmental analysis to determine the final station location. The findings of the Work Group were documented in the Potomac Yard Metrorail Station Concept Development Study, dated February 3, 2010.

The Work Group and the North Potomac Yard Small Area Plan unequivocally stated that, according to the findings of recent traffic studies, the transportation network in the northeastern portion of the City cannot support the ultimate development proposed in North Potomac Yard without a new Metrorail station. Furthermore, the Work Group and the Plan also noted that a financing agreement is a necessary precedent to the North Potomac Yard rezoning.

As noted in the North Potomac Yard Small Area Plan, the estimated cost to construct a new Metrorail station in Potomac Yard is estimated at approximately \$190 to \$270 million, assuming the midpoint of construction in 2015. For ease in financial modeling, the City estimated a midpoint construction cost of \$240 million, about the mean of the aforementioned range. In addition to the construction cost, the City also estimated \$30 million for capitalized interest during construction and \$5 million in related underwriting and bond issuance costs, for a total bond issuance of up to \$275 million. In the event the cost to construct a Metrorail station exceeded this, a revised financing plan needs to be developed.

While the proposed development in North Potomac Yard creates significant new net revenues which more than cover the debt service obligation of the Metrorail station bond financing, there is a projected \$9 million gap in initial financing. To close this gap and seek to avoid negative cash impact on the City's General Fund, the City has worked closely with representatives of CPYR, the North Potomac Yard property owner, to establish a funding strategy for the design and construction of the Metrorail station. Details of the funding strategy are included within a Memorandum of Understanding (MOU), which the City and CPYR anticipate entering into upon receiving City Council authorization.

As outlined in the MOU, the City will establish the Potomac Yard Metrorail Station Fund to accumulate funds from each of the below-mentioned funding mechanisms. The Station Fund will be a separate fund, the proceeds of which may be used only for the purposes identified in the

MOU, specifically to further the design, construction and financing of the Metrorail station in Potomac Yard.

In addition to new net tax revenues, the City and CPYR agreed to specific funding mechanisms in the MOU including the creation of two special tax districts, developer contributions, including a \$32 million “shortfall guarantee,” and bond issuance to finance environmental review, pre-construction and construction costs. The MOU assumes no State or Federal sources of funding, such as grants or loans, due to the current absence of State and Federal funding opportunities. Each of the aforementioned funding mechanisms is described below in greater detail.

New Net Tax Revenues

New net tax revenues generated from residential, office and non-retail commercial, retail, and hotel uses will be deposited in the Potomac Yard Metrorail Station Fund to finance the design and construction of the Metrorail station. Net new tax revenues represent gross new tax revenues less the estimated cost of providing City and school services to residents and businesses of North Potomac Yard. The following percentages of net new tax revenues will be deposited:

- Residential: 40%
- Office and Non-Retail Commercial: 83%
- Retail: 87%
- Hotel: 94 %

Special Tax District

The City proposes to establish two special tax districts, Tier I and Tier II, in Potomac Yard. A higher density tax district (Tier I) is based on a special assessment of twenty cents (\$0.20) per one hundred dollars (\$100.00) of assessed value in North Potomac Yard and Potomac Yard Landbays G, H, I (multi-family portion only). In addition, the City proposes a lower density tax district (Tier II) based on a special assessment of ten cents (\$0.10) per one hundred dollars (\$100.00) for Potomac Yard Landbay I, Landbay J, and Potomac Greens. The City proposes to establish both special tax districts in the fall of 2010; however a zero tax rate for the Tier II tax district is proposed until the Metrorail station commences operation (at the earliest in 2016). Old Town Greens is not subject to a special tax district, as it was approved prior to the Potomac Yard / Potomac Greens Coordinated Development District (CDD #10), when the creation of a special tax district to finance a Metrorail station was first envisioned.

Developer Contributions

The draft Memorandum of Understanding (MOU) and associated financing plan assumes a developer contribution of \$10 per square foot of gross floor area (net of structured parking) of new construction within ¼ mile of the Metrorail station entrance (estimated for financial modeling purposes in 2010 dollars at \$49 million based on 4.9 million square feet of gross floor area within ¼ mile of the station entrance). The \$10 per gross square foot, in 2010 dollars, would escalate annually in accordance with the Consumer Price Index for all Urban consumers

(CPI-U) and would be paid by the property owner concurrently with the issuance of the certificate of occupancy for each building.

As Potomac Yard Development and MRP Realty, property owners of the balance of Potomac Yard, have made extensive contributions for transportation, sewer and stormwater management infrastructure, neither would be required to provide developer contributions for a Metrorail station unless a rezoning involving significant increases in density is requested (which is not planned or expected).

Shortfall Guarantee

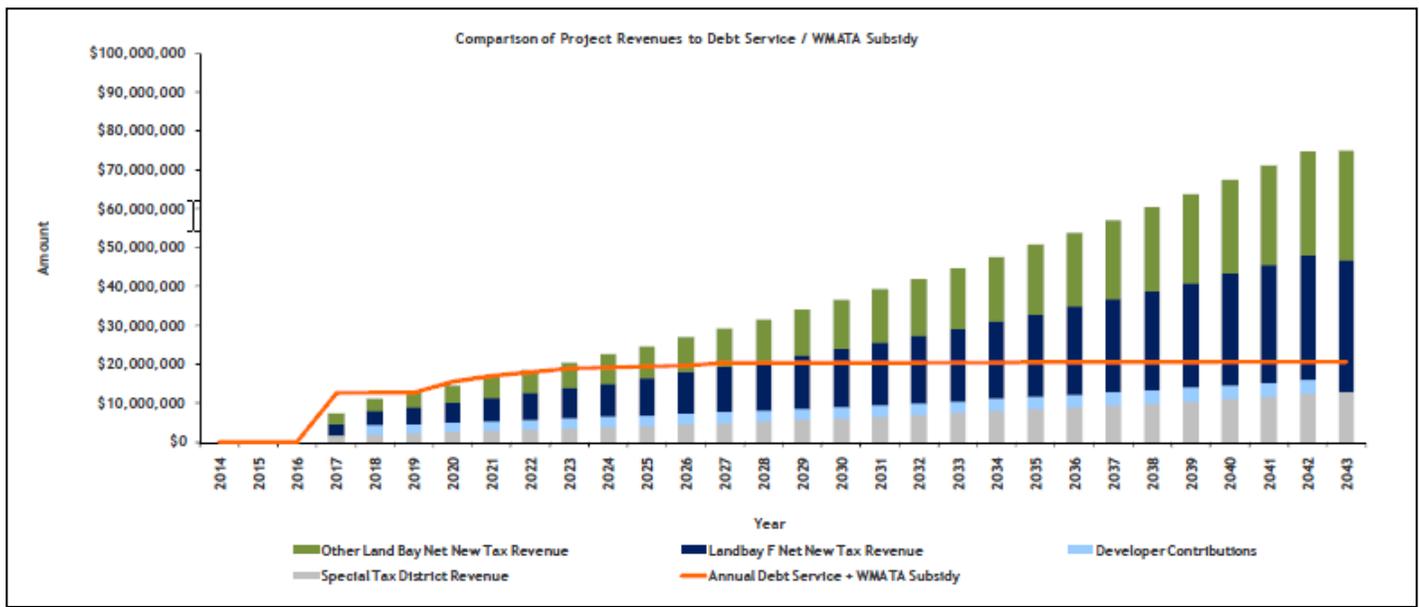
To reduce the risk of the City using General Fund revenues to make payments on the aforementioned Metrorail station bonds, CPYR has agreed, through the MOU, to provide a contingent guarantee of any shortfall between the amount required to be paid each year to service bond indebtedness and the funds within the Potomac Yard Metrorail Station Fund at that time. The shortfall guarantee totals \$32 million, although CPYR is not obligated to provide more than \$10 million in any calendar year. As noted in the MOU, the shortfall guarantee is considered a public benefit contribution. The amount of the shortfall guarantee not used to fill any debt service funding gap would be eventually paid to the City to pay down some of the Metrorail bond debt, or to be used for other public benefit capital investments in the North Potomac Yard Small Area Plan boundaries.

Bond Financing

The City has determined that the long-term benefits of redevelopment in North Potomac Yard, including the Metrorail station, merit the issuance of up to \$275 million in new bonds to finance the construction, capitalized interest and issuance costs associated with the Metrorail station. At this time, the City anticipates issuing bonds as tax exempt bonds to the maximum degree feasible, or to utilize the federal Build America Bond program (if remaining authorized at the time the bonds are issued).

The following chart depicts the projected income stream and debt service costs over a 30-year period:

Figure 1: Comparison of Project Revenues to Debt Service / WMATA Subsidy



C. Phasing and Implementation

Staff currently anticipates that each Block and/or building within North Potomac Yard will be reviewed through the development special use permit process. Staff recognizes that alternative options to doing individual development special use permits are plausible and is committed to reviewing the positive and negative aspects of alternative review options in future discussions.

The phasing of development within North Potomac Yard is intended to ensure that adequate infrastructure, particularly transportation infrastructure (including the Metrorail and high capacity transitway), is in place to support the proposed development as it is constructed over a period of years. Additionally, an adequate amount of development needs to be permitted near the proposed Metrorail station so as to provide some of the projected revenues and developer contributions which will each help to fund part of the station. Developing an appropriate phasing plan for a project of this scale and complexity is a challenging effort. The staff recommendations attempt to allow for flexibility and response to market realities, while ensuring the orderly and logical physical growth of the development from the current strip shopping center to the urban, mixed-use community that is envisioned.

In looking at how the project could be phased, not only was the infrastructure capacity taken into account, but there was also recognition that each phase must make planning sense on its own in relation to the existing retail center and adjacent properties. It would be inappropriate for the site to become a series of unconnected new buildings, dropped in amongst the parking lots of the existing retail center. For this reason, there are two very important overarching conditions recommended to govern the development phasing: 1.) initial development must be within a ¼ mile radius of the proposed Metrorail station; and 2.) each new block that is submitted for development must be contiguous (exclusive of public street rights-of-way).

The development phasing is divided into three components: development preceding construction of the Metrorail station, development concurrent with construction of the Metrorail station and development once the Metrorail station is operational. If, through the environmental permitting process, the B alternatives or similar are not selected, this situation shall be treated as a no-build decision and will be subject to the provisions of Condition #15 above. In addition, with the exception of the development permitted preceding the Metrorail Station detailed below, and notwithstanding any other condition in this rezoning, no further development in the CDD shall be permitted if neither of the B alternatives (either in their current location or with minor adjustments due to environmental studies or final engineering) is designated as the eventual Metrorail station site by City Council. This designation by City Council would occur only after the environmental impact statement or environmental assessment of station location alternatives is completed. If another site, such as site "A" is designated by City Council, or if a "no build" alternative is selected by City Council, then CPYR shall have no obligation for financial contributions or undertakings related to the Metrorail Station as outlined in the attached MOU.

While the staff recommendations discuss each of the development phases in significant detail, a brief overview of each phase is included in the following paragraphs.

Development Preceding Construction of the Metrorail Station

Prior to construction of the Metrorail station, staff recommends a maximum of 2,000,000 square feet of development within ¼ mile of the station, inclusive of the existing retail square footage (i.e. 1.4 million square feet of additional development). Development within the ¼ mile radius must occur within contiguous blocks to facilitate the construction of infrastructure, including streets and parks. Staff further recommends that, if retail square footage is vacated in the existing retail center, it should be replaced on a one-for-one basis in the new development so as to not diminish existing retail tax revenues as well as the importance of this area as a popular retail destination. Finally, the high-capacity transitway must be constructed and in at least partial operation during this development phase to ensure adequate accessibility and connectivity.

In envisioning how this level of development could be built out on the site, staff has looked at a number of possible scenarios. These scenarios are described below so as to demonstrate that the

Figure 2: Development Phasing - One Option



North Potomac Yard area can be developed incrementally and logically – that is, each stage or phase of development can result in a community that can make urban design sense and that can be fully usable. One option is to focus on completing as much of the Market Neighborhood (Landbay 2) as possible so as to create a viable, urban shopping street along East Reed Avenue (see figure 2). This option has the benefit of being a strong stand-alone development that could focus on the transitway and relate to the existing retail uses. It is not dependent on construction of the Metrorail station in terms of transportation capacity and could function somewhat independently. The downside to this option is that it would maintain the sense of disconnect between Landbay F and the rest of Potomac Yard as it would not address Landbay G.

A second option could be to build out a number of buildings in the Metro Square Neighborhood (Landbay 3), including several near the proposed Metrorail Station. This would have the benefit of providing a strong link to Landbay G, a major incentive for Metro construction, and the potential for more office development. The downside of this option is that it would require a relatively quick resolution of issues related to the layout of the Flexible Metrorail Zone (which may be difficult because of the time needed to undertake the environmental studies associated with the Metrorail construction) and it would require the demolition of portions of the existing retail center with uses that may be hard to replicate in the buildings in the Metro Square Neighborhood.

Finally, a third option could be a combination of the two noted above with some development on the east side of both the Market Neighborhood and the Metro Square Neighborhood. This would have the benefit of allowing for some significant new or relocated retail uses, as well as buildings that could help to make a connection between this development and Landbay G. The downside is that, with the continuing presence of the existing retail center, this scenario could look less cohesive and would be harder to envision as viable without the construction of a Metrorail station.

Development Concurrent with Construction of the Metrorail Station

A maximum of 3,700,000 square feet, inclusive of the existing retail center and Phase 1 development, is permitted when bonds necessary for the Metrorail station have been issued and construction on the station has commenced. Similar to the previous phase, all development concurrent with the construction of the Metrorail station is required within ¼ mile of the station entrance and must occur on contiguous blocks. All retail square footage vacated in the existing retail center must be replaced. Furthermore, the high-capacity transitway must be fully operational in order to provide adequate transportation infrastructure for this level of development. Additional development occurring during this phase should be focused on “filling in” whichever of the scenarios described above have been initiated.

Development once the Metrorail Station is Operational

Once the Metrorail station is operational, there will be no restriction on the location of development within CDD#19. However, consistent with the Metrorail station financial strategy, the Applicant shall make development contributions of ten dollars per square foot of gross floor area (net of above-grade structured parking) for the first 4.9 million square feet of development within CDD#19.

D. Transportation and Parking

While a Metrorail station is necessary to support the development proposed in North Potomac Yard, it is important to note that the transportation network expands beyond Metrorail to include a comprehensive, integrated, multi-modal approach to transportation. The transportation network includes a fine-grained internal street network, a pedestrian-oriented streetscape with

direct pedestrian connections, dedicated on-street bike lanes, local and circulator transit service, high-capacity transit and transitway stations. The comprehensive transportation network, including the new Metrorail station is capable of supporting up to 2.5 FAR of development, though it is important to acknowledge that the urban nature of North Potomac Yard combined with background traffic, will create constraints and increased congestion along Route 1.

The proposed foundation for the transportation network in North Potomac Yard is a series of interconnected streets and blocks, with one north-south arterial street (Potomac Avenue) which provides an alternative to Route 1 and two additional north-south streets which provide continuous connections between North Potomac Yard and the southern portion of the Yard. In addition to the north-south streets, several east-west streets are also proposed. The east-west streets range from primarily pedestrian-oriented streets, such as New Street “A,” to streets such as New Street “B”, which provides retail service access and East Reed Avenue, which provides an important connection to neighborhoods west of Route 1. The proposed street network is envisioned as a means to facilitate a shift from single occupancy vehicles to alternative modes of transportation, including biking, local and circulator transit service and high-capacity transit.

Potomac Yard Multimodal Transportation Study

A comprehensive, multi-modal transportation analysis was conducted to ensure that the aforementioned transportation network is adequate to support the development proposed in North Potomac Yard. The transportation analysis, the Potomac Yard Multimodal Transportation Study, dated December, 2009, assumed a high percentage of transit ridership, an aggressive transportation management plan (TMP) and the following transportation infrastructure in operation by 2030:

- Potomac Yard Metrorail Station
- Crystal City/Potomac Yard (CCPY) Transitway
- Local and Circulator Transit Service
- Potomac Avenue
- Fine-Grained Internal Street Network
- New Commuter and Recreational Bicycle/Pedestrian Facilities

The transportation analysis demonstrated significant congestion in the Route 1 corridor in the 2030 baseline condition prior to the redevelopment of North Potomac Yard. With the redevelopment of North Potomac Yard and the associated transportation improvements, most notably the Potomac Yard Metrorail station and the high-capacity transitway, the Route 1 corridor deteriorated incrementally from the background condition. The transportation analysis identified a number of constraints in the existing transportation system, including:

- Limited east-west connectivity
- Limited bike and pedestrian facilities
- Future congestion on roadways
- Constrained intersections at Route 1 and East Reed Avenue, Route 1 and East Glebe Road, and Route 1 and Potomac Avenue

The transportation analysis also examined travel time through the Route 1 corridor under existing conditions, background conditions without redevelopment and future conditions with the redevelopment of North Potomac Yard. The following table illustrates changes in travel time and speeds when comparing existing conditions to 2030 background conditions and 2030 build conditions:

Table 2: Changes in Travel Time and Speeds on Route 1

Scenario	Southbound Speed (mph)	Travel Time (min)	Increase in Travel Time (from existing)	Northbound Speed (mph)	Travel Time (min)	Increase in Travel Time (from existing)
Existing	20.9	5	-	22.3	4.5	-
Future Background (no build)	15.4	6.5	30%	19.2	5.5	22%
Future Build	13.6	7.5	50%	17.7	6	33%

Note: The table assumes the construction of a Metrorail station and dedicated high-capacity transit for the Future Build scenario.

To address the constraints identified in the transportation analysis, the staff recommendations require the following improvements to the transportation system:

- Physical improvements at the intersection of East Glebe Road and Route 1
- Maximizing the street grid by configuring East Reed Avenue at Route 1 to allow all movements
- An aggressive Transportation Management Plan and Parking Management Plan designed to limit single occupancy vehicle use
- Dedicated bicycle lanes along East Reed Avenue and Evans Lane
- A shared use path for bicyclists and pedestrians along Potomac Yard Park and Crescent Park, connecting directly to the Four Mile Run Trail, with an indirect connection to the Mt. Vernon Trail via the Four Mile Run Trail

Neighborhood Traffic Calming

The staff recommendations also require the implementation of a neighborhood traffic calming plan in neighborhoods adjacent to North Potomac Yard. As noted in the *North Potomac Yard Small Area Plan*, traffic is not expected to exceed the technical capacity of existing local streets; however residents in adjacent neighborhoods are likely to experience increased traffic volumes.

To protect the character of adjacent neighborhoods as well as address potential impacts to neighborhoods beyond the immediate study area, the staff recommendations require the implementation of a neighborhood traffic calming plan, implemented in the earliest phases of development. The neighborhood traffic calming plan includes installation of speed humps and intersection treatments to calm neighborhood traffic west of Route 1 adjacent to the development as generally depicted in *Attachment #8*. In addition, with subsequent development applications,

analysis is required on traffic patterns and impacts to local roadways, and any additional neighborhood issues identified will be addressed with the subsequent development applications.

Transportation Phasing

The Metrorail station and high-capacity transitway represent the most significant transportation investments required to support the development, but there are several other key transportation infrastructure investments required. Similar to the phasing of the overall development, phasing of transportation infrastructure is necessary to ensure that adequate infrastructure is in position to support development as construction proceeds. Phasing of transportation infrastructure is based on considerations such as traffic volumes, other development in the area, trip-making characteristics of differing levels of development and major road improvements. The staff recommendations require the following transportation improvements designed to support the level of development:

Development Preceding Construction of the Metrorail Station

Prior to the first certificate of occupancy within CDD#19, the following transportation improvements are required:

- Neighborhood Traffic Calming measures
- Open East Reed Avenue to all movements at Route 1 (prior to first Certificate of Occupancy on Reed Avenue)
- Establish and participate in Transportation Demand Management District
- Any additional streets necessary to support each development block/building submitted for development

Prior to the first certificate of occupancy for the first project exceeding 2,000,000 square feet of development, the following transportation improvements are required:

- Design and construct transitway, including all necessary exclusive transitway lanes, all transitway stations and associated facilities
- Construction of Potomac Avenue (new alignment) from Landbay G to the Four Mile Run Bridge
- East Glebe Road intersection improvements at Route 1
- Any additional streets necessary to support each development block/building submitted for development

Development Concurrent with Construction of the Metrorail Station

Prior to the first certificate of occupancy for the first project exceeding 3,700,000 square feet of development, the following transportation improvements are required:

- Operational Metrorail station
- Construction of Evans Lane

- Any additional streets necessary to support each development block/building submitted for development.

Development once the Metrorail Station is Operational

Any additional streets necessary to support each development block/building submitted for development.

Parking

To further reduce the number of single occupancy vehicles and increase the use of public transportation, including the future Metrorail station and high-capacity transitway, the *North Potomac Yard Small Area Plan* and Urban Design Standards establish maximum parking ratios for each land use to discourage single occupancy vehicles. Designed to accommodate the parking needs of new development without providing excessive parking, maximum parking ratios encourage increased transit ridership and provide the benefits associated with reduced vehicle miles traveled while also maximizing developable land. The maximum ratios proposed are included in Table 3 of the attached staff recommendations.

In addition to maximum parking ratios, the staff recommendations require the applicant to implement a parking management plan, which includes strategies for shared and valet parking programs. Through the parking management plan, parking for community facilities, movie theaters and performance theaters is provided by adjacent uses through shared parking, unless the facility or theater has considerable parking needs which cannot be accommodated exclusively through shared parking. To further reduce single occupancy vehicle use, the staff recommendations require market rate parking for office and retail use (validation is permitted for retail parking), unbundled parking for residential units and metered parking for on-street spaces.

The *North Potomac Yard Small Area Plan* and Urban Design Standards recommend all parking within North Potomac Yard to be below-grade, to the greatest extent possible. In fact, the Design Standards require each block within North Potomac Yard to provide a minimum of one level of underground parking and further requires all parking for Blocks 2, 5 and 16 or 21 (blocks with significant ground-level open space) to be exclusively below-grade. Although above-grade structured parking is permitted, the Design Standards require that all above-grade parking be located in the center of the block and concealed by active uses for the entire building frontage. In addition to structured parking, the Design Standards also require on-street parking for all streets, excluding park frontages and street segments which accommodate transit stations.

E. Transportation Management Plan

A robust transportation management plan (TMP) for North Potomac Yard is imperative to encourage reduction in single occupancy vehicle (SOV) trips. A key component of the TMP is escalating SOV reduction goals as development density and alternative transportation options increase in North Potomac Yard. The initial goal with the first phase of development is 20 percent SOV reduction. When the transitway becomes operational, the SOV reduction goal increases to 30 percent and once the Metrorail station is operational, the SOV reduction goal

increases to the ultimate goal of 50 percent reduction of SOV use within the Coordinated Development District.

A major change from previous transportation management plans is the establishment of a TMP district to ensure cooperation between adjacent property owners, such as owners within CDD #10, to achieve economies of scale and maximize the effectiveness of the TMP program. A second major change from previous TMPs is a shift to variable TMP rates based on success in achieving SOV reduction goals. The TMP rates may be increased or decreased up to 25 percent from the base rate, dependent upon the level of success in meeting the stated SOV reduction goals.

F. Water Management Master Plan

With the intent of fully complying with the City's Eco-City Charter and the *North Potomac Yard Small Area Plan*, staff has included a recommendation requiring the applicant to prepare a full Water Management Master Plan (WMMP) that coordinates water supply, stormwater, and wastewater systems. The WMMP integrates the management of stormwater, use of potable water, and generation of municipal wastewater to reduce the use of potable water by capturing and reusing rainwater and reducing wastewater generation through water conservation. The implementation of WMMP minimizes the negative impacts of the development on the sewer infrastructure and improves the instream habitat for Four Mile Run, the Potomac River and the Chesapeake Bay.

Stormwater Management Plan

The project lies in the Four Mile Run watershed and the applicant must develop a Stormwater Management Plan (SWMP) per the requirements of Chesapeake Bay Preservation Act in accordance with Article XIII of the City's Zoning Ordinance for stormwater quality and quantity control. The SWMP must provide pre and post 2, 10 and 100 year storm water computations so that from the site, the post-development peak runoff rate from two-year and ten-year storms, considered individually, shall not exceed the respective predevelopment rates. Since the site may have multiple outfalls, the post-development peak runoff requirements shall not exceed their respective pre-development rate at each outfall. The Director of Transportation and Environmental Services (T&ES) may waive the requirement of providing stormwater detention on site in case the post development runoff exceeds the pre development rate, if the SWMP can demonstrate that providing detention can adversely impact the City's flood control program. The SWMP shall also demonstrate compliance with Section 11-410 (N) Article XI of the City's Zoning Ordinance and Virginia Department of Conservation and Recreation (DCR), Erosion and Sediment Control (ESC) Regulations 4VAC50-30-40.19 Minimum Standard 19 (MS-19) and provide an adequate stormwater outfall.

Stormwater Quality

Environmental sustainability is one of the focus areas for the development as detailed in the recently approved *North Potomac Yard Small Area Plan*. Implementing innovative stormwater management techniques in the Plan area will provide significant environmental benefits for water

quality in Four Mile Run and the Potomac River. The goal of the stormwater master plan for this area is to reduce the generation of stormwater runoff 30% over existing conditions, produce an overall post-development total phosphorous load equal to or less than 0.65 lb/ac/yr (which is a 42% reduction from existing conditions) and to creatively reuse some portions of the runoff that is generated. In return for the development meeting these targets which exceed present requirements, the applicant will be permitted to place stormwater management facility in public spaces.

To reduce stormwater generation the applicant proposes to modify 50% of rooftops to absorb increased quantities of rainwater and slow transport of stormwater to City stormsewers. 25% of all rooftop areas will be green roofs with vegetation and another 25% will have a similar underlying “soil” matrix with pervious pavers atop it. This will provide some component of stormwater management and also create amenity green/gathering space for building occupants. Porous pavement systems with underdrains will be used for the on-street parking spaces as well as some plazas subject to site constraints. The applicant will strive to re-use no less than 15% of the total annual runoff volume from the impervious areas of each building for irrigation of street-level and/or green roof landscaping.

The main water quality facility is planned to function as an urban amenity in the form of an urban level II wet pond, which will be the focal feature within an upscale urban park (Crescent Park). The areas not served by Crescent Pond or other presently approved water quality facilities will be served by ultra-urban BMPs placed on private property. Urban oriented rain gardens/bioretenion areas will be used where possible throughout North Potomac Yard to manage/clean stormwater and soften the urban hardscape.

Wastewater Management

The Potomac Yard Offsite Sanitary Trunk Sewer (PYTS) was designed to meet the municipal wastewater conveyance requirements of Potomac Yard and meet future needs of the City including the diversion of wet weather flows from the Four Mile Run Pump Station, separation of combined sewer system (CSS) flows in the Old Town area, and limited development along the Route 1 corridor. In the Potomac Yard/Potomac Greens Coordinated Development District, it was anticipated that the redevelopment of North Potomac Yard would contain approximately 600,000 square feet of development, while the current proposed redevelopment of North Potomac Yard is approximately 7.5 million square feet, which greatly affects the wastewater flow conveyance and treatment capacities.

The staff has worked with the applicant to assess the impact of the proposed development in North Potomac Yard and future developments in the PYTS sewershed. The applicant proposed to use the low flow fixtures to conserve the use of potable water and minimize the generation of municipal wastewater from the proposed development. The staff agreed to allow a reduction of 30% in the generation of municipal wastewater from the Sewage Collection and Treatment (SCAT) Regulations and the City standards on account of using low flow fixtures. Using 30% reduction and the additional assumptions that were developed in concurrence with staff, the applicant has estimated the wastewater flow generated from the proposed and future developments along the Potomac Yard trunk sewer (Potomac Yard to ASA plant) as 18.2 Million

Gallons per Day (MGD). Using the as-built hydraulic data and a Manning's Roughness Coefficient, $n = 0.011$, the PYTS was found to be surcharged [i.e., the hydraulic grade line (HGL) was coming out of the pipe or in the manhole the water surface elevation is higher than the crown of the pipe] at a few locations along its route under the as-built conditions. With additional analysis, it was determined that by constructing 24" diameter relief sewers under passing Duke and Franklin Streets will alleviate the surcharging conditions in PYTS. The applicant estimated that their flow contribution to the PYTS from the proposed development will be 21% of the total flow of 18.2 MGD, to which the staff has agreed. The applicant has estimated a cost of \$250,000 to construct these two relief sewers and provide an approximately 21% contribution towards the construction of the relief sewers as provided in the staff recommendations.

Though the conveyance capacity issue is resolved by providing relief sewers, the City is currently evaluating the long-term capacity needs at the ASA treatment facility. Based on the most current development projections, the City will need additional capacity at the ASA plant in the next fifteen years. Staff is currently evaluating the options for obtaining this additional capacity. Due to environmental regulatory requirements and State-mandated caps on the discharge of nutrients (nitrogen and phosphorous) from wastewater treatment facilities, there are several costly challenges to providing this additional capacity.

Because the volume flow projected from this development, along with other projected development will exceed the City's remaining existing capacity at the ASA treatment plant, the project will need to participate in the creation of the necessary additional capacity, as well as buying additional nutrient capacity through the State's new cap and trade program to support this project. The City, in consultation with ASA, is evaluating the necessary technologies and strategies to address this need.

However, no preliminary development site plan for North Potomac Yard, which proposes the construction of a building or buildings pursuant to the conceptual design plan is recommended to be approved by City Council until the requirements of Article XI of the Alexandria Zoning Ordinance and Commonwealth of Virginia, Sewage Collection and Treatment (SCAT) regulations, as described in the Memorandum to Industry 02-07 dated June 1, 2007 on New Sanitary Sewer Connection and Adequate Outfall Analysis, with the exception of 30% reduction in the flow generation, are fulfilled.

G. Open Space, Public Art and Archaeology

The comprehensive network of parks and public open space proposed in North Potomac Yard serves many important functions. As proposed, the parks and open space provide an important connection to local and regional open space systems and trails, offer an opportunity to integrate the proposed community within the City's existing framework and serve as defining elements of the neighborhoods in which they are located.

Consistent with the *North Potomac Yard Small Area Plan*, the applicant's proposal includes several significant ground-level open spaces. Staff recommends that the ground-level open

space provide a combination of active and passive recreation uses to accommodate residents, office employees, children and visitors. Active recreation uses include elements such as basketball, tennis, and volleyball courts as well as play areas and dog exercise areas while passive recreation amenities include trails, open space lawns, plazas, gardens and event spaces.

The proposed open spaces, Four Mile Run Park, Crescent Park, Market Common, Metro Square and Potomac Yard Park, result in approximately 10 acres of ground level open space (15 percent of the site area) within North Potomac Yard. In addition to ground-level open space, the Plan recommends that the applicant provide an additional 13.8 acres of open space, through a combination of ground-level or rooftop space to achieve 35 percent open space on site. The City has consistently pursued a goal of 40 percent open space with new development. To mitigate the five percent gap, the applicant has agreed to provide improvements off-site, including renovating an athletic field and improving Four Mile Run. The potential to create additional roof top open space will be examined with individual development special use permits.

Four Mile Run Park

As recommended in both the *North Potomac Yard Small Area Plan* and the Four Mile Run Restoration Master Plan, Four Mile Run Park (Potomac Yard Landbay E) provides an important connection in the local and regional open space network. Four Mile Run Park extends along the northern border of North Potomac Yard, from Route 1 to the proposed Crescent Park and includes an existing bridge across Four Mile Run (Bridge C), as well as a thin segment of City-owned land north of Four Mile Run. Consistent with the Four Mile Run Restoration Master Plan and the intents and purposes of the Resource Protection Area, staff recommends that Four Mile Run Park include a grand promenade, space for public gatherings and events, performance space, meaningful interaction with Four Mile Run, and a significant link between regional trails, including the Arlington County trail network and the Mount Vernon Trail.

Crescent Park

Crescent Park, which is an approximately 2.3 acre crescent-shaped park, is envisioned to fulfill several important functions. Specifically, Crescent Park is the focal element of the neighborhood which provides a “residential address” and park frontage for a predominantly residential neighborhood. Due to its location and orientation, Crescent Park offers residents and visitors scenic views of the Nation’s Capitol. In addition, Crescent Park serves as a gateway to the City on Potomac Avenue and provides a buffer between the George Washington Memorial Parkway and larger scale buildings proposed in the central portion of the Crescent Gateway Neighborhood. Crescent Park also creates a critical junction between Four Mile Run Park and the Potomac Yard Park (Landbay K extension), enabling a vital connection in the existing and planned open space network. Both active and passive uses are proposed in Crescent Park, including a large gathering and event space, pedestrian pathways and a stormwater management pond designed as a park amenity.

Market Common

Market Common, a linear open space that occupies approximately one acre in the center of East Reed Avenue, is consistent with the Potomac Yard Finger Parks planned on Swann, Custis and Howell Avenues. Market Common, similar to the Potomac Yard Finger Parks, creates a cadence of green connections between the existing neighborhoods west of Route 1 and the Potomac Yard Park.

Market Common, divided into two segments at the Main Line Boulevard intersection, is an extension of the retail required on East Reed Avenue. For this reason, Market Common includes flexible space to accommodate farmers markets, special events and festivals and is designed to enable the periodic closure of adjoining East Reed Avenue for larger events. In addition to flexible space, small spaces for intimate gatherings are also proposed.

Metro Square

Metro Square is envisioned as a vibrant, urban park due to its proximity to the office and entertainment neighborhood, future Potomac Yard Metrorail Station, high capacity transit and local transit service. The park is approximately 0.7 acres in size and occupies an entire block, creating a green core for the Metro Square Neighborhood. Framed by public streets and ground-level retail, the park is intended to accommodate residents, commuters, office workers and retail patrons. For this reason, the park includes hardscape and landscape elements which provide opportunities for public gathering as well as individual use.

Potomac Yard Park Extension

As recommended in the *North Potomac Yard Small Area Plan*, the Potomac Yard Park (Landbay K) provides an important extension of the regional park which enhances the open space network and provides an uninterrupted green spine between Four Mile Run and Braddock Road. Potomac Yard Park is a 3.5 acre extension of the previously approved 24-acre linear park in Landbay K. To ensure consistency with Landbay K, staff recommends that the park extension is designed to accommodate both active and passive uses, including a major north-south multi-use trail.

It is important to note that the applicant's plan proposes a 2.7 acre extension of Landbay K (rather than 3.5 acres), due to the proposed alignment of Potomac Avenue. However, staff believes that a minimum of 3.5 acres, as recommended in the *North Potomac Yard Small Area Plan*, is achievable through the final location, alignment and right-of-way dedication of Potomac Avenue throughout North Potomac Yard including in the Flexible Metrorail Zone.

In addition, when a decision is made on the Flexible Metrorail Zone block and street configuration, it will be important to ensure there will be no negative impacts to the open space in Landbay K within CDD#10. Any areas adversely impacted by a proposed plan should be replaced with open space designed and developed to contribute equal value to the park network within Potomac Yard and/or adjoining neighborhoods.

Rooftop Open Space

In addition to the aforementioned ground-level open spaces, rooftop open space is also proposed to ensure adequate open space is planned. Staff recommends that the rooftop open space include active and passive uses such as recreation courts, dog runs, pools, small synthetic turf fields, gardens, community gardens and green roof technology. Due to the significant proportion of open space located above the ground level, staff recommends public access is provided for some rooftop spaces.

Phasing and Implementation

The ground level open spaces previously discussed are phased with the overall development to ensure that open space amenities are provided for users upon building occupancy. Upon the completion of Four Mile Run Park, Crescent Park, Metro Square and the extension of Potomac Yard Park, staff recommends that the spaces are subdivided and dedicated to the City.

Public Art and Archaeology

As noted in the *North Potomac Yard Small Area Plan*, Potomac Yard has a history which includes tenant farms and plantations, as well as trade and transport, most notably, the site of the Alexandria Canal and the Potomac Rail Yard. North Potomac Yard provides a unique opportunity incorporate elements of the rich and varied history into the overall design of the development, particularly through public art.

To ensure that the history of the site is expressed throughout the development, the staff recommendations require the applicant to develop a public art and historic interpretive plan prior to the submission of any development special use permit. The purpose of the plan is to identify themes and mechanisms by which to incorporate elements of the historical character into the design of open space, buildings, and the public realm. While separate public art installations are encouraged, the heritage and history of the site can also be expressed through the building architecture, landscape, open space, and the streetscape. The *North Potomac Yard Urban Design Standards* require public art to be installed in specific locations including: Crescent Park, Market Common and the intersection of New Street “A” and Main Line Boulevard. The applicant has agreed to provide \$4 million (in 2010 dollars) for public art.

H. Uses

The development of North Potomac Yard is grounded on the principle of a dynamic mixture of uses, with significant amounts of retail development and a balance of residential and office uses. The goal is to create three neighborhoods with strong individual characters, but each exhibiting vitality and active street life.

To this end, a great deal of thought has gone into the mix of uses allowed. As reflected on the zoning chart (Table 1), certain uses and floor area amounts are fixed for certain blocks. However, an innovative aspect of this project is that there is a maximum of 3,395,000 square feet of floor area in North Potomac Yard that may be developed as either office or residential.

For the blocks assigned this flexible category of use (generally Blocks 6–21), the final amount of development on each block may be transferred between blocks as part of a development special use permit. However, all blocks must still adhere to the North Potomac Yard Urban Design Standards. Additionally, allocation of this flexible category of use shall be evaluated in regard to the intent of the North Potomac Yard Small Area Plan occupancy goals. In particular, an overabundance of office use would be a concern from a traffic standpoint and in terms of creating and maintaining a vital neighborhood with activity in the evenings and weekends.

Due to the close proximity of the site to the District of Columbia, the Pentagon and recent Base Realignment and Closure (BRAC) sites, it is plausible that the Federal Government may consider office locations in North Potomac Yard. With a government tenant, certain security issues may arise; however the City has a successful history of resolving security issues with government tenants, such as the Patent and Trademark Office as well as the Federal Courthouse in Carlyle and Eisenhower East, respectively. Security issues can be resolved on a case by case basis to ensure that the overall intent of North Potomac Yard remains as envisioned.

While it is the City's preference for the Federal government to remain a tenant rather than a property owner, the City cannot prohibit the sale of property. Although it is highly unlikely under current federal policy for the Federal government to buy an office building in Potomac Yard, to ensure that any property purchased by the Federal government contribute to the City's real estate tax revenues, staff's proposed recommendations would require buildings to remain in private ownership, and therefore subject to real estate taxes, during the initial 30-year lease of buildings on developable blocks (excluding Block 4). The staff recommendations further require the applicant to record a covenant (with language agreeable to the City), prior to the submission of the first final site plan, which requires the seller not otherwise obligated to pay City real estate taxes to either 1.) Provide a lump sum payment equal to the net present value of the estimated real estate tax payments for a 30-year period; or 2.) Enter into an agreement with the City that requires the seller to make semi-annual payments for the balance of the 30-year term, equal to the real estate tax payments otherwise due on the property.

1. Urban Design Standards and Guidelines

With this application, staff recommends the adoption of the North Potomac Yard Urban Design Standards (Design Standards) to implement the vision and guiding principles of the North Potomac Yard Small Area Plan. The Design Standards expand on the urban design framework established during the planning process and require specific site and building improvements as well as design excellence in North Potomac Yard. Development applications in North Potomac Yard are required to comply with all Design Standards and are strongly encouraged to comply with applicable Design Guidelines to ensure the creation of the vibrant, architecturally significant, sustainable community envisioned in the North Potomac Yard Small Area Plan. The Design Standards allow flexibility to enable creative and innovative designs while ensuring that the City achieves the highest quality urban design through elements such as blocks, streets, variety in building heights, and building tops.

Streets and Blocks

Building on the framework established in the Small Area Plan, the Design Standard implement the recently approved plan by requiring specific street locations, right-of-way widths, and a hierarchy of streets to ensure the creation of pedestrian-oriented blocks. The street hierarchy ensures active uses and high-quality design on prominent pedestrian and vehicular streets and garage entrances, access to services and utilities on tertiary streets and in alleys.

Neighborhoods

As previously noted, a defining element of Alexandria is the distinct series of neighborhoods. The Design Standards build on this character defining element of the City by requiring the expression of three distinct neighborhoods - the Crescent Gateway, Market, and Metro Square neighborhoods. Through the development review process, the individuality of each neighborhood is required to be expressed through the architecture, design, and open space, which avoids repetition and reduces the perceived scale of the site.

Metrorail Station

The area surrounding the Metrorail station is anticipated to be one of the most important civic locations within Potomac Yard and also within the City. It is essential that the building forms be memorable, the civic spaces be high-quality, and the areas surrounding the Metrorail station function as an urban, pedestrian-oriented transit hub for the City. Although the final street and block configuration surrounding the Metrorail station has not yet been finalized, the Design Standards include criteria to ensure that the area surrounding the Metrorail station is a well designed civic amenity for the City.

Route 1

The Design Standards recognize the visual importance of Route 1 as a gateway to the City. As such, the Design Standards require a significant variation in height; active uses and entryways on the street frontage; and a larger landscaped setback to reinforce the importance of the street frontage and ensure consistency with the setback required in the remainder of Potomac Yard. A tall (180 feet), angled building is envisioned at the entrance to the City to create a distinctive building and open space form at the gateway. Similarly, taller buildings (90 feet) also demarcate the entry to the retail street, East Reed Avenue, on Route 1.

Land Uses

The Design Standards also specify the land use permitted on each block of North Potomac Yard to achieve an adequate mixture of uses and maximize specific land uses at strategic locations, such as adjacent to the future Metrorail station. The Design Standards also indicate the maximum development permitted for office, hotel, retail and residential uses, though provide flexibility in the square footage and location of office, residential, and retail uses.

The Design Standards establish required and permitted retail square footage on each block to provide a concentration of retail as well as ensure ground-level activity during the day and into the evening. In addition to location, the Design Standards include height, depth and service requirements to ensure that the retail areas can accommodate various retail tenants. The success of the retail is related to the quality of the storefront design as well as signage. As such, the Design Standards are intended to ensure high-quality storefronts and signage, while also enabling variation and creativity in each.

Building Form and Building Tops

An issue often discussed through the development review process is building scale, including elements such as variety in building height and building setbacks. The Design Standards establish specific building massing requirements including a variation in height and building setbacks, while also maintaining an urban density and height, particularly adjacent to the Metrorail station. Buildings adjacent to Crescent Park, as well as in the Flexible Metrorail Zone, are required to be curved to reinforce the special nature and location of these buildings as well as offer a variation in building form.

Building tops are an important element in defining the character and scale of a neighborhood. The Design Standards include specific criteria to ensure that building tops are architecturally distinctive and add visual interest to the City's skyline.

Building Design

The Design Standards are not prescriptive with regard to style, but rather require high quality materials and encourage creativity through the development review process. The Design Standards encourage variation in building design to reinforce the unique character of each neighborhood and require use of durable materials that can be appreciated as a component of the skyline and at the pedestrian level. As discussed previously, staff recommends that the Potomac Yard Design Advisory Committee review and provide recommendations on building design in North Potomac Yard as part of the development review process.

Building Heights

Consistent with the heights identified in the *North Potomac Yard Small Area Plan*, the applicant proposes heights which range from 25 to 250 feet. In general, the tallest heights are proposed in the center of North Potomac Yard to denote the symbolic center of the community. To respect the character of the residential neighborhoods located west of Route 1 as well as the memorial character of the George Washington Parkway, buildings step down in height from the center of the site to both Route 1 and the George Washington Parkway. Although the greatest heights are generally proposed in the center of the site, a variety of heights are proposed to demarcate gateways and points of interest as well as to create an interesting skyline for the City.

As the Crescent Gateway neighborhood is primarily residential, the scale of the neighborhood ranges from townhouse scale elements with heights of 30 feet at the street to larger multi-family

buildings, with heights up to 250 feet. The tallest building, proposed on Block 2, is 250 feet in height and is designed to screen the electrical substation and provide a visual terminus for Main Line Boulevard. Heights proposed in the Market Neighborhood range in height from 20 feet at the street level to 250 feet in the center of the neighborhood, while heights within the Metro Square Neighborhood are approximately 90 to 110 feet due to Federal Aviation Administration height restrictions.

J. Public Benefits and Community Facilities

The major increase in density recommended in the *North Potomac Yard Small Area Plan* and proposed by the applicant significantly increases the value of the North Potomac Yard property. In addition to the increased density, the value of the property is amplified further with the construction of a Metrorail station. Due to the substantial increase in property value, staff believes that it is necessary for the applicant to provide and contribute to community facilities and services in North Potomac Yard.

Typical of most development projects, the applicant has agreed to construct the infrastructure necessary to serve the proposed development including the streets, streetscape, and related improvements; bus shelters; open space and associated amenities; utilities; and below-grade parking. The applicant has also agreed to provide high-quality architecture and comply with the City's Green Building Policy and to voluntarily follow the Affordable Housing Policy guidelines in place at the time of development special use permit approval.

In addition to this basic infrastructure, staff has requested and the applicant has agreed to contribute funding for the future Metrorail station and the high-capacity transitway, as well as provide improvements to existing intersections, install traffic calming in adjacent neighborhoods, and construct two transitway stations. Furthermore, staff has requested and the applicant has agreed to provide the following:

- Secondary sanitary sewer conveyance, as required by the Department of Transportation and Environmental Services;
- Upgrades to stormwater facilities and provision of pervious paving for parallel parking spaces and sidewalks;
- Improvements to Four Mile Run, including bridge improvements, slope stabilization, landscaping, and construction of amenities as recommended in the Four Mile Run Master Plan and Design Guidelines;
- Access to amenity space on the top floor of a building constructed on Block 2 to the City as well as community and non-profit organizations several times each year to ensure public enjoyment of the viewshed.
- A live performing arts theater within the Metro Square Neighborhood;
- Land for the construction of an urban elementary school; and
- Additional cultural and civic use space, such as a day care facility, a recreation and community center, or similar civic uses.

The staff recommendations require the applicant to reserve Block 4, located on the western side of the site near Crescent Park, for the construction of a new Alexandria City Public School or

comparable school facility. The applicant has agreed to contribute \$15 million toward the construction of this new school facility. The school facility is envisioned as an urban school, with either residential units or office located on the upper floors. While the school facility is required to comply with the *North Potomac Yard Urban Design Standards*, the school and any accessory uses required are not deducted from the maximum square footage permitted within the Coordinated Development District (CDD). In the event the City elects not to construct a school on the site, a community facility, public building or comparable use may be located on Block 4.

K. Affordable Housing

With the level of increased density proposed in the CDD, it is possible that approximately 4,500 new residential units will be produced in North Potomac Yard to complement planned commercial, retail, office and other uses as the 70-acre tract is built out to realize the City's vision of a mixed use, transit-oriented urban community. To ensure the long term sustainability of North Potomac Yard's redevelopment, it is critical that a range of housing choices be available for households of diverse age, size, composition and income. To this end, and given the anticipated scale of overall residential development, the City's goal is to secure a substantial number and variety of affordable housing options, including public housing and both affordable and workforce rental and sales housing throughout the CDD area.

While urban design and high-rise construction present first-cost challenges in achieving the level of efficiency required to produce affordable housing, incorporating green features and resource-efficient appliances, systems and infrastructure will yield long term savings which benefit for residents of public, affordable and workforce housing. Locating housing that is affordable to potential employees of the commercial, retail, office and other uses within North Potomac Yard will not only lessen traffic congestion in the immediate area, but will provide a consumer base within walking distance for neighborhood serving retail and service businesses.

To achieve affordability across a diverse mix of housing types, the City will work closely with developers and with the community as specific development plans are brought forward and reviewed through the development special use permit process to ensure significant components of public, affordable and/or workforce housing are provided in new developments throughout North Potomac Yard.

In addition to mixed income developments, which incorporate affordable set aside sales or rental units along with market rate units (in the case of rental units, the affordability is typically committed for a specified term, such as 30 years) when feasible, public-private collaborations may offer a mechanism to efficiently leverage land and both City and non-City resources to underwrite costs associated with producing affordable housing, to increase the potential yield of subsidized units.

At its discretion the City may choose to apply future developer contributions to produce and/or acquire units within the CDD area. The applicant has indicated its willingness to provide public, affordable and/or workforce housing on site within the residential development of North Potomac Yard. As noted in the staff recommendations, the City retains the discretion to select the proportion of the monetary contribution and the proportion of dedicated on-site units,

including the mixture of public, affordable and/or workforce units. Public, affordable and/or workforce units provided on-site are credited toward the overall voluntary affordable housing contribution.

Based on the current guidelines for developer affordable housing contributions¹, and the planned (gross square footage) future build out envisioned in the CDD, the funds potentially available for affordable housing purposes through contribution may exceed \$20 million.

L. Street Names

With this application, staff requests that the Planning Commission officially designate five streets within North Potomac Yard. While designation of streets typically occurs with development special use permits, staff recommends naming the streets with the Coordinated Development District as development of North Potomac Yard is likely to occur over a number of years and similar to infrastructure in Potomac Yard, many streets may be constructed in advance of development at the block level.

The following street names are proposed due to either historical significance to Potomac Yard or to intentionally identify elements of the North Potomac Yard site design. City Departments, including Planning and Zoning, the Department of Building and Fire Code Administration, and the Police Department, have reviewed the proposed street names for originality, context and to eliminate possible duplication of existing street names in the City. The proposed street names are in compliance with the City Code, which requires that streets in an eastward direction be designated as avenues and streets in a north-south direction be designated as streets. The City Code further indicates that streets may be designated as “place” when the Planning Commission is of the opinion that the use of such name is more desirable.

- Street “A” from Route 1 to Crescent Park: Livingstone Avenue
- Street “A” along curve of Crescent Park: Capitol Crescent Place
- Street “B”: Tide Lock Avenue
- Street “C” : Silver Meteor Avenue
- Street “D”: Aqua Street

The following paragraphs provide a brief justification of the street names proposed.

Livingstone Avenue and Capitol Crescent Place

At the request of both the Department of Building and Fire Code Administration and the Police Department, new street “A” was divided into two separate street names: Livingstone Avenue and

¹ Voluntary contributions are usually satisfied through the provision of cash to the City’s Housing Trust Fund and/or through provision of set aside units as a set off to the monetary contribution based on a mutually agreeable valuation formula depending on the unit type and size and or the affordability term.

Capitol Crescent Place. Proposed to recall the rail history of North Potomac Yard, the David Livingstone was a Pullman railroad car named after the famous explorer.

Capitol Crescent Place is proposed to recall the rail history as well as relate to the site design in North Potomac Yard. The Southern Crescent, a passenger service train which passed through Potomac Yard, is a genesis for the “Crescent Gateway” neighborhood and the Crescent Park. Capitol Crescent Place is proposed due to the location of the street adjacent to the crescent-shaped park and the views of the Nation’s capitol from this location.

Tide Lock Avenue

The Alexandria Canal, located in Potomac Yard, was critical in commercial navigation on the Potomac River. The Canal consisted of four locks, often known as tide locks, which lifted canal boats from the Potomac River to the level of the canal.

Silver Meteor Avenue

The Silver Meteor is an Amtrak passenger train route operating between New York City and Miami, Florida. Originally, the Silver Meteor was a train placed in service in 1939 which operated on the Richmond, Fredericksburg and Potomac Railroad through Potomac Yard.

Aqua Street

Aqua Street is proposed to relate to the site design and recall the innovative and integrated stormwater management features envisioned in the infrastructure, including streets and sidewalks, in North Potomac Yard.

V. COMMUNITY

As noted in the *North Potomac Yard Small Area Plan*, significant community outreach occurred during the development of the Plan as well as the Coordinated Development District Conceptual Design Plan. The Potomac Yard Planning Advisory Group (PYPAG) was established in October 2008 to provide guidance to staff on the Small Area Plan and associated development. PYPAG, as well as PYPAG subcommittees, met regularly for nearly a year and a half to discuss issues including land use, urban design, building height, transportation, sustainability and many other issues identified in the Small Area Plan. The public was invited to attend each PYPAG meeting, as well as PYPAG subcommittee meetings.

In addition to PYPAG meetings, staff also held two community workshops, met with civic leaders and associations throughout the northeastern portion of the City and had several work sessions with both Planning Commission and City Council.

VI. CONCLUSION

Staff recommends **approval** of the Coordinated Development District Conceptual Design Plan and associated applications subject to compliance with the North Potomac Yard Small Area Plan, North Potomac Yard Urban Design Standards, all applicable codes and the following staff recommendations.

Staff: Mark Jinks, Deputy City Manager;
Faroll Hamer, Director, Planning and Zoning;
Jeffrey Farner, Deputy Director, Planning and Zoning;
Helen McIlvaine, Deputy Director, Housing;
Gwen Wright, Chief, Development;
Rich Baier, Director, Transportation and Environmental Services;
Emily Baker, City Engineer;
James Maslanka, Chief, Transit Services;
Patricia Escher, Principal Planner;
Kristen Mitten, Urban Planner;
Jessica McVary, Urban Planner;
Sandra Marks, Chief, Transportation;
Matt Melkerson, Engineer;
Maria Mercedes White, Transportation Planner;
Pierre Holloman, Urban Planner;
Claudia Hamblin-Katnik, Watershed Program Administer;
Daniel Imig, Civil Engineer;
Satya Singh, Civil Engineer;
Daphne Kott, Civil Engineer
Bethany Carton, Park Planner.

VII. STAFF RECOMMENDATIONS

A. GENERAL

1. CPYR, Inc., a Delaware corporation, hereafter referred to as “the Applicant”, has submitted various documents relating to its application for approval of a rezoning, a Transportation Management Plan (TMP), CDD Conceptual Design Plan and associated approvals for the North Potomac Yard Coordinated Development District (CDD#19). All documentation submitted by the Applicant, other than the CDD Conceptual Design Plan noted below, shall be considered background or informational and is not included in the CDD Conceptual Design Plan that is being recommended for approval with conditions. The following conditions are for the approximately 69 acre property that was previously designated Landbay F within CDD#10 - Potomac Yard/Potomac Greens. The document submitted by the Applicant (sheet 4 of 5) entitled “Overall Plan – Potomac Yard North Conceptual Design Plan”, dated October 15, 2009, revised April 28, 2010 is the CDD Conceptual Design Plan submitted for approval subject to the following conditions. (P&Z)
2. The conditions of this approval are binding upon the Applicant, its successors and/or assigns. (P&Z)
3. Each block(s) and/or park(s) and/or building(s) shall obtain approval of a Development Special Use Permit (DSUP) and any other applicable approvals. A DSUP may be submitted for a portion of a block when an applicant can provide sufficient information regarding the location, approximate size, type, uses, open space, parking, loading access and additional information as needed for the remainder of the block and adjoining blocks, streets and open space to the satisfaction of the Directors of P&Z, RP&CA and T&ES. Any subsequent use amendments to an approved DSUP for a park shall be done through the Special Use Permit (SUP) process. (P&Z)
4. Any infrastructure plans, preliminary development site plan(s), development special use permit(s) and/or special use permit(s) (hereinafter referred to collectively as a DSUP) for the CDD, filed pursuant to § 5-605 of the Zoning Ordinance, shall be consistent with, and shall meet all requirements which are part of the CDD Conceptual Design Plan, conditions contained herein, and all applicable provisions of the following:
 - a. The *North Potomac Yard Small Area Plan*;
 - b. The *North Potomac Yard Urban Design Standards*, dated May 24, 2010 (see attached); and
 - c. The Transportation Management Plan (TMP). (P&Z)
5. At least 120 days prior to submitting a preliminary DSUP application, unless otherwise waived by the Director of P&Z, the Applicant shall submit a conceptual DSUP for review by the City for each block(s), building(s) and/or park(s) within CDD#19. (P&Z)

6. Notwithstanding any contrary provisions in the Zoning Ordinance, the North Potomac Yard CDD Conceptual Design Plan (CDD#19), shall remain valid until June 12, 2035. (P&Z)

B. CDD CONCEPTUAL DESIGN PLAN

7. The Applicant shall submit a revised CDD Conceptual Design Plan within 90 days from June 12, 2010 for administrative review and approval by the City. The CDD Conceptual Design Plan shall be revised to:
 - a. Provide the following note on the plan: “The final alignment of Potomac Avenue adjacent to the Flexible Metrorail Zone shall be subject to the alignment approved within the Flexible Metrorail Zone to coordinate with the location and street section depicted in the *North Potomac Yard Urban Design Standards*;
 - b. Remove the entire roadway depicted between Crescent Park and Block 2;
 - c. Depict and label how the required 15% ground-level open space (10.36 acres min) exclusive of stormwater features/ponds shall be provided for the site;
 - d. Remove the right-of-way dimensions from Route 1. The final right-of-way dedication shall be determined with the final engineering of Route 1 subject to the conditions herein;
 - e. Revise development use floor areas to be consistent with the development summary table (Table #3) required herein; and
 - f. Re-label Landbays I – IV as (1) Crescent Gateway Neighborhood, (2) Market Neighborhood, (3) Metro Square Neighborhood and (4) Potomac Yard Park. (P&Z)
8. Flexible Metrorail Zone: The Applicant shall submit a revised CDD Conceptual Design Plan to finalize the location of the streets and blocks and other applicable elements defined herein, within the Flexible Metrorail Zone, as depicted within the *North Potomac Yard Small Area Plan*, which shall be approved by the Planning Commission and City Council. The revised CDD Conceptual Design Plan shall be submitted:
 - a. Prior to filing any application for development within the Flexible Metrorail Zone; or
 - b. Within 90 days of a written request by the City in order to facilitate the design and layout of the Metrorail station and associated planning and design. The revised CDD Conceptual Design Plan shall comply with the CDD conditions of approval herein, the *North Potomac Yard Urban Design Standards* and the following:
 - i. An approximately 0.70 acre square-shaped park shall be centrally located within the Flexible Metrorail Zone. The park shall be surrounded on all sides by streets, and framed by buildings on each side;
 - ii. Potomac Avenue (new alignment) shall align and connect to the Potomac Avenue right-of-way south of CDD#19 and to the final alignment of the Potomac Avenue (new alignment) right-of-way to the north of the Flexible Metrorail Zone;
 - iii. Maintain the overall curvilinear nature of Potomac Avenue (new alignment);

- iv. The shape of the buildings in plan and form within the Flexible Metrorail Zone shall create distinct and memorable three dimensional forms;
- v. Pedestrian bridge(s) within the Flexible Metrorail Zone that access the Metrorail station shall be fully integrated into the design for the Metrorail station, adjoining buildings, and open space;
- vi. The alignment of Potomac Avenue (new alignment) shall be such that Potomac Yard Park (Landbay K extension) is continuous;
- vii. Development blocks, east of Potomac Avenue, shall be a sufficient size for market-acceptable building floor plates;
- viii. The streets shall be configured to accommodate transit and transit stations.
- ix. The streets shall be configured to provide a fine-grained interconnected street grid network and spacing consistent with and connecting to streets outside the Flexible Metrorail Zone;
- x. Evans Lane shall connect from Main Line Boulevard to Potomac Avenue (new alignment) to accommodate bicyclists and pedestrians. In addition, a vehicular connection is strongly encouraged to maximize access to the Metrorail station; and
- xi. New Street “D” / Aqua Street shall connect from New Street “A” / Capitol Crescent Place to Wesmond Drive. (P&Z) (T&ES)

C. NORTH POTOMAC YARD URBAN DESIGN STANDARDS

9. All DSUP applications, buildings and structures within CDD#19, shall be reviewed by the Potomac Yard Design Advisory Committee (PYDAC) for compliance with the *North Potomac Yard Urban Design Standards*. PYDAC shall make a recommendation on such applications to the Planning Commission and City Council through the Director of P&Z. (P&Z)
10. All streets, blocks, sidewalks, building forms, building volumes, building heights, parking, screening of parking, retail design, signage, open space and associated elements shall comply with the *North Potomac Yard Urban Design Standards*. Any variation from the standards shall require approval by the City Council as part of the DSUP or associated approval application(s). Any variation(s) from the Standards shall also include a recommendation from the Potomac Yard Design Advisory Committee (PYDAC) and Planning Commission regarding the proposed variation(s). (P&Z)

D. DEVELOPMENT PHASING

11. **Phase I - Pre-Development:** DSUPs and/or associated applications shall not be submitted to the City for review until all of the conditions contained herein regarding submissions and improvements required prior to development have been completed. (P&Z)
12. **Phase II - Development Preceding the Metrorail Station:** A maximum of 2.25 million square feet of total development which shall include any portion of the existing retail center in existence as of June 12, 2010, which is not demolished or replaced pursuant to

future DSUP approvals in CDD #19, shall be permitted in advance of the commencement of construction of a Metrorail station located within or adjacent to CDD #19, provided that the development complies with the conditions required herein:

- a. Redevelopment shall be limited to Blocks 7-23 as generally depicted in Attachment #1.
 - b. A minimum density of 500,000 sq.ft. of contiguous (exclusive of public street right-of-ways) new development (exclusive of the retail center in existence as of June 12, 2010) shall be constructed concurrently, in one or more building(s).
 - c. The remaining Phase II Development shall be contiguous (exclusive of public street right-of-ways) to the initial 500,000 sq.ft. of development.
 - d. The development of contiguous (exclusive of public street right-of-ways) building(s) shall be done in a manner that facilitates the development and improvements for each side of the public street(s) and adjacent park(s).
 - e. If retail square footage in existence as of June 12, 2010 is proposed to be redeveloped, such retail square footage shall be replaced on a one-for-one basis with new retail development.
 - f. To the maximum extent practical, any development of retail square footage adjacent to Landbay G shall be designed in a manner that connects to the existing retail and the retail planned for Landbay-G. This condition may involve temporary pedestrian and/or street connections and/or other comparable improvements as deemed necessary by the Directors of P&Z and T&ES. (P&Z) (T&ES) (City Council)
13. **Phase III – Development Concurrent with Metrorail Station Construction:** In the event that bond financing has been issued for purpose of constructing the Metrorail station, and the Metrorail station has commenced construction as determined by the Directors of P&Z and T&ES, a maximum of 3.7 million sq.ft. of contiguous development (inclusive of the retail center in existence as of June 12, 2010 and Phase II as defined herein) in CDD#19 (“Phase III Development”), shall be permitted in advance of the commencement of operation of the Metrorail station, provided that the development complies with the intent and recommendations of the North Potomac Yard Small Area Plan, the applicable zoning requirements herein, the North Potomac Yard Urban Design Standards and the following:
- a. Development shall be limited to Blocks 7-23 as generally depicted in *Attachment #1*.
 - b. The development shall be contiguous (exclusive of public street right-of-ways) to the Phase II building(s) and shall be done in a manner that facilitates the development and improvements for each side of the public street(s) and adjacent park(s).
 - c. A minimum of 500,000 sq.ft. of the new development shall be office use, subject to the final design of the Flexible Metrorail Zone.
 - d. While a building(s) and/or block(s) shall be permitted to obtain preliminary DSUP approval and associated approval(s) by the Planning Commission and City Council prior to of the issuance of bond financing for the Metrorail station, as defined herein, a final site plan and/or permits for construction shall not be released by the City until the construction of the Metrorail station has been funded

by the issuance of bonds, and construction of the Metrorail station has commenced as determined by the Directors of P&Z and T&ES. If the Directors deem the Metrorail station has substantially commenced construction and the necessary bond financing has been issued, a memorandum shall be submitted to the Planning Commission and City Council, providing notification that the issuance of the bonds has been completed and the City has made a determination of substantial construction as defined herein. (P&Z) (T&ES)

14. **Phase IV – Development Once Metrorail Station is Operational:** Once the Metrorail station is operational, there shall be no restriction on the location of development within CDD#19. (P&Z) (PC)
15. **Development if No Metrorail Station:** If the City determines in the future or by January 1, 2018, that a new Metrorail station is not feasible, and if the high-capacity transitway is fully functional, then the applicant may be permitted to construct 3,100,000 sq.ft. of new floor area, in addition to the 600,000 sq.ft. of floor area in existence as of June 12, 2010, subject to a future public planning process and contingent on all conditions and requirements as part of the future planning, zoning and development processes. (P&Z)

E. INFRASTRUCTURE

16. **Pre-Development Dedications/Agreements:** Within 90 days of June 12, 2010, the Applicant shall submit the necessary plans and documentation and shall within six months from June 12, 2010 dedicate to the City or as otherwise directed by the City, in fee simple or by easement the following:
 - a. ***Sidewalk Trail Easement:*** A 6 ft. wide public access easement and access for any associated grading outside of the easement to the west of the existing western Potomac Avenue right-of-way line for a sidewalk-trail and associated improvements. The easement shall be from East Glebe Road to Landbay E, within CDD#19, to the satisfaction of the Directors of T&ES and P&Z. The easement shall be vacated by the City once Potomac Avenue (new alignment) and New Street “D”/ Aqua Street have been constructed and are operational.
 - b. ***Circulation Agreement:*** A written agreement shall be made between the Applicant and the City to permit buses, pedestrians and vehicles on the following drive aisles and adjoining sidewalks as generally depicted in *Attachment #2* to the satisfaction of the Directors of T&ES and P&Z.
 - c. ***Interim Route 1 Right-of-Way Dedication:*** Dedicate the necessary amount of right-of-way on the eastern side of Route 1, from the southern CDD#19 boundary to Evans Lane, to accommodate a smooth right-of-way transition on Route 1 from Landbay G to CDD#19, as generally depicted in *Attachment #3*.
 - d. ***Pond 2 Maintenance Agreement:*** The applicant shall submit a BMP maintenance agreement to the City to share in the maintenance of Pond 2. The agreement shall remain in place and valid so long as Pond 2 is in operation. (P&Z) (T&ES)
17. **Pre- Development Improvements:** The Applicant shall make the following improvements prior to any development within CDD#19:

- a. **Traffic Control Modification:** Prior to the opening of the current alignment of Potomac Avenue, the Applicant shall modify or permit the City to modify the existing intersection of East Reed Avenue and the loading/delivery roadway east of the shopping plaza buildings by removing the stop signs from the eastbound and westbound approaches to the intersection.
 - b. **Landbay G, Access:** The Applicant shall coordinate and work cooperatively with the owner of Landbay G to provide necessary reciprocal construction access for projects along the northern property line of Landbay G that are adjoining CDD#19. In addition, within 60 days of the owner of Landbay G, Block D obtaining a final site plan release for the hotel development on Block D, the Applicant shall submit a site plan for administrative approval by the City to provide access easements / written agreements and drive aisles for Block D as generally depicted in *Attachment #4*. Prior to release of the building permit for Block D, the Applicant shall grant the necessary easements / execute the written agreements and construct all necessary improvements required by the City.
 - c. **Main Line Boulevard Connection:** Within six months of June 12, 2010, the Applicant shall submit a site plan for administrative approval by the City providing a temporary pedestrian and vehicular connection between Main Line Boulevard, at the southern property line of CDD#19 (adjacent to Landbay G), to connect to the existing north/south drive aisle, in front of Target as generally depicted in *Attachment #5*. Within 12 months of June 12, 2010, the Applicant shall begin and diligently pursue until completion, construction of this temporary Main Line Boulevard connection and shall provide all necessary public access easements and agreements upon completion of construction. (P&Z) (T&ES) (PC)
18. **Infrastructure, Use & Open Space Plan Submission Requirements** – The Applicant shall submit an Infrastructure, Use & Open Space Plan for review and approval of the Directors of P&Z, RP&CA and T&ES at least 120 days prior to submitting a preliminary DSUP for the development of any block in CDD#19. The Infrastructure, Use & Open Space Plan shall provide the following:
- a. The plan shall include horizontal and vertical profiles for the streets, sanitary sewers, and storm sewers; and shall include all horizontal locations and cross sections for the water lines. The plan shall also include cross sections, construction details, and any other concept design elements identified as necessary by the Director of T&ES;
 - b. Depict the new Route 1 right-of-way line necessary to accommodate the Route 1 cross-section (including sidewalks and landscape strips) in the North Potomac Yard Urban Design Standards;
 - c. Depict the rough grading of the blocks and parks/open space;
 - d. Depict all open spaces within the CDD, whether public or private, that are described in the CDD Conceptual Design Plan including programming, active and passive recreation components, utilities and park infrastructure; and
 - e. Depict the general locations within the CDD of the uses identified in the CDD Conceptual Design Plan and the anticipated community facilities. (P&Z) (T&ES) (RP&CA)

19. **CDD Phasing Plan** - The Applicant shall submit a CDD Phasing Plan with the first preliminary DSUP and shall update the Phasing Plan concurrently with each subsequent DSUP submission. The Phasing Plan shall be subject to the following to the satisfaction of the Directors of P&Z, T&ES and RP&CA:
- a. Provide, for the entire CDD, a general outline of the site and the Applicant's most up-to-date projection of the dates when construction of the different land uses (i.e., office, retail, hotel, residential, open space and community facilities) for each block shall commence;
 - b. Provide, for infrastructure identified below in this subparagraph: (1) the general location and layout of the major components of the infrastructure (such components to be determined by the Director of T&ES), and (2) the dates when construction of the infrastructure shall commence (provided, that the projected dates for the commencement of construction of these components shall be consistent with the triggers noted herein). The infrastructure to be provided shall include:
 - i. The street layout;
 - ii. Transitway corridors and stations;
 - iii. The sanitary sewer system and pump station;
 - iv. The stormwater management system;
 - v. The utility systems to be constructed within the CDD (e.g., electricity, water, gas, phone/communications and cable); and
 - vi. The off-site improvements.
 - c. Parks/Open Space - Depict and label for each park/open space area required by the conditions herein: (a) the proposed size and location of the park/open space, and (b) the time frame when construction of the improvements to the park/open space is required and/or projected to commence;
 - d. Environmental Sustainability – Provide the timeframe when construction for each system, program or component, identified in the most current Environmental Sustainability Master Plan required herein, is required and/or projected to commence;
 - e. Circulation – Provide a circulation plan depicting the temporary pedestrian, bicycle and vehicular circulation during the different construction phases. The plan shall identify temporary sidewalks, fencing around the site and any other features necessary to ensure safe pedestrian and vehicular travel around the site during construction and during the phasing of the development, including methods for constructing the underground parking garages without disturbing pedestrian access from completed portions of the project;
 - f. Community Facilities – Depict the location and approximate size for all proposed community facilities throughout the CDD as required herein;
 - g. School - Depict and label the block reserved for the possible school as defined herein;
 - h. Minimum Performance Standards - The Phasing Plan shall comply with the following criteria:
 - i. At all times maintain a continuous, uninterrupted Potomac Avenue with two vehicular travel lanes in each direction from the southern terminus of CDD #19 to the northern terminus of CDD#19.

- ii. At all times maintain at least one continuous east/west street in CDD#19 that connects Route 1 to Potomac Avenue. This east/west street shall allow full turning movements at both the Route 1 and Potomac Avenue intersections.
 - iii. At all times maintain a continuous north/south and continuous east/west bicycle connections through CDD#19.
 - iv. Sidewalks and street lights as required by the North Potomac Yard Urban Design Standards shall be provided on both sides of any new roadway prior to dedication to the City. Prior to development temporary sidewalks shall be required.
 - v. Adequate circulation capacity shall be maintained for each block and/or phase of development for construction, resident and tenant traffic.
 - vi. Stormwater treatment shall be provided at all times throughout the redevelopment for drainage areas formerly directed to Pond 2 at a minimum efficiency of 50%.
 - vii. Safe and convenient access and circulation shall be provided for bicycles and pedestrians through all phases of development.
 - i. A DSUP shall not be docketed for Planning Commission until the Directors of P&Z, T&ES and RP&CA have approved the CDD Phasing Plan which accompanies the DSUP application(s); and
 - j. Notwithstanding the above, The Applicant, at its discretion, may submit an updated CDD Phasing Plan from time to time for administrative review and approval by the Directors of P&Z and T&ES; provided, that no such submission shall relieve the Applicant of the requirement that it submit an updated CDD Phasing Plan with each DSUP application that seeks approval of one or more buildings or structures within the CDD. (P&Z) (T&ES) (RP&CA) (PC)
20. **Development Phasing Triggers** - During the development of CDD#19, the following infrastructure shall be provided and/or constructed by the Applicant in accordance with the following. The development referenced herein includes all cumulative development within CDD#19:
- a. **Potomac Avenue (new alignment):** The Applicant shall construct and have the entire length of Potomac Avenue operational prior to the earliest of:
 - i. The Metrorail station opening to the public;
 - ii. The issuance of the first Certificate of Occupancy permit for the first building in the Flexible Metrorail Zone;
 - iii. Prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development within CDD#19; or
 - iv. As determined by site phasing.
 - b. **Evans Lane:** The entire length shall be constructed and operational prior to the Metrorail station opening or as determined by site phasing, whichever is earlier.
 - c. **East Reed Avenue:** Entire length shall be constructed and operational prior to issuance of the first Certificate of Occupancy permit for the second building on East Reed Avenue or as determined by site phasing, whichever is earlier.
 - d. **New Street "C" / Silver Meteor Avenue:** Entire length shall be substantially constructed and operational at 1.5 million sq.ft. of development within CDD#19

and shall be entirely completed prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development within CDD#19, or as determined by site phasing, whichever is earlier.

- e. ***Route 1 between East Glebe Road and New Street “C” / Silver Meteor Avenue:*** Shall be substantially constructed and operational at 1.5 million sq.ft. of development within CDD#19 and shall be entirely completed prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development within CDD#19, or as determined by site phasing, whichever is earlier.
- f. ***East Glebe Road / Route 1 Intersection Improvements:*** Prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq. ft of development within CDD#19, the Applicant shall make improvements to the eastbound approach at the intersection of Route 1 and East Glebe Road to provide an exclusive left-turn lane, through lane, and right-turn lane in the eastbound direction. The Applicant shall be responsible for all necessary improvements. The improvements at a minimum shall include right-of-way acquisition, design, signal modification, street and sidewalk construction, and improvements to the satisfaction of the Director of T&ES. The applicant shall coordinate with the City on the right-of-way acquisition.
- g. ***Route 1 from New Street “C” / Silver Meteor Avenue to Four Mile Run:*** Shall be completed prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development within CDD#19.
- h. ***Transitway Stations:*** Prior to the first Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development within CDD#19, the Applicant shall construct a permanent transitway station on Route 1 and an interim transitway station near the Metrorail station which shall be operational until such time as the 2nd permanent transitway station is constructed concurrently with the development of the receiving block or the Metrorail station.
- i. ***Route 1 / East Reed Avenue Intersection:*** Prior to the first Certificate of Occupancy permit within CDD#19 the Route 1 / East Reed Avenue intersection shall be improved to allow full vehicle movements through the intersection.
- j. ***TMP District:*** The Applicant shall comply with all applicable TMP conditions, including a TMP District. This district shall be designed to meet the trip reduction goals outlined in the transportation analysis associated with CDD#19.
- k. ***Public Parks:***
 - i. Metro Square and Market Common parks shall be improved and dedicated to the City prior to the first Certificate of Occupancy permit for the second building with block frontage on the park.
 - ii. Crescent Park shall be improved and dedicated to the City once the stormwater management pond in the park has been completed or the first Certificate of Occupancy permit for the second building constructed on Blocks 2, 3 or 5, whichever is earlier.
 - iii. Four Mile Run Improvements – Unless the City accepts a fee-in-lieu agreement and contribution from the Applicant as defined herein, Four Mile Run shall be improved by the Applicant and dedicated to the City once the stormwater management pond in Crescent Park has been

- completed or the first Certificate of Occupancy permit for the second building constructed on Blocks 2, 3 or 5, whichever is earlier.
- iv. Potomac Yard Park (initial phase) - Potomac Yard Park and any required re-design of the existing Landbay K plan north of East Glebe Road shall be fully designed concurrently with Potomac Avenue (new alignment), however only the initial phase (including the trail, utilities, lights, benches, street trees, interim landscaping and any stormwater infrastructure associated with the elimination of Pond 2) shall be required to be constructed, operational and accepted by the City concurrent with the acceptance of Potomac Avenue (new alignment).
 - v. Potomac Yard Park (final improvements) – Prior to the first certificate of occupancy for the first project exceeding 3.7 million sq.ft. of development in CDD#19, Potomac Yard Park shall be fully constructed by the Applicant and accepted by the City. The park shall be dedicated to the City upon acceptance, excepting the portion of Potomac Yard Park within the area in and around the potential Metrorail station reservation. This area shall be dedicated once the Metrorail station is fully constructed. A public access easement shall be recorded for this portion of the Park at the time of dedication for the remainder of the park.
- l. **Sewer Contribution:** Prior to the issuance of a Certificate of Occupancy permit for the first project exceeding 2.0 million sq.ft. of development, the Applicant shall submit a contribution of \$250,000 to be adjusted annually by the CPI-U for each year beyond 2010. This contribution was estimated to be 21% of the current cost of engineering design and construction of parallel relief sewers to alleviate the problem of surcharging in the 30” Potomac Yard Off-Site Trunk Sewer. The contribution shall be made payable to the City of Alexandria.
 - m. **School Site:** Community Facility (Block 4) shall be dedicated to the City prior to the earliest of:
 - i. The dedication of three of the four surrounding streets to the City;
 - ii. The City has made provisions to plan and/or build a school, community facility, public building or comparable facility and a formal written request is submitted by the City to the Applicant; or
 - iii. Earlier than the provisions defined above, if an agreed upon date is reached by the City and the Applicant.
 - n. **Neighborhood Traffic Calming Plan:** shall be evaluated and designed with each DSUP submittal and all improvements shall be fully implemented prior to the first Certificate of Occupancy permit of the associated DSUP.
 - o. **Permanent Streetscape Improvements:** (including streetside bioretention) shall be installed on all frontages of a given block prior to the Certificate of Occupancy permit for each block/building or additional requirements as may be required throughout the DSUP process. (P&Z) (T&ES) (RP&CA) (PC)
21. The Directors of T&ES, RP&CA and P&Z may require that infrastructure, open spaces, land uses and other matters outside the Landbay and/or block deemed necessary to review a preliminary DSUP application also be shown and addressed in the application. (P&Z) (T&ES) (RP&CA)

22. The Applicant shall coordinate, to the extent necessary, with adjacent property owners on the design of streets, parks-open spaces, sewer systems and other related infrastructure and construction. (P&Z) (RP&CA) (T&ES)
23. The Applicant shall be responsible for dedicating all necessary rights-of-way and/or public access easement(s) as required herein. Where a public access easement is provided for streets and/or sidewalks, the easement(s) shall be a perpetual public access easement for vehicles and/or pedestrians. Any privately owned open space areas, required to be accessible to the public, shall have a perpetual public open space easement. Construction of all required infrastructure and open space improvements shall be completed in accordance with the dates or events required herein. (P&Z) (T&ES)
24. **FAA:** The Applicant shall obtain approval(s) from the Federal Aviation Administration (FAA) and all other applicable Federal and/or State agencies for all block(s), building(s) or portions thereof subject to the applicable FAA height restrictions prior to the release of the final site plan. The Applicant shall provide to the Directors of P&Z and T&ES a written statement and/or approval by all applicable Federal and/or State agencies that the all block(s), building(s) or portions thereof that are subject to the applicable FAA height restrictions are not a hazard to air navigation or that the project does and is in compliance with all other applicable FAA requirements and/or recommendations. If the FAA and all other applicable Federal and/or State agencies require revisions and/or modifications, the modifications may require subsequent approval by the City Council, if the Director of P&Z determines that the amendments are substantively different that what was approved by City Council. (P&Z)
25. The Applicant shall submit the following with the first preliminary DSUP and shall update each of the following, as necessary, with all subsequent preliminary DSUP submissions:
 - a. A CDD Phasing Plan;
 - b. A Transportation Study which shall include:
 - i. Transportation Management Plan (TMP);
 - ii. Neighborhood Traffic Calming Plan and Neighborhood Traffic Analysis;
and
 - iii. Parking Management Plan.
 - iv. Findings in the transportation study may require the design and construction of transportation infrastructure relating to the specific impacts of the preliminary plan submittal.
 - c. Environmental Sustainability Master Plan (ESMP);
 - d. Comprehensive Open Space Programming Plan;
 - e. Public Art & Historic Interpretive Plan;
 - f. Water Management Master Plan;
 - g. A Noise Study, if residential development is adjacent to Route 1 or Potomac Avenue;

- h. A tracking sheet with the running totals for proposed/approved development floor area by use, open space within each block, and the status of each proposal within the CDD to depict compliance with the development triggers; and
- i. A tracking sheet showing the cumulative totals for metered sanitary flows for each occupied building in the CDD. The tracking sheet shall consist of a table denoting a building designation, the Sewage Collection and Treatment (SCAT) Regulations, December 4, 2003 projected design discharge, 70% of the SCAT projected discharge, and the actual metered discharge for each occupied building within the CDD. Also included within the table shall be a running total of the CDD's sanitary discharge. Each preliminary and final site plan shall include the SCAT projected design discharge and 70% of the SCAT projected discharge for the proposed development as well as the current metered CDD's total discharge rate. The flow data shall be presented in mgd (million gallons per day) and shall be based on a six month daily average. As a back up information, the metered data shall be provided in tabular and graphical forms including the depth, velocity, and volume of flow with summarized findings. (P&Z)(T&ES)(RP&CA)

F. METRORAIL STATION

26. The Applicant shall fund the construction and assist in the coordination of a new Potomac Yard Metrorail station subject to the conditions contained herein. In addition, the Applicant shall be subject to the terms and conditions set forth in the planned Memorandum of Understanding between the City and the Owner ("MOU") and as may be amended by agreement of the City and the Applicant. The Applicant shall actively cooperate and coordinate with the City, WMATA, and all applicable local, State and Federal agencies and departments to complete and obtain all necessary approvals and processes which are necessary to construct and operate the Potomac Yard Metrorail station. Permitting, design, construction, and payment of debt service on the Potomac Yard Metrorail station will utilize a separate segregated fund, controlled by the City and known as the Potomac Yard Metrorail Station Fund (the "Station Fund") into which the various funds described below will flow and from which they will be disbursed by the City.
- a. **Developer Contributions:** The Applicant shall make developer contributions of Ten Dollars (\$10.00) per square foot of gross floor area (net of above-grade structured parking) for the first 4.9 million sq.ft. of development within CDD#19. The contribution, including the escalation described below, shall be payable concurrently with issuance of the first Certificate of Occupancy permit for each building. Developer Contributions shall not exceed \$49,000,000 in 2010 dollars. The \$10.00 per square foot Developer Contribution shall escalate annually on January 1 of each year, commencing January 1, 2011, in accordance with increases in prior years in the Consumer Price Index for all urban consumers (CPI-U), 1982-1984=100 (not seasonally adjusted) as reported by the United States Department of Labor, Bureau of Labor. The base CPI shall be set as of the date of the rezoning and shall be adjusted as of the first day of January each year thereafter, and the resulting adjusted Developer Contributions per square foot amount shall be in effect for that calendar year. The terms and conditions of the

payment of this Developer Contribution shall be detailed in the planned Memorandum of Understanding between the City and the Applicant. It is understood that the dollar amount paid is that calculation for the calendar year when the certificate of occupancy is issued by the City. For example, if a building's construction is completed on December 15, 2015, but the certificate of occupancy for that building is issued on January 15, 2016 then the amount paid in 2016 at the time the certificate of occupancy is issued would be adjusted for changes in the CPI-U between January 1, 2015 and January 1, 2016.

- b. **Shortfall Guaranty Contribution:** In connection with the projection of up to \$275,000,000 in bond financing anticipated to be issued by the City of Alexandria, to fund the construction of a Metrorail station serving Potomac Yard, the Applicant shall provide a guaranty of shortfalls, not to exceed a total in any year of \$10,000,000 or a cumulative total of \$32,000,000 between the funds needed to make scheduled payments of principal and interest on such bonds and the funds available in the Station Fund based on terms and conditions of the payment of this Developer Shortfall Guaranty contributions detailed in the planned Memorandum of Understanding between the City and the Applicant. (CAO) (CMO) (P&Z) (T&ES)
 - c. If, through the environmental permitting process, the B alternatives or similar are not selected, this situation shall be treated as a no-build decision and will be subject to the provisions of Condition #15 above. In addition, with the exception of the Development permitted preceding the Metrorail Station detailed under condition 12, notwithstanding any other condition in this rezoning, no further development in the CDD shall be permitted if neither of the B alternative locations (either in their current location or with minor adjustments due to environmental studies or final engineering) is designated as the eventual station site by City Council. This designation by City Council would occur only after the environmental impact statement or environmental assessment of station location alternatives is completed. If another site, such as site "A" is designated by City Council, or if a "no build" alternative is selected by City Council, then CPYR shall have no obligation for financial contributions or undertakings related to the Metrorail Station as outlined in the attached MOU. (P&Z) (CMO) (PC)
27. **Potomac Yard Metrorail Station Site:** The Applicant shall reserve and dedicate to the City all land and easements necessary for the construction of the Potomac Yard Metrorail station and associated amenities and/or structures. The land and/or easements required herein shall be dedicated or granted without cost to the City for the Potomac Yard Metrorail station, by a deed conveying land in fee simple to WMATA or the City, or if applicable by a deed of easement to WMATA or the City, as required by the City, which entitles the grantee to use or authorize the use of the site for a Metrorail station and for any associated amenities and structures. The Applicant shall coordinate with the City regarding all necessary property access, environmental and engineering studies and related coordination deemed necessary by the City for the design of the Metrorail station. The Applicant shall undertake no grading, construction and/or improvements following a grant or dedication of land, including utilities and/or foundations (other than interim staging, and/or routine maintenance required by the City) on the entire area and

- easements necessary for the construction of the Potomac Yard Metrorail station. All land shall be dedicated and all easement(s) granted upon written request by the City, on a timetable to facilitate orderly permitting, design and construction of the Potomac Yard Metrorail station. The Applicant shall also reserve and dedicate, without cost to the City:
- a. Any easement(s) for pedestrian ingress and egress to and from the rail station and the entrances thereto, by users of the Metrorail station in such reasonable location as determined by the Director of T&ES and P&Z; and
 - b. Such additional temporary construction easements necessary for the construction of the Potomac Yard Metrorail station and associated amenities and structures as may be required by the Directors of T&ES and P&Z. (P&Z) (T&ES) (CAO)
28. Environmental Review: The various sites under consideration in the environmental review process (A, and the B alternatives) shall be identified for future Metrorail station use on the CDD Conceptual Design Plan and other applicable plans and documents as required by the Director of P&Z. The Applicant acknowledges that the environmental review process is not controlled by the City, and that neither the Applicant nor the City can pre-judge the outcome of the environmental review process (currently planned to be conducted by the Federal Transit Administration in cooperation with WMATA, the National Park Service, the City, and other affected stakeholders. In the event the City conclusively determines not to construct a Potomac Yard Metrorail station and associated amenities, or in the event no such Potomac Yard Metrorail station is constructed within 25 years from June 12, 2010, such dedication and easement(s) shall be vacated by the City in exchange for a public access easement allowing public access for the purposes of open space and/or comparable amenities as determined by the City. (P&Z) (T&ES) (CAO) (PC)
29. During the initial 30-year term of the lease of any of the buildings within CDD #19, the blocks which permit development (excluding Block 4) as defined herein shall remain in private ownership and be subject to City of Alexandria real estate taxes. Prior to final site plan approval of the first building, other than the retail buildings in existence as of June 12, 2010, the applicant shall record among the land records of the City of Alexandria, a covenant, approved by the City Attorney, that provides that, before any voluntary and/or involuntary sale of any of the real property that is being leased and/or sold to a purchaser which is not obligated to pay City of Alexandria real estate taxes, the seller of the real property, shall, at the direction of the City of Alexandria either (i) provide to the City a payment equal to the present value of the estimated real estate tax payments (to be calculated pursuant to a mutually agreeable formula to be set forth in the recorded covenant) which would otherwise become due on the Property during the balance of the initial 30-year term of the lease, or (ii) enter into a binding and enforceable agreement with the City, approved by the City Attorney and including such surety as deemed necessary by the City Attorney, that requires the seller to make semi-annual payments to the City during the balance of the 30-year term which shall be equal to and made at the same time as the real estate tax payments that would otherwise have been due on the Property. Such covenant shall expressly provide that (i) its terms and obligations shall run with the land and be an encumbrance upon the Property, for the benefit of the City, and the applicant or the applicant's successors in interest shall ensure that the

covenant and the obligation thereof shall have priority over every mortgage, deed of trust, or other lien or encumbrance on the Property, whether created prior to, or subsequent to, the grant of such covenant, and (ii) it shall be released of record in the event of a sale of the Property to a real estate tax exempt purchaser at such time as the foregoing conditions have been satisfied or the expiration of the 30 year term. (P&Z) (CAO)

G. PARKING

30. The maximum parking ratios for each use in Table 3 below shall comply with the following:
- a. All uses shall participate as part of the comprehensive shared parking strategy.
 - b. Visitor parking may be required by the City as part of the DSUP process.
 - c. Restaurant square footage is based upon the net square footage of the restaurant, excluding the kitchen and storage areas. (P&Z) (T&ES)

Table 3: Parking Maximums

Use	Maximum Ratio
Civic / Community Facilities	2.0 / 1,000 sq. ft.
Theater	0.1 / seat
Hotel (per room)	0.75 / room
Office	1.21 / 1,000 sq. ft.
Residential	1.0 / unit
Restaurant	3.5 / 1,000 sq. ft.
Retail	3.5 / 1,000 sq ft.

31. Each block and building shall provide a minimum of one level of entirely below-grade parking. Each underground and/or structured parking for each block shall be designed and constructed to connect within each block to function as one parking structure facility. All parking for Blocks 2, 5, and 16 or 21 as depicted in the North Potomac Yard Small Area Plan shall be located entirely below-grade. (P&Z)
32. To the extent that parking is located above grade, any above grade parking shall conform with the parking screening requirements of the North Potomac Yard Urban Design Standards as part of the DSUP process. (P&Z)
33. The Applicant shall submit a Parking Management Plan (“the Plan”) for approval by the Director of P&Z and T&ES as part of the first preliminary DSUP. The parking management plan shall be updated and approved with each subsequent block(s), building(s) and/or DSUP submittal. At a minimum, the parking management plan shall include:
- a. Shared Parking: The Parking Management Plan shall outline mechanisms to require the parking to be efficiently used and shared between each of the uses and within multiple garages. The Plan shall demonstrate the minimum amount of parking to adequately support development on each block through shared parking strategies, including any necessary agreements and/or easements.

- b. The Plan shall address parking for community facilities, movie theaters and performance theaters. Parking for these uses shall be provided by adjacent uses through a shared parking program, unless the facility has considerable parking needs above and beyond what can be accommodated exclusively through shared parking.
 - c. Any parking spaces designated as shared parking in the Plan shall not be reserved for any individual use, except for office use as permitted herein.
 - d. Valet Parking: The Plan shall outline provisions and strategies for valet parking to ensure efficient use of parking resources. These shall include: loading and unloading locations and management, pricing, marketing strategies and wayfinding.
 - e. Market rate parking: Office and retail parking rates for all underground and structured parking shall be consistent with comparable office/retail buildings located in the vicinity. A limited number of parking spaces may be reserved for the office use as approved by the Directors of P&Z and T&ES. Validation shall be permitted for retail parking.
 - f. Unbundled Parking: All residential parking shall be unbundled (i.e., the cost to purchase or lease a parking space is separate from the cost to purchase or lease the residential unit). Unbundled parking for all other uses is encouraged and shall be explored as part of the Plan.
 - g. On-Street Parking: All on-street parking shall be metered as part of a performance parking district.
 - h. Priority Parking: Priority spaces for carpool/vanpool use shall be provided within all structured parking.
 - i. Parking wayfinding, performance parking and advanced parking management systems. The Plan shall include a parking wayfinding plan which shall include illuminated wayfinding and advanced parking management signage.
 - j. The Applicant shall be responsible for the implementation of the Parking Management Plan. The Applicant shall be responsible for the installation of all infrastructure required to support the implementation of the Plan including, but not limited to, parking wayfinding signs, advanced parking management technologies and performance parking metering systems. (P&Z)(T&ES)
34. “Short-term” and “long-term” bicycle parking shall be provided throughout the site. “Long-term” bicycle parking may include lockers, individually locked enclosures or supervised areas within a building providing protection for each bicycle therein from theft, vandalism and weather. “Short-term” bicycle parking is an at-grade rack such as an “Inverted U” or “Bike Circle” that supports a bicycle in a stable, upright position. One bicycle rack shall provide two spaces. Racks are preferably collocated, covered and located within 120 feet (preferably 50 feet) of a building entrance. Directional signage (MUTCD sign D4-3) shall be installed when bike parking facilities are not clearly visible from the street or sidewalk. The City of Alexandria Bicycle Parking Preferred Rack Designs, Placement Standards, Guidelines and Vendors are available at <http://www.alexandriava.gov/bicycleparking> (T&ES). Minimum bicycle parking ratios are as follows in Table 4 below:

Table 4: Bicycle Parking Requirements

Use	Minimum Ratio
Civic / Community Facilities and Parks	Ratio shall be determined with applicable DSUP
Theater	0.05 spaces / seat
Hotel (per room)	0.05 long-term space/room and 0.025 short-term space/room
Office	0.2 long-term space space/1,000 sq ft and 0.1 short-term space per 1,000 sq ft.
Residential	0.25 long-term spaces/unit if less than 3 bedrooms, 0.5 long-term space/unit if more than 3 bedrooms, plus 0.05 spaces/unit short-term (visitor) parking
Restaurant	0.25 space/seat with first 60 seats exempt
Retail	0.2 long-term space/1,000 sq ft and 0.25 short-term space/1,000 sq ft.

35. For every 250,000 sq.ft. or fraction thereof of office gross floor area, one (1) shower per gender shall be installed, up to a maximum of three (3) showers per gender. Also, a minimum of one (1) clothes storage locker per gender shall be installed for every two (2) long-term bicycle parking spaces. The lockers shall be installed adjacent to the showers in a safe and secured area and both showers and lockers shall be accessible to all tenants of the building. The Applicant may provide joint facilities for office uses located on the same block. The location, layout and security of the showers and lockers shall be reviewed by T&ES before issuance of the Building Permit. The showers and lockers shall be open during normal working hours. There are no locker or shower facility requirements for retail or residential developments. The ratios set forth in this condition may be amended pursuant to a DSUP approval as necessary to comply with the standards necessary to obtain the associated LEED or equivalent green building/site requirements. (T&ES)

H. STREETS & TRANSPORTATION

36. New Street Names: Refer to *Attachment #6* for the following street locations:
- a. New Street “A” shall be named Livingstone Avenue (straight) and Capitol Crescent Place (curve);
 - b. New Street “B” shall be named Tide Lock Avenue;
 - c. New Street “C” shall be named Silver Meteor Avenue; and
 - d. New Street “D” shall be named Aqua Street. (P&Z)
37. The Applicant shall be responsible for installing all applicable street and associated signage pursuant to the phasing required herein. (T&ES) (P&Z)
38. Any traffic signalization proposed by the Applicant and approved by the Director of T&ES, or required by the Director, shall be depicted on the final infrastructure plan and

the final site plan for the portion of the CDD in which or adjacent to which the signalization is to be installed. The Applicant shall be responsible for all costs of traffic signal design, acquisition, and installation. Any signalization approved or required by the Director of T&ES shall be installed and properly operating prior to the issuance of a Certificate of Occupancy permit for any building and/or the acceptance of any street which is to be served by the signalization. The signals shall be City standard black mast arms. (T&ES)

I. TRANSIT

39. If the City has not approved the transitway design vehicle prior to the construction of the transitway through the site and on Route 1, or the construction of 1.5 million sq.ft. of development within CDD #19, the Applicant shall construct the dedicated transit lanes along Route 1, New Street “C” / Silver Meteor Avenue, and Potomac Avenue as depicted in the *North Potomac Yard Urban Design Standards* and in addition shall install elements to accommodate future conversion to rail such as: underground duct banks, conduit and pavement designed with knock-out panels to the satisfaction of the Director of T&ES and with the City’s contribution for these upgrades to rail. (T&ES)
40. The permanent transitway stations shall be a minimum size of 75’ (L) x 12’ (W) and shall include the following amenities: ADA accessibility; large canopies to cover most of station platform area; real time transit information; audio announcements; fare machines; benches to seat a minimum of 12 persons; maps; wayfinding information; illumination; areas for transit information; wireless internet; pedestrian walkway and connections to the nearest crosswalk; security cameras; possible space for advertisements; barriers from traffic; and environmental sustainable materials and design. The interim transitway station shall be a minimum size of 30’ (L) x 8’ (W) and shall include the following amenities: ADA accessibility; a covered shelter / canopy area; benches to serve a minimum of 6 persons; real-time transit information; audio announcements; and a fare machine. The installation and equipment shall be provided by the Applicant. Maintenance and operation shall be provided by the City. (T&ES)

J. UTILITIES

41. **Transformers/Utilities:** All electrical transformers and associated utilities shall be located within the central portion of the blocks, alley(s) and screened to the satisfaction of the Director of P&Z or provided in underground vaults which shall comply with all applicable Dominion Virginia Power (DVP) standards. Ventilation grates shall not be located within public open space, including Crescent Park, Market Common, Metro Square, Potomac Yard Park, Four Mile Run Park, sidewalks or streets - public right-of-way. The final location of the transformers and/or vaults shall be approved as part of the preliminary DSUP review for each building/block. (RP&CA) (P&Z) (T&ES)
42. **Terminal Station:** The Applicant shall provide architectural and landscaping screening to the northern Dominion Virginia Power Terminal Station, adjacent to Four Mile Run, to

the satisfaction of the Director of P&Z. All improvements shall be completed no later than the first Certificate of Occupancy for the second building on Blocks 2, 3 or 5. (P&Z)

43. **Pump Station:** If it is determined that a pump station is necessary within North Potomac Yard, the Applicant shall design and construct a pump/lift station and force main to transport municipal wastewater from the proposed development to the Potomac Yard Offsite Trunk Sewer (PYTS). The pump/lift station and force main shall be designed in accordance to the City of Alexandria standards, Alexandria Sanitation Authority (ASA) design guidelines, and Commonwealth of Virginia Sewage Collection and Treatment (SCAT) Regulations. ASA at its discretion may hire a third party to review the design of the pump/lift station and inspect the construction. In that instance, the Applicant shall reimburse the ASA for the third party review and construction inspection. The pump station shall be located on the north end of the site (Landbay 1) but not within the RPA, public right-of-way or in dedicated park land. The pump station shall be consistent with the Four Mile Run Restoration Master Plan and shall be designed to the satisfaction of the Director of P&Z. (T&ES) (P&Z) (RP&CA)
44. **Pump Station Maintenance:** The Applicant shall coordinate with the City and Alexandria Sanitation Authority (ASA) regarding the terms of the ownership, maintenance, and operation agreement of any new pump/lift station. (T&ES)
45. **Sewer Metering:** Each preliminary DSUP within CDD#19 shall provide and install sanitary sewer meters in the individual sanitary sewer laterals to measure the municipal wastewater flow from each building. The cumulative totals of the flows from all occupied buildings in the CDD shall not exceed an average of 70% of the flows from the SCAT Regulations (Commonwealth of Virginia State Water Control Board, Sewage Collection and Treatment Regulations 9 VAC 25-790; Adopted December 4, 2003 and Effective February 12, 2004) and Memorandum to Industry 02-07 dated June 1, 2007 . If the cumulative flows are found to exceed this value, modifications to existing or future buildings shall be required to reduce the cumulative average. (T&ES)
46. **Utilities:** All new utilities serving the CDD, whether located within or outside of the CDD, shall be placed underground at the cost of Applicant, excluding the aerial 230 kV lines currently in existence as of June 12, 2010. All utilities with the exception of those having a franchise agreement with the City shall be located outside the public right-of-way; however, no transformers or switch gears shall be placed in the public right-of-way. (T&ES)

K. ENVIRONMENTAL SUSTAINABILITY

47. **Green Building:** Achieve LEED for Neighborhood Development, Silver Certification for the neighborhoods of North Potomac Yard, subject to the implementation of the Metrorail station and high-capacity transitway. Achieve LEED for New Construction, Silver Certification for all office uses, or be consistent with the City's Green Building Policy in effect at the time of DSUP approval, whichever is more restrictive. Achieve a minimum of LEED Certification for all residential uses, with a goal of working toward

LEED Silver Certification if feasible, or be consistent with the City's Green Building Policy in effect at the time of DSUP approval, whichever is more restrictive. All other uses shall comply with the City's Green Building Policy in effect at the time of approval. (P&Z)

48. **ESMP:** With each preliminary DSUP submission, the Applicant shall submit an Environmental Sustainability Master Plan (ESMP) detailing the Applicant's proposed goals for achieving Carbon Neutrality by 2030, pursuant to a core principle of the North Potomac Yard Master Plan requiring this area to be a model of sustainability. Each ESMP shall address the following:
- a. Identify methods for reducing carbon emissions;
 - b. A Phasing Plan for the implementation of the ESMP;
 - c. Provide an estimate of CO₂e (carbon dioxide equivalent) emissions utilizing a carbon footprint calculator that focuses on primary sources of CO₂ emissions such as buildings, solid waste and transportation. The same calculator shall be used for all submissions for comparative data use;
 - d. Identify and provide a narrative outlining the district-wide sustainability, energy and environmental systems that shall be utilized;
 - e. Demonstrate that zero or low emission vehicles shall be given priority parking status;
 - f. Identify proposed methods of complying with the LEED / Green Building goals noted in the above green building condition;
 - g. Identify how per capita energy use shall be reduced;
 - h. Explore the feasibility of tracking the multi-family residential energy usage and provide tracking documentation with subsequent ESMP submissions following the occupancy of the first residential building(s);
 - i. Identify any emerging technologies and/or clean, renewable energy sources incorporated into the design;
 - j. Include a solid waste management plan incorporating reduction, reuse, recycling, recovery (composting, etc.) and proper disposal as priorities per the requirements of Article H to Title 5 (Ordinance No 4438) of the Alexandria City Code;
 - k. Include a construction and demolition plan incorporating reuse, recycling and proper disposal as priorities;
 - l. Identify the location and/or programs providing identification, exposure and educational opportunities for building users and pedestrians within the development regarding the implemented sustainable measures; and
 - m. Summarize sustainable aspects of Water Management Master Plan and the Comprehensive Open Space Plan. (P&Z) (T&ES)
49. **Low Flow Fixtures:** The development shall use low flow fixtures per the requirements of the *North Potomac Yard Small Area Plan* and shall be granted a reduction of 30% sanitary sewer flow from the SCAT Regulations and Memorandum to Industry 02-07 dated June 1, 2007 for initial developments. (T&ES)

L. STORMWATER

- F - 1. In return for innovative measures to reduce stormwater runoff and improve water quality the City agrees to allow stormwater management facilities (specifically Crescent Pond and the BMPs to replace Pond 2) in public spaces and/or public right-of-way as necessary. (T&ES)
50. **Water Management Master Plan (WMMP):** Each submission of the WMMP shall include the following:
- a. The phosphorus loading in lbs/ac/yr for the preliminary DSUP to be submitted and for each parcel previously planned and/or redeveloped.
 - b. The average phosphorus loading in lbs/ac/yr, including the preliminary DSUP to be submitted, for all planned and/or redeveloped parcels.
 - c. Stormwater management and low impact design facilities to be included as part of the preliminary DSUP.
 - d. Resource Protection Area revegetation measures if appropriate.
 - e. Low flow fixtures, water conservation measures or other facilities or infrastructure to be constructed as part of the DSUP to reduce or manage generation of municipal wastewater. (T&ES)
51. Using technologies that are commercially available and commercially reasonable, the Applicant shall implement a coordinated stormwater management plan designed to achieve a maximum overall post-development total phosphorous load equal to or less than 0.65 lb/ac/yr based upon the December 2009 draft VA DCR standards and accompanying worksheet. Individual DSUP submittals shall have a maximum designed phosphorus loading of 0.70 lbs/ac/yr. At final build-out, Landbays 1 and 2 shall have a designed phosphorus loading of 0.60 lbs/ac/yr or less and Landbay 3 shall have a designed phosphorus loading of 0.70 lbs/ac/yr or less. With each DSUP submittal, the Applicant shall submit a stormwater master plan update (which is a component of the Water Management Master Plan) to track progress towards achieving the 0.65lbs/ac/yr loading for the entire redevelopment.
- a. If new technologies become commercially available, are commercially reasonable and are permitted under applicable law as part of the approval of the individual DSUPs that allow a lower overall phosphorous load to be achieved, the Applicant shall cooperate with the Director of T&ES to determine an appropriate, reduced total phosphorous load for the site.
 - b. Should local, state, or federal regulations become more stringent throughout the life of the project and require a phosphorous removal requirement more stringent than 0.65 lb/ac/yr there shall be no grand-fathering by this condition. (T&ES) (P&Z)
52. The Applicant shall permit Pond 2 to be constructed. When Pond 2 is removed, the water quality volume previously directed to Pond 2 shall be treated by a stormwater best management practice facility(s) with a minimum phosphorus removal efficiency of 50%. No interruption of water quality treatment below 50% shall occur during or after construction of CDD #19. (T&ES)

53. There shall be a level II stormwater pond in Crescent Park. The water surface of the pond shall not exceed 50% of the park acreage (refer to *Attachment #7*) and shall not extend into the RPA greater than 50 feet. The water amenity shall be located on the northern portion of the park to the greatest extent feasible. (T&ES) (RP&CA) (P&Z)
54. Roof areas shall be designed employing sustainable practices. A minimum of 50% of the surface area of each building roof shall be composed of material that has the capacity to capture the first 0.50 inches of rainwater in its void space in order to reduce runoff. A minimum of 25% of the total roof areas shall be green and a minimum of 25% of the total roof areas shall be pervious bed materials overlain with pavers, gravel or equivalent material. (T&ES)
55. Rainwater harvesting and reuse systems for irrigation shall be considered on a block by block basis. Each DSUP shall re-use a minimum of 15% of the average annual runoff from the impervious rooftop areas for irrigation. (T&ES)
56. The Applicant shall install porous pavement systems with underdrains as required, for all on-street parking spaces and porous pavers for public sidewalks, subject to site constraints. Curbside bioretention facilities shall be installed in bulb outs at intersections. These systems shall be regularly maintained by the Applicant, or the Business Improvement District (BID) or comparable entity when established. (T&ES) (P&Z)
57. The RPA adjacent to Four Mile Run shall be revegetated in a manner compatible with riparian buffer areas. Guidance for revegetation can be found in the Riparian Buffers Modification and Mitigation Guidance Manual, Restoration/Establishment Table B. (T&ES)
58. Maintenance of all BMPs and water quality practices throughout CDD#19 (including Landbay 4 and all public spaces) shall be maintained by the Applicant or the Business Improvement District (BID) or comparable entity when established. (T&ES)
59. Should there be BMPs in private spaces a BMP Maintenance Agreement shall be approved prior to release of each final site plan. Should the private party become a member of the BID or other similar entity, proof of commitment shall be required. (T&ES)
60. A CDD#19 overall maintenance agreement for stormwater facilities located in public spaces shall accompany the infrastructure plan. Agreement shall be finalized and approved prior to the approval of the infrastructure plan. Once the BID is established, a new BMP maintenance agreement naming this entity (or a similar entity) as the responsible party shall be executed. (T&ES)

M. NEIGHBORHOOD TRAFFIC CALMING

61. A comprehensive Neighborhood Traffic Calming Plan shall be initially submitted with the first DSUP for CDD#19 and the plan shall be re-evaluated with a neighborhood traffic analysis that shall be submitted with all subsequent DSUP applications subject to the satisfaction of the Directors of T&ES and P&Z. The initial plan shall be generally consistent with *Attachment #8* and all improvements shall be installed prior to the issuance of the first Certificate of Occupancy permit for CDD#19. Subsequent improvements shall be installed prior to the first Certificate of Occupancy permit issued for the associated DSUP. The area to be evaluated for these off-site improvements shall generally extend from Monroe Avenue to Four Mile Run and Route 1 to Commonwealth Avenue. Other areas may be necessary to include if severe traffic impacts resulting from the proposed development within CDD#19 is noted. The Applicant's total share of the cost for off-site traffic calming improvements (excluding street improvements along Route 1) shall not exceed \$1.0 million adjusted annually by the CPI-U for each year beyond 2010. (T&ES) (P&Z)
62. A baseline traffic study to establish baseline speed and volume data at gateways to the adjacent neighborhoods shall be completed prior to the first Certificate of Occupancy permit within CDD#19 and updated with subsequent development applications to the satisfaction of the Director of T&ES. (T&ES)

N. OPEN SPACE

- F - 2. All open space and development adjacent to Four Mile Run shall be coordinated with the Four Mile Run Restoration Master Plan and Four Mile Run Design Guidelines. (RP&CA)
63. The Applicant shall explore the feasibility to provide approximately 400 ft. x 400 ft. area and associated improvements and parking for the use of an interim recreational field as part of the submission of the first DSUP for a residential building(s). The interim recreation field-area shall be operational prior to the first Certificate of Occupancy permit for the first building(s). (P&Z) (RP&CA)
64. The Applicant shall design and construct, or provide a contribution to the City not to exceed \$1,500,000, adjusted annually by the CPI-U for each year beyond 2010, to design and construct, a synthetic field in replacement of one of the City's existing fields in the northeast part of the City, to the satisfaction of the Director of RP&CA. The field shall be constructed prior to the release of final site plan for 2.0 million sq.ft. of development in CDD#19. (RP&CA)
65. A total of 35% of the land area (69.07 acres) shall be provided as useable open space. A minimum of 15% of the total land area shall be as ground-level open space. The remainder of the required open space may be ground-level and/or roof-top open space as required through the preliminary DSUP process. Open water and public right-of-ways shall not be counted as open space. (P&Z) (RP&CA)

66. With the first preliminary DSUP submittal, the Applicant shall submit a Comprehensive Open Space Programming Plan, identifying the open space programming for each park. At the request of the Director of RP&CA, this plan shall be amended if necessary with subsequent DSUP applications. The open space programming plan shall provide a mix of active and passive recreation amenities to serve the proposed development subject to the following:
- a. Active recreation amenities may include volleyball courts, tennis courts, basketball courts, playgrounds, climbing walls/gyms, splash grounds, ice skating rinks, pools, and dog exercise areas.
 - b. An event space/festival area for small concerts or community events, play areas, and dog exercise areas shall be provided at grade, along with other active amenities determined through the DSUP plans.
 - c. Passive recreation amenities shall include trails, promenades, plazas, fountains, restrooms, overlooks, open lawn areas, seating, public art, and gardens.
 - d. All parks shall be designed with high quality special paving, furnishings, lighting, electrical service, and irrigation, active and passive amenities to achieve their design intent.
 - e. CDD#19 shall incorporate a network of private and public open space that is integrated with adjacent park property and the regional park system.
 - f. The design of the open space shall be coordinated with constructed and approved plans for adjacent open space in Landbays E, G and K. (RP&CA)
67. The following parks shall be provided by the Applicant:
- a. **Crescent Park** in Landbay 1 shall be a minimum of 2.3 acres (inclusive of the stormwater pond) and be designed, developed and dedicated to the City. The design of the park shall integrate active and passive uses including a large gathering space and shade structure/pavilion for events and/or gatherings and special features and/or amenities shall be provided to create a sense of arrival into Alexandria along Potomac Avenue. Stormwater management may be incorporated into the park design to the satisfaction of the Directors of P&Z, T&ES and RP&CA, however, the stormwater amenity may occupy no more than 50% of the park. The stormwater amenity shall be integrated into the design of the park and shall be consolidated in the northeastern portion of the park to enable consolidation of the ground-level open space and to provide a meaningful connection to the Four Mile Run pedestrian/open space bridge. Sufficient room for a minimum 20 ft. promenade with associated amenities and landscaping shall be allowed within the level space above top of bank between Four Mile Run and the pond pursuant to the Four Mile Run Design Guidelines.
 - i. Within Crescent Park, the Applicant shall design and construct a civic-park pavilion and/or comparable amenity in an amount not to exceed \$1,375,000 adjusted annually by the CPI-U for each year beyond 2010.
 - b. **Four Mile Run Promenade** - In Landbay 1 provide a promenade, associated amenities and landscaping along Four Mile Run in coordination with the Four Mile Run Restoration Master Plan, Four Mile Run Design Guidelines and the North Potomac Yard Urban Design Standards.

- c. **Market Common** park in Landbay 2 shall be a minimum of 1.0 acre with a minimum continuous width of 64 feet. The Common shall be designed to accommodate large gatherings such as farmers markets, art shows, special events and heavy use. The design of the Common shall incorporate water features, public art, lighting, landscape furnishings and other amenities associated with such use.
 - d. **Metro Square Park** in Landbay 3 shall be designed as a passive urban park with a minimum size of 0.7 acres. The design shall include hardscape and landscape materials to respond to its built environment, including the Metrorail station. The park shall include a fountain or other comparable water element and other passive recreation amenities.
 - e. **Potomac Yard Park** in Landbay 4 shall be a minimum of 3.5 acres and shall be designed, developed and dedicated to the City as a regional public park with active and passive uses. The park shall incorporate similar uses, materials and finishes, and connect with the adjacent Landbay K. Stormwater management may be incorporated into the park design if innovative techniques are utilized in the remainder of the CDD and the options proposed can be located completely under pavement and do not limit park use, planting, and programming. (A maximum of 8 stormwater structures may be located in Landbay 4.) If the required acreage for Potomac Yard Park cannot be met due to the configuration of the Dedicated High-Capacity Transitway, the Applicant shall provide funds in lieu of the deficit. (RP&CA) (P&Z)
68. The following open spaces shall be subdivided and dedicated to the City as individual parcels:
- a. Crescent Park;
 - b. Four Mile Run Connection;
 - c. Potomac Yard Park/Landbay 4;
 - d. Metro Square; and
 - e. Market Common. (RP&CA) (P&Z)
69. Route 1 Gateway – An open space area (of approximately 15,000 sq.ft.) shall be provided in front of the hotel on Block 3 and shall be designed as high quality open space with features such as fountains, public art, special paving and landscaping to create a sense of arrival into Alexandria. The open space shall be accessible to the public. (P&Z) (RP&CA)
70. The ground-level open space centrally located within Blocks 2, 5 and 16 or 21 shall include a perpetual public access easement that shall enable the open space to be fully accessible to the public for the hours and guidelines approved by the Directors of RP&CA and P&Z. Additionally, the Applicant shall provide a perpetual public access easement on Block 3 for the open space fronting on Route 1. The easements shall include provisions to close portions of the open space for repair and maintenance and shall permit utilities to be located under the open space. (P&Z) (RP&CA)
71. The Applicant shall design and construct the following improvements in Landbay E pursuant to the Four Mile Run Restoration Master Plan, Four Mile Run Design

Guidelines and the North Potomac Yard Urban Design Standards to the satisfaction of the Directors of RP&CA and P&Z:

- a. Bridge “C” (*Attachment #7*) – An urban, green open space and plaza shall be constructed on the east pedestrian bridge. The open space shall include an architectural focal element, permanent structural facilities for recreational uses, restrooms, lighting, special paving, interpretive or educational components, public art and plantings that incorporate a water theme. Provide a meaningful connection to Crescent Park.
 - b. Banks – A linear promenade with a minimum continuous width of twenty feet on both the north and south banks. The promenades shall include high quality special paving, thematic elements, lighting, site furnishings, shade trees and plantings. The design shall incorporate low-impact development (LID) techniques and stormwater filtration buffers.
 - c. Banks – Improvements to the stream banks, including bank stabilization and riparian edge plantings, amphitheater terracing, canoe/kayak launch, performance pontoon, trail connections and ramps.
 - d. Trail – A new 10 ft. wide shared-use path and associated amenities at the toe of Four Mile Run along the south bank of Four Mile Run. The trail shall connect to the existing Four Mile Run Trail (west of Route 1), the shared-use path in CCD #19 and the Mount Vernon Trail to the east. The new path shall be built to standards approved in the Four Mile Run Restoration Master Plan and Four Mile Run Design Guidelines which shall be constructed and operational prior to the first Certificate of Occupancy permit for the second building constructed on Blocks 2, 3 or 5.
 - e. Four Mile Run improvements in Landbay E as noted above shall be a maximum of \$8,700,000 adjusted annually by CPI-U for each year beyond 2010. (P&Z)(RP&CA)
 - f. As part of the approval of the first DSUP within CDD#19, the applicant may propose an agreement regarding a fee in lieu of designing and constructing the Four Mile Run improvements conditioned herein; the agreement will include timing requirements and the fee will be payable to the City of Alexandria, subject to the satisfaction of the Directors of RP&CA and P&Z. (RP&CA) (P&Z) (T&ES)
72. Crescent Park, the Four Mile Run Promenade, Market Common, Metro Square shall be privately maintained by the Applicant or the Business Improvement District (BID) when established. Maintenance and applicable requirements of the Director of RP&CA shall comply with the City of Alexandria Landscape Guidelines. (RP&CA)
73. Roof top open space shall be designed as high-quality open space with active and passive uses for residents and building tenants. Roof top open space on office buildings may be accessible to the public if compatible with the building use as determined by the Directors of RP&CA and P&Z in consultation with the Applicant as part of the DSUP process. Roof top open space shall be physically and/or visually accessible. (RP&CA)

74. All additional ground-level open space, including courtyards, plazas, and private internal courtyards shall be designed as high-quality open space for residents, building tenants and the public where appropriate. (RP&CA)

75. National Park Service: To minimize impacts to the George Washington Memorial Parkway, the Applicant shall be responsible for ensuring that the landscaping, open space, signage and lighting shall comply with the following to the satisfaction of the Directors of P&Z and RP&CA:
 - a. Prior to the issuance of the first Certificate of Occupancy permit within CDD#19, the Applicant shall provide a one-time monetary contribution of \$200,000, adjusted annually by the CPI-U for each year following 2010, to the National Park Service for trees and landscaping on National Park Service land located between the George Washington Memorial Highway and CDD#19.
 - b. Retail, residential and/or office sign(s) shall be limited to a maximum height of 25 feet above the grade of the adjoining sidewalk for the building frontages depicted on *Attachment #9*.
 - c. The lighting for the tops of buildings generally depicted on *Attachment #9* shall be done in a manner which is consistent with the intent and character of the George Washington Memorial Parkway.
 - d. A perpetual open space easement shall be placed on Landbay 4 and Crescent Park (Block 1 and Block 24 as depicted in the *North Potomac Yard Small Area Plan*), other than the area necessary for the Metrorail station and associated amenities as defined herein. The buildings within the Flexible Metrorail Zone adjacent to the Metrorail station shall be located outside the Old and Historic District Height Zone. (P&Z) (RP&CA)

O. USES

76. For purposes of these CDD conditions, “Retail” is defined to include retail, personal service uses, amusement enterprises, and restaurants, as defined in the Zoning Ordinance, with the exceptions identified below:
 - a. Retail shopping establishments shall not include appliance stores and auto parts stores;
 - b. Personal service uses shall not include appliance repair and rental, contractors’ offices, laundromats, and pawnshops;
 - c. Personal service uses on the ground floor, shall be limited to a frontage less than 30 feet within required retail areas, unless additional frontage is permitted with an approved Special Use Permit;
 - d. Ground floor “retail” uses along East Reed Avenue shall only be utilized for retail and restaurant uses as defined by the Zoning Ordinance with the exclusions stated in subparagraph (a) above; and
 - e. Other similar pedestrian-oriented uses as approved by the Director of P&Z to meet the intent of providing active pedestrian-oriented neighborhood-serving retail uses are allowed. (P&Z)

77. An administrative Special Use Permit may be permitted for all restaurants pursuant to section 11-513 of the Zoning Ordinance. In addition to the DSUP approval, restaurants that do not comply with section 11-513 of the Zoning Ordinance, shall obtain a separate Special Use Permit, pursuant to section 11-500 of the Zoning Ordinance. (P&Z)
78. The locations of required and preferred retail and the height, depth and design of the retail shall conform to the *North Potomac Yard Urban Design Standards*. Additional retail may be provided outside the specified retail areas; however the retail shall be deducted from the permitted floor area. The retail shall require approval as part of the preliminary DSUP. (P&Z)
79. A movie theater use shall only be permitted south of East Reed Avenue or on Block 7 and shall be developed to enhance the office/entertainment district within Landbay 3. (P&Z) (PC)
80. In the event the City Code is changed to permit street vendors, the Applicant shall permit, at the City's request, vendors to operate within Metro Square and/or Market Common (i.e. Landbay 2). Any such program shall be coordinated by the North Potomac Yard Business Improvement District (or comparable entity) per the City's guidelines for the program. (P&Z)

81. The allowable floor area, units and uses shall be governed by the following table, subject to the following:

Table 5: Development Summary Table						
	1	2	3	4	5	
Block #	Office	Residential (Units)	Office or Residential	Retail	Hotel	Total
1	(Crescent Park)					
2	0	500,000 (500)	0	0	0	500,000
3	0	0	0	0	170,000	170,000
4	(Possible School Site)					
5	0	600,000 (600)	0	0	0	600,000
6	110,000	0	250,000 (250)	35,000	0	395,000
Landbay I Crescent Gateway TOTAL	110,000	1,100,000 (1,100)	250,000 (250)	35,000	170,000	1,665,000
7	0	0	320,000 (320)	90,000	0	410,000
8	0	0	690,000 (690)	110,000	0	800,000
9	55,000	0	260,000 (260)	40,000	0	355,000
10	0	0	330,000 (330)	160,000	0	490,000
11	0	0	700,000 (700)	120,000	0	820,000
12	55,000	0	295,000 (295)	50,000	0	400,000
13	(Market Park)					
Landbay II Market District TOTAL	110,000	0	2,595,000 (2,595)	570,000	0	3,275,000
Metro Flex Zone (Blocks 14,15,16, 18,20 & 21)	1,100,000	0	300,000 (300)	190,000	0	1,590,000
17	60,000	0	250,000 (250)	50,000	0	360,000
19	(Metro Square Park)					
22	370,000	0	0	65,000	0	435,000
23	180,000	0	0	20,000	0	200,000
Landbay III Metro Square TOTAL	1,710,000	0	550,000 (550)	325,000	0	2,585,000
24	(Potomac Yard Park - Landbay IV - Landbay K Extension)					
SITE TOTAL	1,930,000	1,100,000	3,395,000	930,000	170,000	7,525,000

- a. For purposes of CDD#19, floor area is defined as the sum of all gross horizontal areas under a roof or roofs. These areas are measured from the exterior faces of walls or from the centerline of party walls. Elevator and stair bulkheads, multi-story atriums and similar volumetric construction, not involving floor space are excluded.
- b. The floor area defined for each block within CDD#19 is a maximum floor area subject to compliance with the *North Potomac Yard Small Area Plan*, the *North Potomac Yard Urban Design Standards*, the CDD conditions required herein, and applicable requirements of the Zoning Ordinance.
- c. Community facilities, public buildings and associated accessory uses may be provided on any block and shall not be deducted from the maximum permitted

floor area; however the uses shall be subject to height requirements, the North Potomac Yard Urban Design Standards and other applicable elements as part of the DSUP process. Block 4 is reserved as a possible school, community facility and/or public building.

- d. For blocks that permit office and/or residential uses, the amount of development shall be governed by the floor area, except if the study noted in (j) below is pursued and approved. In addition, the number of dwelling units noted in parentheses in Table 5 is a maximum.
 - e. Residential development for buildings on Blocks 2 and 5 is limited to the maximum number of dwelling units and floor area identified in Table 5, except if the study noted in (j) below is pursued and approved.
 - f. Any conversions between residential units and commercial floor area shall occur in the conversion of one residential unit to 1,000 sq.ft. commercial.
 - g. The mix of office and residential uses shall be consistent with the intent of the North Potomac Yard Small Area Plan.
 - h. The final block configuration and the block numbers for the blocks located within the Flexible Metrorail Zone shall be approved by City Council when the CDD Conceptual Design Plan is revised as required herein.
 - i. Accessory retail may be provided on any block but shall be deducted from the permitted floor area.
 - j. For all blocks on which residential use is permitted as depicted in Table 5, the Applicant shall be permitted to use dwelling units (du), rather than floor area for CDD #19, subject to the approval by the Planning Commission and Council of a comprehensive massing study for all residential blocks within CDD #19. The massing study shall depict the anticipated range of massing as determined by the Director of P&Z and depict compliance with the applicable provisions of the North Potomac Yard Urban Design Standards. The massing study shall be approved by the City Council as part of the submission of the first development special use permit containing residential use. (P&Z) (PC)
82. The Applicant may propose to transfer floor area within Column #3 of the Development Summary Table (Table 5) from one block to another, with an application for a DSUP, subject to the following:
- a. No transfer shall cause the office/residential floor area or the number of dwelling units, in any block/Landbay to increase or decrease by more than 20%;
 - b. No transfer shall decrease the office floor area for Blocks 14, 15, 16, 17, 18, 20, 21, 22 and/or 23; and
 - c. The Applicant shall submit all necessary massing studies with each proposed transfer to demonstrate that both the sending and receiving blocks shall be meet the bulk, height and form requirements/restrictions pursuant to the North Potomac Yard Urban Design Standards. (P&Z)
83. As buildings in the existing retail center become vacant, the Applicant shall make the buildings available to the City, for an interim use for police and fire training or other comparable use until such time as the block(s) redevelop provided that the City and the Applicant reach an agreement on the terms and conditions of such use. (P&Z)

P. RETAIL MANAGEMENT & BUSINESS IMPROVEMENT DISTRICT

84. As part of the submission of the first DSUP, the Applicant shall be responsible for submitting the proposed governance structure for CDD #19, which addresses the need for a master developer, retail as required herein, maintenance, programming and other associated elements for review and approval by City Council as part of the DSUP. (P&Z)
85. To ensure a comprehensive and coordinated approach for the retail leasing, the required retail, as defined herein, and depicted in the *North Potomac Yard Urban Design Standards* shall be operated through a coordinated management agreement, entity or district (such as a business improvements district) which is separate from the ownership and management of the offices, hotel and residential uses within each of the mixed-use buildings and blocks. During the initial lease up of the required retail in Landbay 2, the retail entity as required herein shall be responsible for selecting and controlling the location and mix of retail and personal service uses for the location where retail and / or personal service uses are required. The final role and composition of the retail management entity and overall governance shall be approved as part of the first DSUP. (P&Z) (PC)
86. Retail signage shall comply with all applicable provisions of the *North Potomac Yard Urban Design Standards*, the Zoning Ordinance and the restrictions stated herein. (P&Z)
87. Prior to the release of the first final site plan containing the first building within CDD#19, the Applicant shall establish a Business Improvement District (BID) or comparable entity to be responsible for the following items to the satisfaction of the Directors of P&Z, T&ES, RP&CA and City Attorney:
 - a. Open Space – Repair and maintenance of Metro Square, Market Common, Crescent Park and the Four Mile Run promenade.
 - b. Open Space – The BID shall be responsible to work in coordination with the City to establish the appropriate programming within the City parks and open space.
 - c. Parking – Coordination and management of the shared parking management plan between the owner(s) in CDD#19.
 - d. Residential Statements – The Applicant, the BID or a comparable entity shall be responsible for ensuring that all residential tenants and property owners sign a statement (at the time of lease or sale) affirming they are familiar with the *North Potomac Yard Small Area Plan* and the requirements of the CDD staff report and conditions of approval. The BID or comparable entity shall keep a copy of these signed statements on file and shall provide to the City upon request. The statements shall be required until CDD#19 is fully constructed.
 - e. Signage – maintenance, repair, and coordination of locations and messaging for all identification signs, wayfinding signs, directional signs, and seasonal/event banners.
 - f. Porous Pavement / Special Paving on Public Streets and Sidewalks – Maintenance and repair of porous pavement or special paving on public streets and sidewalks.

- g. Any streets, alleys, walkways, common areas, and open spaces, not defined herein, shall be maintained by the BID.
- h. Valet parking: coordination of any valet management plan between the owners in CDD#19. (P&Z) (T&ES) (RC&PA)

Q. COMMUNITY FACILITIES

- 88. For purposes of these CDD conditions, “Community Facilities” is defined to include day care facilities, schools, community/youth/senior centers, performing arts theatre, education centers, neighborhood reading rooms, libraries, community spaces and any similar use that contributes a significant benefit to the community, as determined by the Director of P&Z. (P&Z)
- 89. Space for which floor area has been allocated and approved as a community facility, public building or day care facility, using an exclusion from the development floor area maximums established in the development summary table, shall remain devoted to uses that qualify as day care facilities, community facilities or public buildings at all times, subject to the satisfaction of the Director of P&Z. Additionally, any accessory uses approved using the development exclusion shall retain the originally approved use, unless amended with a special use permit by Planning Commission and City Council. (P&Z)
- 90. **School:** The Applicant shall dedicate Block 4 as depicted in the *North Potomac Yard Small Area Plan* to the City for a possible school, community facility and/or a public building.
 - a. The site shall be reserved and made available for the construction of a new Alexandria City Public Schools (ACPS) and/or comparable school facility if, in the future, it is jointly determined by the City Council and School Board to locate a school at this site. Alternately if determined by the City, the site may be utilized for open space, community facilities, public building and/or comparable use.
 - b. The reservation shall also permit collocated uses which may include but is not limited to office and/or residential uses above the school.
 - c. The school, community facility, public building, and associated uses shall be subject to all applicable provisions of the *North Potomac Yard Small Area Plan*, *North Potomac Yard Urban Design Standards* and other applicable requirements and be subject to a DSUP. The school, community facility, public building, and accessory uses shall not be deducted from or counted against the maximum permitted square footage of development within CDD#19.
 - d. Block 4 shall have an approximate block size of 30,000 sq.ft., excluding the public right-of-way.
 - e. Prior to dedication of the land to the City, the Applicant shall be responsible for construction of all necessary streets and infrastructure adjacent to the site.
 - f. Subsequent to the dedication to the City and until the commencement of construction for a school and/or comparable building for the site, the site may be used as an interim open space to the joint satisfaction of the Superintendent of ACPS and the Director of RP&CA.

- g. In the event that the City elects not to construct a school on the site, the City may utilize the site for a community facility and/or public building and accessory uses as defined herein or for use as a public park-open space.
 - h. If the City does not use Block 4 for a school site, public park-open space or other community facility, the property shall be offered to the Applicant for purchase at its then appraised value less 15% prior to offering the site to any third party for purchase.
 - i. As part of the redevelopment of Blocks 5, 7 and/or 8, the City reserves the right for potential shared parking to accommodate possible school and/or community facilities located on Block 4. Adequate parking shall be determined as part of the DSUP process for Blocks 5, 7 and/or 8.
 - j. The Applicant shall provide a monetary contribution of \$15,000,000 adjusted annually by the CPI-U for each year beyond 2010, to contribute to the construction of a school in Potomac Yard or a location that serves Potomac Yard students. The contribution shall be made payable to the City prior to the Certificate of Occupancy permit for the first project exceeding 2,000 or more units within CDD#19. In the event the school, community facility and / or public building(s) is constructed by the City or ACPS prior to payment by the Applicant of the amount due, the monetary amount required herein shall be to reimburse the City or ACPS. (P&Z) (ACPS) (RP&CA) (PC)
91. Applicant shall provide at no charge, an amenity space on the top floor of Block 2, overlooking the Potomac River and Washington D.C., to community and non-profit organizations located in adjacent Alexandria neighborhoods in addition to Alexandria City government agencies at least 24 times per year during the hours of 8:00 a.m. to 10:00 p.m. on weekdays and 8:00 a.m. to 6:00 p.m. on Saturdays on a space-available basis, upon request by the City. (P&Z)
92. The Applicant shall construct or contribute to a live performance arts theater, cultural/civic use space and/or comparable amenities as determined by City Council an amount not to exceed \$10,000,000 adjusted annually by the CPI-U for each year beyond 2010, or an equivalent area within a building as part of the DSUP process. The location of the theater shall be depicted and approved as part of the phasing condition required herein. The theater shall be constructed or the monetary contribution shall be made payable to the City prior to the first Certificate of Occupancy permit for the block in which the theater is located. If applicable, the Applicant shall participate in the rental management of the space(s) to the satisfaction of the Director of P&Z. (P&Z)
93. **Recycling Center:** To recycle the Municipal Solid Waste (MSW) products, the Applicant shall provide an area of 500 sq.ft. for the construction of a community recycling center, entirely enclosed within a building, architecturally screened to be integrated with the remainder of the building and accessed from a C Street as defined by the *North Potomac Yard Urban Design Standards*, within CDD#19. The facility must be accessible by standard City vehicles that will collect the recycling. The location of which shall be mutually agreeable to the City and the Applicant. The Applicant shall also develop a solid waste management plan per the City's "Solid Waste and Recyclable

Materials Storage Space Guidelines”. Roll off dumpster containers for recycling newspaper, paper towels, aluminum, plastic, glass, soft drink containers, steel cans, and plastic detergent bottles shall be provided in this Community Recycling Center by the Applicant; however, the Community Recycling Center shall be maintained by the City of Alexandria. The facilities require by this condition shall be provided prior to the release of the Certificate of Occupancy permit for the first project exceeding 3.7 million sq.ft. of development. (T&ES) (PC)

R. AFFORDABLE HOUSING

94. A voluntary affordable housing contribution shall be provided pursuant to the formula contained in the “Developer Housing Contribution Work Group Report” dated May 2005 and accepted by the City Council on June 14, 2005, and calculated as follows:
- a. For commercial: \$1.50 per sq.ft. of gross floor area
 - b. For residential development:
 - i. For the “base square footage,” which shall be defined as the first 600,000 sq.ft. of residential gross floor area (divided proportionally between rental and for sale use if provided simultaneously):
 - 1. \$1.50 per sq.ft. of multifamily rental gross floor area
 - 2. \$2.00 per sq.ft. of for sale residential gross floor area
 - ii. \$4.00 per sq.ft. of residential gross floor area after the base square footage has been satisfied.
 - c. The Applicant shall receive credit of \$300,000 as an offset for the affordable housing contribution provided in connection with the current development on the site pursuant to DSP #2005-0020. This credit will be applied as contributions become payable with regard to the redevelopment of the existing development, based on the existing square footage redeveloped per DSUP.
 - d. The amount of the voluntary contribution for each individual DSUP submittal shall be consistent with the City’s current affordable housing contribution levels in effect at the time of DSUP approval. Sales and/or rental units will be discounted to the City’s specified affordability levels in effect at the time of DSUP approval. (HOUSING) (PC)
95. The Applicant has indicated its willingness to provide discounted set-aside affordable units on site (to include affordable, workforce and public housing) within residential developments in CDD#19. The City retains the discretion to select the proportion of the contribution provided as a monetary contribution and the proportion dedicated for on-site units. Additionally, it shall be the City’s discretion to select the mixture of unit types (affordable, workforce and public housing) provided on-site and whether some or all of such units may be sold to a designated non-profit entity or to the Alexandria Redevelopment and Housing Authority at a discounted price. (HOUSING)
96. The Applicant may not apply for an affordable housing density bonus, pursuant to Section 7-700 of the Zoning Ordinance, unless they can demonstrate through the DSUP process, and associated traffic study that the proposed transportation infrastructure and open space amenities can support additional density. Any development within CDD#19

requesting approval of a density bonus shall also comply with the North Potomac Yard Urban Design Standards. (P&Z)

S. ARCHAEOLOGY & PUBLIC ART

- F - 3. Historically, this property was part of the Preston Plantation and may have contained the Preston family grave yard. It was traversed by the Alexandria Canal in the 19th century and contained a turning basin. In the 20th Century, it served as the southbound receiving yard and northbound classification yard for the railroad. Additional railroad buildings (including car inspection buildings and a laborer's bunk house) were located on the property. Archaeological work was conducted on the property in the 1990s. It revealed extensive grading, which has been corroborated by documentary studies comparing landscape modifications associated with the creation of Potomac Yard. No additional archaeological work is required, but the rich history provides an opportunity to incorporate elements of the history into the design of the development.
97. Prior to the submission of the first DSUP for CDD#19, the Applicant shall submit a current Public Art and Historic Interpretive Plan for the entire site that satisfies the following:
- a. Hire a professional consultant to prepare the Historical Interpretive portion of the Plan to identify themes and methods to incorporate and interpret elements of the heritage and historical character into the design of the open space, buildings, the public realm and to prepare interpretive signs, which shall be erected as part of future development projects;
 - b. Identify locations, such as gateways, corridors, historically significant sites, highly visible sites, open space, and others, for opportunities for public art;
 - c. Describe forms of public art desired, such as stand-alone pieces or integration into the architecture, landscape, open space and/or public streetscape;
 - d. The process for the selection of the artist or artwork;
 - e. Funding and maintenance considerations;
 - f. Provide a presentation of the historical significance of the place and recommendations for methods to interpret the site through public art, open space design and interior design;
 - g. The Public Art and Historic Interpretive Plan shall be subject to the approval by the Office of the Arts, Office of Historic Alexandria / Alexandria Archaeology and the Directors of P&Z and RP&CA;
 - h. Prior to release of any final site plan, the consultant shall provide text and graphics for any interpretive signage to be displayed within the site area, to the satisfaction of the Office of Historic Alexandria/Alexandria Archaeology and the Directors of P&Z and RP&CA.
 - i. Public art (exclusive of interpretive signage) shall at a minimum of \$4,000,000 adjusted annually by CPI-U for each year beyond 2010, or shall be consistent with the City's Public Art Policy in effect at the time of DSUP approval, whichever is greater. The location and design of the public art shall be determined through the DSUP process. (Arts)(Archaeology)(P&Z)(RP&CA)

98. Each preliminary DSUP, filed or pursued under § 5-605 of the Zoning Ordinance, shall meet or exceed the City's current Public Art Policy that is in place at the time the application is heard by City Council. (P&Z)

T. CODE ADMINISTRATION

- C - 1 The Applicant shall provide fire hydrant spacing of a maximum distance of 300 feet throughout this portion of the development unless otherwise mitigated to the satisfaction of the Director of Code Administration. (CODE)

U. TRANSPORTATION MANAGEMENT PLAN

99. According to Article XI of the City's Zoning Ordinance, a Transportation Management Plan is required to implement strategies to persuade residents and employees to take public transportation or share a ride, as opposed to being a sole occupant of a vehicle. The details of the Plan are included in the TMP Annex in the general staff conditions. Below are the basic conditions from which other details originate. (T&ES)
100. Any special use permit granted by City Council under this section 11-700, unless revoked or expired, shall run with the land and shall be mandatory and binding upon the Applicant, all owners of the land and all occupants and upon all of their heirs, successors and assigns. Any use authorized by a special use permit granted under this section 11-700 shall be operated in conformity with such permit, and failure to do so shall be deemed grounds for revocation of such permit for the use violating the permit, after notice and hearing, by the City Council. (T&ES)
101. Prior to any lease/purchase agreements, the Applicant shall prepare appropriate language to inform tenants/owners of the transportation management plan special use permit and conditions therein, as part of its leasing/purchasing agreements; such language to be reviewed and approved by the City Attorney's office. (T&ES)
102. North Potomac Yard shall participate in any future Transportation Management Program District established by the City. (T&ES)
103. The North Potomac Yard TMP district shall participate with the adjacent Potomac Yard District TMP, known as CDD #10 with any future approved amendments to CDD #10 TMP to the satisfaction of the Director of T&ES. (T&ES)
104. If required by the Director of T&ES, the North Potomac Yard TMP District shall incorporate future or existing TMPs into their TMP District as required herein. (T&ES)
105. If a stand-alone district is established, a District Coordinator shall be designated for the Potomac Yard North district. The District Coordinator shall be appointed upon application for the initial building permit. The name, location and telephone number of the coordinator shall be provided to the City at that time, as well as of any changes

occurring subsequently. This person shall be responsible for implementing and managing all aspects of the district and the parking management program for the project. (T&ES)

106. When the North Potomac Yard District participates in any future District established by the City, a joint District Coordinator shall be appointed to the satisfaction of the Director of T&ES and funded by the required fees of each District participant. Should the TMP District not assign a District Coordinator agreeable to the Director of T&ES, the City shall assign a Coordinator to be wholly funded by the required fees of each District participant. The function of the Coordinator is to carry out the transportation strategies that shall make possible the goals outlined below. (T&ES)

107. An annual TMP fund shall be created, based on an initial TMP reduction goal of 20% of single occupant vehicles (SOV), and phased increments of 30% and 50% per Table 6 provided below. The rate to be charged for this development shall start at \$200.00 per occupied residential unit and \$0.30 per usable square foot of office and/or retail space per year. The rate shall continue to increase by an amount equal to the rate of inflation (Consumer Price Index – CPI-U of the United States) for the previous year. The TMP fund shall be used exclusively for the approved transportation activities detailed in the *TMP Attachment #10*. (T&ES)

108. The initial SOV goal of 20% shall be escalated for Potomac Yard North to reflect the three phases of development which encompass the construction and improvement of roads, the implementation of the transitway, and the construction of a Metrorail station. The table below shows the escalation projections: (T&ES)

Table 6: Single Occupancy Vehicle Goals

Phase	Trigger	Goal
Phase I- Pre Development	N/A	N/A
Phase II – Development Preceding Metrorail Station	First Certificate of Occupancy permit before transitway	20% Non-SOV
	Transitway operational	30% Non-SOV
Phase III – Development Concurrent with Metrorail Station Construction	Metrorail under construction	30% Non-SOV
Phase IV –Metrorail Station Operational	Metrorail operational	50% Non-SOV

109. The TMP rates shall be adjusted annually by an amount equal to the rate of inflation (Consumer Price Index – CPI-U of the United States) for the previous year. (T&ES)

110. The Director of T&ES shall review the TMP in conjunction with the submission of any initial preliminary development plan. The TMP shall be docketed for consideration by the Planning Commission and City Council if the director has determined that modifications to the TMP are necessary to address issues relating the operation of the TMP or attainment of the goals outlined. The TMP fund shall be used exclusively for the approved transportation activities detailed in the *TMP Attachment #10*. (T&ES) (PC)

111. The Director of T&ES may require that the funds be paid to the City upon determination that the TMP District has not made a reasonable effort to use the funds for TMP activities. As so determined, any unencumbered funds remaining in the TMP account at the end of each reporting year may be either reprogrammed for TMP activities during the ensuing year or paid to the City for use in transportation support activities which benefit the site. (T&ES)
112. Any modifications to any parking policies or other conditions of CDD#19 relating to the TMP requirements for North Potomac Yard CDD shall require approval from the City Council. (T&ES)
113. The TMP District shall submit annual reports, fund reports and modes of transportation surveys to the Office of Transit Services and Programs (OTS&P) as detailed in the *TMP Attachment #10*. (T&ES)

VIII. APPENDIX – BACKGROUND

A. Site Context

Potomac Yard and Potomac Greens occupy a 295-acre tract in the northeastern portion of the City. A former rail yard, the tract is linear in nature and is divided into two main areas, Potomac Yard, located west of the CSX rail corridor and Potomac Greens, located east of the rail corridor. The site, previously known as Landbay F, is approximately 70 acres and is located in the northern portion of Potomac Yard. The site consists of two large parcels, separated by the existing Potomac Avenue right-of-way, and is bordered by Four Mile Run and Landbay E to the north, the rail corridor to the east, the recently approved Potomac Yard Landbay G to the south and Route 1 to the west. Currently occupied by the Potomac Yard Retail Center, the site includes large scale retail establishments, a movie theater and a number of restaurants.

B. Site History

With the approval of the 1992 Master Plan, the City approved a new zoning designation for the Potomac Yard / Potomac Greens tract: Coordinated Development District (CDD) #10. The CDD encouraged a mixture of uses and increased the development potential of the district. Despite this zoning designation, the property owner proposed to construct a large retail center, pursuant to the underlying provisions of the CDD zoning.

In 1995, City Council approved a site plan for the Potomac Yard Retail Center, which consisted of approximately 600,000 square feet of retail development and 3,600 parking spaces. The site plan was amended in 1997 to accommodate a sixteen-screen movie theater on the eastern portion of the site. The retail center and associated movie theater were presented and approved as interim uses to be redeveloped in approximately twenty years, as the redevelopment in other areas of Potomac Yard progressed.

The Potomac Yard Retail Center includes several freestanding structures adjacent to Route 1 which are primarily occupied by restaurants, retail and neighborhood serving uses, including a dry cleaner and a hair salon. In addition to the freestanding structures, there are also two large structures located in the center of the site, approximately 450 feet from Route 1 which are occupied by large scale retail tenants including Target, Staples, PetSmart, Shoppers Food Warehouse and similar establishments. A sixteen screen cinema is located on the eastern portion of the site, between the Potomac Avenue right-of-way and the rail corridor.

C. Project Evolution

In 2008, a combination of events in Potomac Yard resulted in the authorization of the North Potomac Yard planning process by City Council. These events included:

- CPYR, Inc. expressed interest in rezoning the Potomac Yard Retail Center and submitted a Coordinated Development District Conceptual Design Plan to propose increased density to accommodate an urban, mixed-use community;

- Interest in a Metrorail station at Potomac Yard intensified and City Council authorized funding for a Metrorail Station Feasibility Study; and
- City Council approved the transfer of office density from Potomac Yard Landbays J and L to Landbay H, in addition to an increase in height in Landbay H.

City Council agreed with staff that the redevelopment of an approximately 70-acre site coupled with a potential Metrorail station and increased height and density in a non-metro proximate location required a comprehensive analysis to ensure consistency with the City's adopted plans and policies.

Subsequent to the authorization of the North Potomac Yard Small Area Plan, City Council established the Potomac Yard Planning Advisory Group (PYPAG) to identify issues, challenges and opportunities with the redevelopment of North Potomac Yard and assist staff in the development of policy recommendations, amongst other functions. The City Manager appointed residents, property owners, business owners and representatives of other interest groups to the advisory group. A representative of the applicant, McCaffery Interests, Inc. served as a member of PYPAG and participated in the overall planning process.

In the early fall of 2009, the applicant submitted a Coordinated Development District (CDD) conceptual design plan based on concepts identified through the North Potomac Yard planning process and discussions with staff. In the concept plan, the applicant proposed a mixed-use community including office, hotel, retail and residential uses as well as ground level open space. Although the concept plan was largely consistent with the vision and guiding principles of the North Potomac Yard Small Area Plan, several issues, including sewer conveyance and capacity, stormwater retention and traffic circulation required further consideration.

In November 2009, the applicant submitted a revised plan to address the previously identified issues of sewer conveyance, sewer capacity and stormwater retention. Although the revised submission largely complied with the North Potomac Yard Small Area Plan recommendations, the concept plan continued to differ from the framework established in the North Potomac Yard Small Area Plan in the following areas:

- Design and location of Potomac Avenue;
- Configuration of streets and blocks in the flexible Metrorail zone adjacent to the future Metrorail station;
- Design and location of a transit center for access to the future Metrorail station, high-capacity transit and local transit service; and
- Extension of East Reed Avenue and configuration of blocks within the Market Neighborhood.

To demonstrate compliance with the framework established in the North Potomac Yard Small Area Plan, the applicant submitted a revised concept plan in May 2010, which depicted the flexible Metrorail Zone. As the design and location of Potomac Avenue and the transit center are largely dependent upon the final configuration of streets and blocks within the flexible zone, the applicant agreed to amend the Coordinated Development District Conceptual Design Plan to depict the streets, blocks, buildings, and open space within the flexible zone as details regarding

North Potomac Yard
3601 Jefferson Davis Highway and 3601 Potomac Avenue

the Metrorail station and high-capacity transitway are finalized. In addition, the applicant revised the concept plan to extend East Reed Avenue from Route 1 to Potomac Avenue, to create two distinct blocks in the Market Neighborhood.

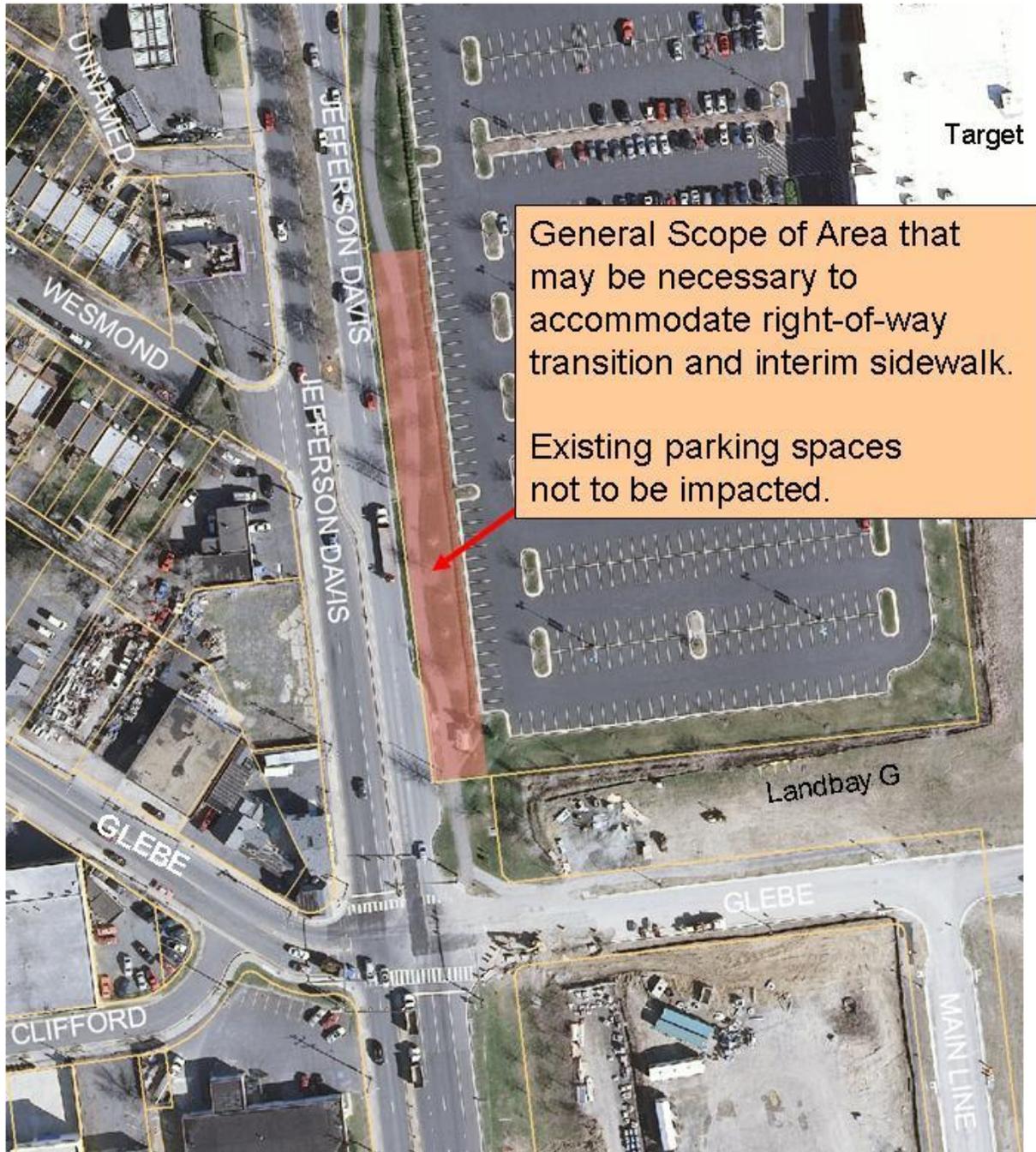
IX. ATTACHMENTS

Attachment #1



Attachment #3

INTERIM ROUTE 1 - ROW TRANSITION



Attachment #4

LANDBAY G, BLOCK D INTERIM ACCESS



Attachment #5

INTERIM MAIN LINE BLVD CONNECTION



Attachment #6

PROPOSED STREET NAMES



Attachment #7

CRESCENT PARK BOUNDARIES

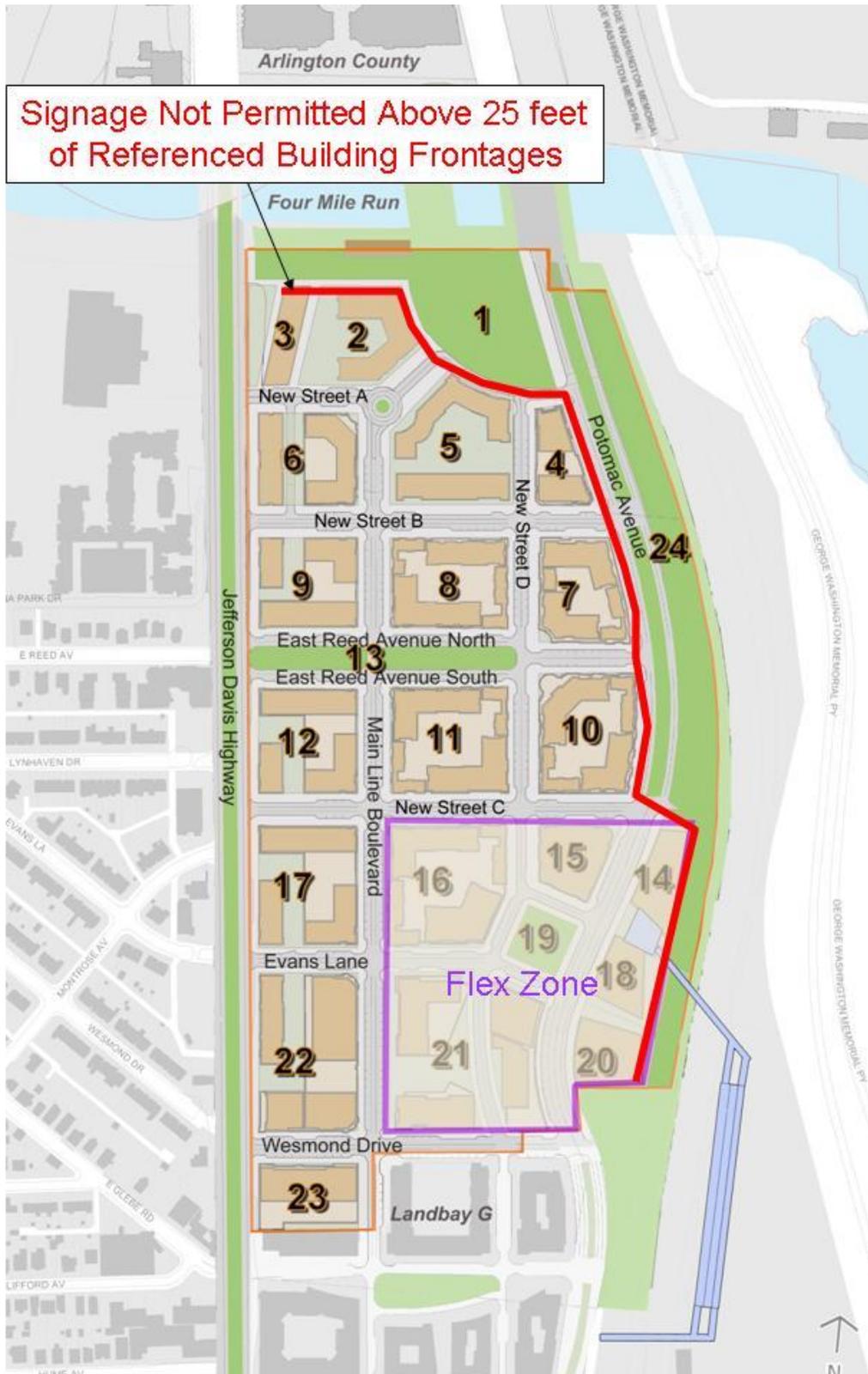


Attachment #8

ATTACHMENT AMENDED BY PLANNING COMMISSION:



Attachment #9



Attachment #10

Transportation Management Plan (TMP) Attachment

North Potomac Yard - TMP # 2009-00061

3601 Jefferson Davis Highway
3601 Potomac Avenue
Alexandria, VA 22301

The City of Alexandria is studying the feasibility of a transitway system along Route 1 and a Metro Station to serve the Potomac Yard area. Joined to the existing local bus service, these two facilities make North Potomac Yard an ideal location for transit use and the lowering of single occupant vehicles that could be generated by the development. In view of this location, below are the Transportation Management Plan (TMP) conditions that the Transportation Planning Division proposes for North Potomac Yard mixed use:

The Transportation Management Plan (TMP) program was enacted by the Alexandria City Council on May 16, 1987 and is now part of the Alexandria Zoning Code (Chapter 6, Title 7). The ordinance requires that office, retail, residential and industrial projects which achieve certain square footage thresholds submit a special use permit application which must include a traffic impact analysis and a transportation management plan (TMP). The Planning Commission and the City Council consider all special use permit applications, and the City Council makes the final decision on the approval of the applications. Any project requiring a TMP must receive the TMP special use permit, before the project can proceed. The TMP Program is a comprehensive effort to increase the use of transit and reduce the number of single occupant vehicles (SOVs) in the City.

The Transportation Management Program for North Potomac Yard consists of 5 parts:

- 1) Goal and Evaluation of the TMP
- 2) Organization and Funding
- 3) Transportation Management Plan
- 4) Evaluation of the Effectiveness of the TMP
- 5) Permanence of the TMP Ordinance

1. Goal and Evaluation of the TMP

- a. The initial reduction goal of 20% in SOV will be escalated for Potomac Yard North to reflect the four phases of construction which encompass the construction and improvement of roads, the implementation of a transitway, and the construction of a metro station. The table below shows the escalation projections:

PHASE	TRIGGER	GOAL
Phase I- Pre Development	N/A	N/A
Phase II – Development Preceding Metrorail Station	First certificate of occupancy permit before transitway	20% Non-SOV
	Transitway operational	30% Non-SOV
Phase III – Development Concurrent with Metrorail Station Construction	Metrorail under construction	30% Non-SOV
Phase IV – Metrorail Station Operational	Metrorail operational	50% Non-SOV

- b. The achievement of all goals will be demonstrated by the transportation strategies implemented and financed by the TMP fund and the annual survey that are requirements of this special use permit. The fund report should demonstrate that enough activities are being conducted to persuade residents and tenants, as well as retail employees, to switch to other modes of transportation as opposed to using their personal vehicles. The survey should progressively show that the strategies financed through the TMP fund are increasing the number of transit users in the site up to the goal. The fund report and survey are covered under paragraph 3, sections c., d. and e.

2. TMP Organization and Funding

- a. The developer has agreed to establish a governing entity or comparable entity to manage the shared parking programs, the Transportation Management Plan, the maintenance of the BMP's and the open space. The City of Alexandria Transportation Planning Division may assist the governing entity.
- b. An Annual Work Plan will be developed by the governing entity and approved by the Transportation Planning Division. This work plan will be due on January 15 of every year. To fund the ongoing operation and management of the TMP, the governing entity will assess each owner of property within the development following issuance of each building's first certificate of occupancy. The annual rates for the fund are established in paragraph 3.c. of this same document. The rates will be adjusted yearly as per the consumer price index (CPI-U).

3. Transportation Management Plan

- a. According to the guidelines of Zoning Ordinance Chapter 11-700, the proposed level of development requires a Transportation Management Plan (TMP). Such plan shall include the following elements:

- i. A TMP District Coordinator shall be designated by the governing entity, for the entire project *upon application for the initial building permit*. The name, location and telephone number of the coordinator will be provided to the City at that time, as well as of any changes occurring subsequently. This person will be responsible for implementing and managing all aspects of the TMP and the parking management program for the project.
 - ii. Transit, ridesharing, staggered work hours/compressed work weeks, parking restrictions, market rate parking and the other program elements shall be promoted to prospective tenants and to employers and their employees.
 - iii. Printed information about transit, ridesharing, and other TMP elements shall be distributed and displayed to residents — including transit schedules, rideshare applications and information, incentive information, parking information, etc. This information shall be kept current. Displays of these brochures and applications shall be placed in a prominent location in the building and a web site with this information and appropriate links to transit providers will be provided and maintained.
 - iv. A ridesharing program shall be established that includes not only participation in the regional Metropolitan Washington Council of Governments Commuter Connections Program, but also site-specific matching efforts.
 - v. Establish and promote a Guaranteed Ride Home Program as part of the ridesharing and transit marketing efforts.
 - vi. A carshare program shall be established as part of the ridesharing and transit marketing efforts for the building. The TMP District Coordinator will arrange with any of the carshare companies for the use vehicles in this project. Currently, Zipcar has vehicles in the Alexandria area. For those individuals who take transit, carpool, vanpool, walk, or bike to work, the TMP program will pay the registration and annual membership fees (not the usage fees) to use the carshare vehicles.
 - vii. Discounted bus and rail fare media shall be sold on-site to residents of the project including during hours that are convenient for them. The fare media to be sold will include, at a minimum, fare media for Metrorail, Metrobus, DASH and any other public transportation system fare media requested by residents and/or the Transportation Planning division. The availability of this fare media will be prominently advertised. At a minimum, the initial discount will be 20%.
- b. **TMP Fund:** An annual TMP Fund shall be created based on an initial TMP reduction goal of 20% of single occupant vehicles (SOV), and phased increments of 30% and 50% per the table provided herein. The rate to be charged for this

development shall start at \$200.00 per occupied residential unit and \$0.30 per usable square foot of office and/or retail space per year. The TMP fund shall be used exclusively for the approved transportation activities detailed in this attachment. ***The first payment to the fund shall be made with the issuance of initial Certificate of Occupancy (CO).*** Payments shall be the responsibility of the developer until this responsibility is transferred by lease or other legal arrangement to the governing entity. Annually, to begin one year after the initial CO is issued, the rate shall increase by an amount equal to the rate of inflation in the Consumer Price Index (CPI-U) of the United States for the previous year.

The Director of T&ES shall review the TMP in conjunction with the submission of any initial preliminary development plan. The TMP shall be docketed for consideration by the Planning Commission and City Council if the director has determined that modifications to the TMP are necessary to address issues relating the operation of the TMP or attainment of the goals outlined. The rates may be evaluated and increased or decreased (as appropriate) based on factors including: ability to achieve goals, varying transit costs, mix of uses etc. The annual rate may be increased up to a maximum of 25% plus all CPI-U adjustments to the rate. All adjustments to the rates and programs shall be approved by the Director of T&ES.

The TMP fund shall be used exclusively for the approved activities listed below:

- i. Discounting the cost of bus and transit fare media for on-site employees and residents, not to exceed the actual cost of their monthly transportation as employer subsidies may not cover an employees full commuting costs.
 - ii. Subsidies to transit providers.
 - iii. Marketing activities, including advertising, promotional events, etc.
 - iv. Bicycle lockers for residents.
 - v. Membership and application fees for carshare vehicles.
 - vi. Participate in air quality/ozone action day programs.
 - vii. Any other TMP activities as may be proposed by the governing entity and approved by the Director of T&ES as meeting goals similar to those targeted by the required TMP measures.
- c. Unencumbered Funds: As determined by the Director of T&ES, any unencumbered funds remaining in the TMP account at the end of each reporting year may be either reprogrammed for TMP activities during the ensuing year or paid to the City for use in transit and/or ridesharing programs and activities.

- d. The governing entity will provide semi-annual TMP Fund reports to the Transportation Planning Division. These reports will provide a summary of the contributions to the fund and all expenses and should be accompanied by supporting documentation. The first report will be due six months following the issuance of the first certificate of occupancy within CDD#19. The Director of T&ES may require that the funds be paid to the City upon determination that the governing entity has not made reasonable efforts to use the funds for TMP activities.
- e. The governing entity shall provide annual reports to the Transportation Planning Division, including an assessment of the effects of TMP activities on walking, biking, carpooling, vanpooling, transit ridership, driveway counts for structured parking, peak hour traffic, the summary results of the annual survey, together with the raw data, and a work program for the following year. The initial report shall be due 1 year after the issuance of the first certificate of occupancy for North Potomac Yard. The annual report shall identify, as of the end of the reporting period, the amount of square footage of occupied office and retail space. In conjunction with the survey, the governing entity shall provide an annual report of the TMP program to the Director of T&ES, reviewing this TMP condition as well as compliance with the approved parking management plan for the project.
- f. **Administrative Fee for Non-Compliance:** An administrative fee shall be assessed to the governing entity for lack of timely compliance with the submission of the TMP mandatory reports (fund reports with supporting documentation, annual reports, survey results and submission of raw data). The fee shall be in the amount of five hundred dollars (\$500.00) for the first thirty (30) days late and two hundred and fifty dollars (\$250.00) for every subsequent month late. The amount of these administrative fees is for the base year in which the TMP is approved and shall increase according to the Consumer Price Index (CPI-U) going forward.

4. **Evaluation of the Effectiveness of the TMP**

- a. The goals for transit mode share and auto occupancy established in paragraph 1.a of this document, will be used in evaluating the performance and effectiveness of the TMP. The annual survey will be used to continually determine whether the development is meeting these targets.
- b. The City of Alexandria, in conjunction with the governing entity, will identify performance standards and objectives to measure the cost effectiveness and develop methodologies to monitor the performance of each element of the TMP. The performance of the development in meeting these objectives will be evaluated in the annual report prepared by the governing entity, and will be used in developing the Annual Work Plan for the association.

- c. This TMP has been designed to be flexible and responsive to the inputs of these annual evaluations in prescribing Transportation Demand Management (TDM) strategies to be implemented in the Annual Work Program. The combination of size, scale of buildings, mixed-uses and phasing of development and transportation infrastructure requires that the TMP have flexibility to respond to the various challenges posed by changes in tenant mix, supply of parking, transit system capacity, transit fares, construction staging and traffic, fuel prices, regional transportation policies and projects, and changes in travel behaviors, prevalence of public transportation subsidies, telework and flexible work hours, and changes in surrounding developments. By linking evaluation to work planning, the TMP standards of performance will also change throughout the development cycle as the “right” solutions are adjusted in response and anticipation of changes in transportation conditions.

5. **District Transit Management Program**

- a. North Potomac Yard shall participate in any future Transportation Management Program District established by the City. All TMP holders in the Potomac Yard area will be part of this District. The objective of this district is to make optimum use of transportation resources for the benefit of residents and employees through economies of scale.
- b. The North Potomac Yard TMP district shall participate with the adjacent Potomac Yard District TMP, known as CDD #10 with any future approved amendments to CDD #10 to the satisfaction of the Director of T&ES.
- c. If required by the Director of T&ES, the North Potomac Yard TMP District shall incorporate future or existing TMPs into their TMP District as required herein.

6. **Permanence of the TMP Ordinance**

- a. **TMP Fund:** An annual TMP Fund shall be created based on an initial TMP reduction goal of 20% of single occupant vehicles (SOV), and phased increments of 30% and 50% per the table provided herein. The rate to be charged for this development shall start at \$200.00 per occupied residential unit and \$0.30 per usable square foot of office and/or retail space per year. The TMP fund shall be used exclusively for the approved transportation activities detailed in this attachment. *The first payment to the fund shall be made with the issuance of initial Certificate of Occupancy (CO).* Payments shall be the responsibility of the developer until this responsibility is transferred by lease or other legal arrangement to the governing entity. Annually, to begin one year after the initial CO is issued, the rate shall increase by an amount equal to the rate of inflation in the Consumer Price Index (CPI-U) of the United States for the previous year.

The Director of T&ES shall review the TMP in conjunction with the submission of any initial preliminary development plan. The TMP shall be docketed for consideration by the Planning Commission and City Council if the director has determined that modifications to the TMP are necessary to address issues relating the operation of the TMP or attainment of the goals outlined.

MEMORANDUM OF UNDERSTANDING

BY AND BETWEEN

CITY OF ALEXANDRIA, VIRGINIA

AND

CPYR, INC.

FINAL AT MAY 25, 2010

REVISED JUNE 3 2010 AS TO DEVELOPER CONTRIBUTIONS

1.	Effect of Agreement	2
2.	Establishment of Potomac Yard Metrorail Station Fund	2
3.	Bond Financing of Metrorail Station Construction	5
4.	Utilization of Funds from Potomac Yard Metrorail Station Fund	5
5.	Financing Plan	5
6.	State or Federal Funding	7
7.	Shortfall Guaranty	8
8.	Final Approval of Metrorail Station Location	11
9.	Metrorail Station Design Process	12
10.	Comprehensive Plan Process	12
11.	Rezoning Process	12
12.	Public Benefit Contributions and Development Conditions	12
13.	Redevelopment Preceding Metrorail Station Construction	13
14.	Vested Rights	13
15.	Terms Not Evergreen	13

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF
ALEXANDRIA, VIRGINIA AND CPYR, INC. REGARDING POTOMAC YARD
METRORAIL STATION FINANCING

This Memorandum of Understanding is entered into the ___ day of May, 2010 between the City of Alexandria, Virginia, a municipal corporation (“**City**”) and CPYR, Inc., a Delaware corporation (“**CPYR**” or “**Owner**”). The City and CPYR are collectively referred to as the “Parties”.

Recitals

1. CPYR is the owner of Landbay F at Potomac Yard and wishes to redevelop the existing retail center generally in conformance with the draft North Potomac Yard Small Area Plan. RREEF America L.L.C., (“**RREEF**”) is the investment adviser to CPYR and McCaffery Interests, Inc. is the development consultant to CPYR;
2. The City and the Owner through RREEF and McCaffery have engaged in a cooperative planning process which has produced the North Potomac Yard Small Area Plan adopted by the Alexandria City Council May 15, 2010 (“**SAP**”). The critical element of the SAP is the proposed Potomac Yard Metrorail Station (“**Metrorail Station**”).
3. The City and CPYR both wish to facilitate the design, funding and construction of the new Metro Station to serve Potomac Yard and have engaged in discussions regarding the funding of the Metro Station.
4. At its Monday December 15, 2009, meeting, the Metrorail Station Feasibility Work Group (which includes the City’s Mayor, Vice-Mayor, former Chair of the Planning Commission and Chair of the Transportation Commission) unanimously adopted certain guidance for City staff in relation to the proposed Metrorail Station. Critical policy statements from this include the following:
 - Construction of the Metrorail Station is required to support the level of development proposed in Landbay F.
 - Amendments to the Master Plan and the rezoning of Landbay F cannot go forward until the City is satisfied that an acceptable financing plan has been developed and agreed to.
 - Paragraphs 4, 5 and 6 require a clear, detailed and conservative financial plan with no negative cash impact on the City’s General Fund in any given year.
 - The projected “gap” between the anticipated tax revenues from the special tax district, per square foot developer contributions, plus additional incremental net new revenues generated by the project, will be “bridged” by “firm and sufficient upfront Landbay F payments.”

5. The Parties wish to set forth their mutual understanding of the next steps in the process for planning development of the Metrorail Station and redevelopment of Land Bay F and wish to set forth their respective commitments and obligations to each other.

Agreement

Now, therefore, in consideration of the material undertakings set forth hereafter, the City and CPYR, each pursuant to due and proper authority, agree to the following, which shall govern the Parties' actions with respect to the matters contained herein.

1. Effect of Agreement. This Memorandum of Understanding ("MOU") sets forth the Parties' mutual expectations to proceed with various material undertakings and the negotiation of binding agreements in the future. If either Party fails to perform as set forth in this MOU, the other Party may terminate this MOU, but shall have no additional remedy against the other based solely on this MOU. The Parties expect that future agreements and actions will include binding agreements, including remedies for default where applicable and as provided in such agreements, and subject to the legislative discretion of the City Council and all municipal immunities enjoyed by the City, as well as legislative and administrative approvals of development proposals for Land Bay F. These future agreements and actions include, but are not limited to:
 - a. Approval of North Potomac Yard Small Area Plan;
 - b. Rezoning of Land Bay F;
 - c. Approval of CDD conceptual design plan;
 - d. Creation of two Special Tax Districts.
 - e. Approval of preliminary development plan special use permits;
 - f. Shortfall Guaranty Documentation and Shortfall Deposit Agreement;
 - g. Environmental studies and regulatory approvals;
 - h. Funding of predevelopment expenses prior to bond issuance.
 - i. Design process for Metrorail station;
 - j. Award of a contract for construction of the Metrorail Station; and
 - k. Issuance of bonds (the "Bonds") sufficient for construction of the Metrorail station.

The Parties anticipate that the land use approvals for development of Land Bay F will proceed in the ordinary course for such reviews, including staff review, public notice and comment, Planning Commission review and recommendations, and City Council review and action. The Shortfall Guaranty Deposit Agreement will set forth the terms contemplated by this MOU in greater detail and will be executed prior to issuance of bonds for the Metrorail Station.

2. Establishment of Potomac Yard Metrorail Station Fund (“Station Fund”). Concurrently with the approval of a rezoning of Landbay F, the City will establish a fund for purposes of accumulating the following flow of funds, each of which is described in more detail below. All cash contributions by the Owner to the Station Fund shall be payable without offset, deduction or counterclaim of any kind, except as expressly set forth herein. The Station Fund will be a separate segregated fund, the proceeds of which may be used only for the purposes stated herein, i.e., furthering the design, construction and financing of the Metrorail Station. Funds may not be diverted from the Station Fund for other purposes, except as described in this Section below.
- a. Net New Tax Revenues. Net new tax revenues generated by the several Landbays at Potomac Yard (“Net New Tax Revenues”), commencing as of the final effective date of the rezoning but in any case no earlier than June 15, 2011 for real property tax revenues, and July 1, 2011 for other tax revenues. Net New Tax Revenues shall include all new real property taxes (i.e., increased ad valorem real estate taxes over and above the base year in which the rezoning occurs, whether due to increased assessed values, new construction or development, or changes in the tax rates, including the real estate tax rate, in effect in the base year) payable to the City from all Landbays at Potomac Yard, less the percentage amount of gross tax receipts for each type of use representing the estimated cost of providing services required by such use, as follows, such percentage to remain in effect so long as the Bonds are outstanding unless a different percentage for cost of services is agreed upon by the City and the landowners of the various Landbays at Potomac Yard. Net New Tax Revenues shall also include increased business tangible, sales (1% City levy), meals, transient occupancy and business licenses tax receipts from net new development in Potomac Yard; the same percentages described below will be applied to such other types of taxes, depending on the source of the tax, i.e. net new sales taxes will be subject to the retail percentage, net new transient occupancy tax shall be subject to the Hotel/Hospitality percentage, and so forth. Excluded from net new taxes would be: (1) any new tax category or new classification not in place and approved by the Alexandria City Council as of January 1, 2010, including but not limited to the commercial transportation add-on real estate tax for transportation purposes, and (2) any taxes restricted by federal or state law or regulation which would be inconsistent with the payment of debt service on the bonds issued to finance the Metrorail Station in Potomac Yard.
- i. Residential: 59.85 % of revenues utilized for services, leaving 40.15 % percent of gross new tax revenues to be utilized as Net New Tax Revenues and placed in the Station Fund (Source for all: USPTO Study 1999).
- ii. Office and other non-retail commercial: 17 % of revenues utilized for services, leaving 83 % percent of gross new tax revenues to be utilized as Net New Tax Revenues and placed in the Station Fund.

- iii. Retail: 12.9 % of revenues utilized for services, leaving 87.1 % percent of gross new tax revenues to be utilized as Net New Tax Revenues and placed in the Station Fund.
- iv. Hotel/Hospitality: 6.5 % of revenues utilized for services, leaving 93.5 % percent of gross new tax revenues to be utilized as Net New Tax Revenues and placed in the Station Fund.
- b. Special Tax Districts. Special Tax District revenues generated by the several Landbays at Potomac Yard, based on the projected establishment (effective January 1, 2011) of a special tax district to apply to all assessed value (current and future) of real property and improvements in the Landbays at Potomac Yard, based on a planned special assessment of twenty cents (\$0.20) per one hundred dollars (\$100.00) of assessed valuation on Landbays F, G, H, I, and J (“Special Tax District Revenues”). Old Town Greens will not be subject to the Special Tax District. Potomac Greens, and portions of Potomac Yard landbays other than Landbay F which are to be developed for single family attached development (or alternatively, areas within such other land bays zoned for lower density residential and at a further distance from the Metro Station); will be included in a second Special Tax District when established, with a rate of zero until the Metro Station commences operation, and thereafter with a yet to be determined tax rate that is planned to be equal to or less than ten cents (\$0.10) per \$100.
- c. Developer Contributions. Developer contributions of Ten Dollars (\$10.00) per square foot of gross floor area (net of structured parking) of new construction within Landbay F, capped at a maximum of Forty Nine Million Dollars (\$49,000,000) in 2010 Dollars (“Developer Contributions”), payable concurrently with issuance of each certificate of occupancy for such new improvements, and which shall be paid by the then-owner of such improvements. This \$10.00 per square foot Developer Contribution would be as of the date of final approval of the rezoning of Landbay F, and, in order to retain a \$10 real dollar equivalent in 2010 dollars, would escalate annually thereafter on January 1 of each year in accordance with increases in prior years in the Consumer Price Index for all urban consumers (CPI-U), 1982-1984=100 (not seasonally adjusted) as reported by the United States Department of Labor, Bureau of Labor Statistics. The base CPI will be set as of the date of the rezoning and will be adjusted as of the first day of January each year thereafter, and the resulting adjusted Developer Contribution per square foot amount shall be in effect for that calendar year. It is understood that the dollar amount paid is that calculation for the calendar year when the certificate of occupancy is issued by the City. For example, if a building’s construction is completed in December 15, 2015, but the certificate of occupancy for that building issued on January 15, 2016 then the amount paid in 2016 at the time the certificate of occupancy is issued would be adjusted for changes in the CPI-U between January 1, 2015 and January 1, 2016. It is understood that Potomac Yard Development LLC (“PYD”) and MRP Realty (“MRP”) as the owners of other landbays at Potomac Yard, are not seeking a rezoning with

substantial additional density and have made extensive public benefit contributions for transportation, sewer, storm water management, and will not be required to make Developer Contributions. However, it is acknowledged that if in the future PYD or MRP or any successor of either initiates a rezoning of all or a portion of their respective properties, involving significant increases in density of development, then mitigation of transportation impacts, including potential contributions to the Metrorail station, would be a part of the rezoning contribution negotiation. As our discussions have evolved and we have considered issues of administrative simplicity, it has been agreed that the Developer Contribution will be collected based on the gross floor area of improvements constructed and for which a certificate of occupancy is issued, net only of area devoted to structured parking; and shall be collected on the first 4.9 million square feet of improvements in Landbay F after which no further Developer Contributions shall be payable for any development thereafter in Landbay F.

- d. Interest earned on funds deposited in the Station Fund, including interest earned by any investment of bond principal will be invested by the City as per Code of Virginia investment laws for short-term cash investments and shall remain in the Fund and may be used for any purposes allowed by the Station Fund.
 - e. In the event that bonds for the Metrorail Station are not issued by January 1, 2018 and the City and CPYR or the then controlling owner of Landbay F determine that financing and construction of a Metrorail Station is no longer feasible, any Developer Contributions then remaining in the Station Fund may be withdrawn from the Station Fund by the Owner. In determining the extent of Developer Contributions remaining in the Station Fund, the use of funds expended shall be deemed to have been spent in proportion to the source of the funds. The parties will cooperate to develop a schedule for all predevelopment processes and approvals preceding the closing of bond financing and construction of the Metrorail station, with milestones against which progress can be measured.
3. Bond Financing of Metrorail Station Construction. The City has determined that the long term benefits to the City from redevelopment of Potomac Yard, including the construction of a Metrorail Station serving Potomac Yard, merit the incurrence by the City of bonded indebtedness of approximately \$275 million (the “Bond Financing”) to pay hard and soft costs of construction, capitalized interest, and issuance costs necessary to place in service an operating Metrorail Station serving Potomac Yard. The bonds may be issued as general obligation bonds, revenue bonds, lease-revenue bonds, certificates of participation, or other municipal debt instruments, or a combination of these instruments. The bonds may be issued in one or more tranches. The bonds are likely to be fixed rate, but some or a portion of the bonds may be issued as variable rate.
 4. Utilization of Funds from Potomac Yard Metrorail Station Fund. The City may use funds accumulated in the Station Fund to cover debt service on the Bonds issued to finance the Metrorail Station, to cover that portion of any annual operating expense deficit specifically allocable to the Potomac Yard Metrorail Station by WMATA and chargeable to the City pursuant to the terms of the WMATA Compact to which the City is a party, to

pay expenses incurred in the establishment of the Fund, costs of design of the Metrorail Station, including architectural, engineering, design, and construction document costs, costs of land acquisition, costs of permit or grant applications and processing, environmental studies, legal and other professional service costs, and all other costs reasonably incurred by or on behalf of the City in connection with the final location approval, design, and preparation for commencement of construction of the Metrorail Station. Funds accumulated in the Station Fund could be used to pay ongoing costs of construction, or accumulated as a debt service reserve, as determined pursuant to the terms of the Bond Financing. Funds may also be used to reimburse the City for Metrorail Station related expenses incurred prior to initiation of the Fund. If any funds accumulated in the Station Fund prior to the closing of Bond Financing and commencement of construction of the Metrorail Station, are insufficient to pay ongoing predevelopment expenses, either party shall have the right, but not the obligation, to contribute funds to the Station Fund to pay such expenses, such additional advance contributions to be eligible to be repaid from the proceeds of the Bond Financing. The parties shall immediately commence the development of a detailed checklist of predevelopment tasks and anticipated costs, including development of an overall multi-year budget showing total anticipated costs that are expected starting in 2010 up until the closing of Bond Financing and commencement of construction.

5. Financing Plan. The financing plan for the construction of the Metrorail Station (the “Financing Plan”) has evolved so that the following general principles are agreed upon:
 - a. The projected cost of construction of the Metrorail Station, using the highest cost alternative B-2 to construct a “mid-point” cost and debt service projection, is approximately \$240 million in 2015 dollars (mid point of construction). Capitalized interest and bond issuance costs are estimated at \$35 million.
 - b. The City will issue bonds (“Bonds”), in an amount not to exceed \$275 million, to fund construction of the Metrorail Station. The plan is to issue the Bonds as tax exempt bonds to the maximum degree feasible, or to utilize the federal Build America Bond program if authorized at the time the bonds are issued.
 - c. Construction period interest will be capitalized during the first three years after issuance of the Bonds.
 - d. Bonds will provide that repayment will be of interest only during years four through six (4-6), with repayment of principal commencing in year seven (7).
 - e. Depending on market conditions at the time of issuance, all or a portion of the Bonds may be callable at the end of the tenth year. This may increase borrowing costs slightly in the first ten years, but will provide an opportunity for refinancing of the Bonds, after the first ten years, or through an advance refunding prior to the end of the first ten years through a new bond issuance and defeasance of the original Bonds.

- f. Although neither the Owner nor the current City Council can bind future Councils, the present intent is that when the debt incurred to finance the construction of the Metrorail Station has been fully paid off, and any funds advanced by the City due to shortfalls in the Station Fund have been repaid, the Special Tax Districts would be terminated. This is projected to be 30 years after the issuance of the Bonds.
- g. The City plans to submit a preliminary Financing Plan to the City's bond counsel and financial advisors, and to discuss this proposed financing with the applicable rating agencies during the first half of 2010, to obtain early evaluation and comment of the feasibility of the Financing Plan (which the City's financial advisors have already provided input to) and to identify issues that need to be addressed. Adjustments to the plan may be required as a result of this review, to ensure that the Financing Plan is conservative, with a sound financing structure and shared risk, and that it will not put at risk the City's AAA/Aaa bond ratings.
- h. The City shall have no obligation to actually issue the Bonds until certain conditions have been met, including but not limited to (i) approval of the final bond financing plan and underwriting prospectus by the City's financial advisors (and any underwriters if the bond sale is negotiated and not a competitive transaction) and counsel; (ii) issuance of all necessary permits for commencement of construction of the Metrorail Station (iii) the Owner has fulfilled all of its obligations with respect to cash contributions and the documentation of the Shortfall Guaranty in a manner sufficient to the City, its underwriters and counsel; (iv) confirmation that based on the final plans for the Metrorail Station and the construction cost estimates provided as part of the design build process, the Metrorail Station can be constructed and placed in service for a total cost not to exceed \$240 million; (v) a court validation of the planned Bond issue, or issues, if deemed necessary by the City; and (vi) the attainment of at least a AA bond rating for the Bonds from Moody's and S&P. If a condition to the City's obligation to issue the Bonds is not satisfied and the Bond financing does not close, the Shortfall Guarantor shall not be obligated to make the Shortfall Guaranty Deposit, or if such Deposit has previously been made, it will be returned to the Shortfall Guarantor.
- i. Once the Bonds are issued, the City will be obligated in some fashion to make payments of principal and interest on the Bonds, as and when the same come due, or to suffer the consequences of a default in payment, including adverse effects on the City's bond ratings. If the various development and financial projections are not met, the City will still need to service the Bond indebtedness. The Shortfall Guaranty and Shortfall Guaranty Deposit provide comfort that cash shortfalls in servicing the bonds (including principal and interest) will be met by the Owner, deferring any loss to the City. However, inasmuch as the City is primarily liable on the Bonds, if the Shortfall Guaranty is exhausted or the Guarantor defaults in its obligation to make or reimburse the Shortfall Guaranty Deposit or to otherwise make payments of shortfalls as and when due, the City will have to make up the

difference. Should this occur interest shall accrue on any amounts paid by the City other than from the Station Fund, at the Applicable Federal Rate from the time incurred and paid out by the City until the time such funds are returned to the City, such amounts to be repaid to the City when funds in the Station Fund are available to do so (including from the \$10 per square foot CPI-U adjusted payments or net new taxes). If the Shortfall Guarantor defaults in its obligation to make payments under the Shortfall Guaranty or to timely replenish the Shortfall Guaranty Deposit, the City shall have no obligation to issue building permits for new development in Landbay F until the default is cured.

- j. All parties recognize that the Financing Plan is based on current projections of cost, and timing of construction, and that if the projected costs increase materially or the timing of construction is significantly delayed prior to finalization and closing of the Bond financing, all terms and conditions of financing will need to be reassessed and renegotiated. However, in no event will the City be obligated to issue bonds in excess of \$275,000,000 principal amount.
6. State or Federal Funding. The Financing Plan has been developed on the assumption that no State or Federal sources of funding, whether through grants, loans, or otherwise, will be specifically available for this project. Should State or Federal funds become available, such funds will be utilized as authorized. No State or Federal funds received shall reduce the amount of the Developer Contribution or the Shortfall Guaranty, although it is recognized that any available state or federal funding should reduce risk for all parties and will likely reduce the amount needed to be borrowed.
 7. Shortfall Guaranty. In order to reduce the risk that the City will draw upon general fund revenue to make payments on the bonds for the Metrorail Station, CPYR will provide a contingent guaranty of any shortfall in any given year (the “Shortfall Guaranty”), between amounts required to be paid to service Bond Indebtedness (including both principal and interest, in accordance with the terms of the approved Bond Financing), and funds on hand in the Station Fund. The Shortfall Guaranty will be made by the landowner (currently CPYR, Inc.) (the “Shortfall Guarantor”), the financial assets and condition of which are approved by the City and must be reapproved at the time of bond financing by the City’s bond underwriters in accordance with the terms of the bond financing. The Shortfall Guarantee shall total \$32 million, with the Shortfall Guarantor, not obligated to pay more than \$32 million cumulatively over a multi-year period to cover any debt service shortfall, nor more than \$10 million in any single calendar year. The City shall give the Shortfall Guarantor at least six-months notice of any estimated shortfall amount due, and provide detailed calculations of how that shortfall was estimated to the Shortfall Guarantor, and upon what date the Shortfall payments would be due.
 - a. Concurrently with the closing of the Bond Financing, the Shortfall Guarantor will deposit into a separate fund controlled by the City the sum of \$10 million in Shortfall Guaranty funds to cover possible draws under the Shortfall Guaranty (the “Shortfall Guaranty Deposit”). Interest earned on the Shortfall Guaranty Deposit will remain with such Deposit. The City may draw upon the Shortfall

Guaranty Deposit to make Shortfall Guaranty payments as and when payments are due on the Bonds. The Shortfall Guarantor shall be obligated to replenish, within ninety (90) days, any funds drawn from the Shortfall Guaranty Deposit, so that at all times the sum of \$10 million will be available for use to cover Shortfall Guaranty obligations. However, the obligation to replenish the Shortfall Guaranty Deposit shall be subject to the same annual cap of \$10 million and overall Shortfall Guaranty cap of \$32 million.

- b. Excluding the planned first three years of capitalized interest to pay bond debt service, subsequent to the City fiscal year in which the last debt service payment of capitalized interest is paid, if after three subsequent consecutive fiscal years of no Shortfalls requiring the use of any Shortfall Guaranty funds, any remaining Shortfall Guaranty Deposit funds may be credited against future \$10.00 per square foot (as annually adjusted by the CPI-U) Developer Contributions due from Landbay F. Any credits against Developer Contributions must be to the Shortfall Guarantor, or if credits are proposed to be allowed to a third party other than the Shortfall Guarantor, the granting of such credits must be approved in writing by the Shortfall Guarantor. In addition, if after the first three years of capitalized interest and the amortization of principal amount of indebtedness has stabilized at its ultimate level, there shall occur three consecutive years in which the total of collections from the Special Tax District and Net New Tax Revenues exceed the annual debt service, any funds remaining in the Shortfall Guaranty Deposit will be released to the Shortfall Guarantor. The City shall annually produce a reconciliation of the Station Fund and make it publicly available to all parties who request a copy.
- c. The Shortfall Guaranty, and other terms and conditions of the Metrorail station financing participation by CPYR, Inc. or other acceptable Shortfall Guarantor, shall be affirmed in writing as a “best efforts” planned pledge by an authorized agent for CPYR, Inc. prior to the time of the adoption of the North Potomac Yard Small Area Plan, affirmed as a legally binding commitment at the time of the rezoning of Landbay F, but the binding Shortfall Guaranty shall be contingent upon the initiation of construction of the Metrorail station, or the bond financing for that station, whichever comes first.
- d. If any Shortfall Guaranty amount becomes due and is not paid by CPYR, Inc. or other acceptable Shortfall Guarantor at the time requested by the City, the City shall have the right to record a lien against any and all parcels within Landbay F that are owned by CPYR, Inc, such lien to have the priority of a deed of trust recorded at the time the lien notice is filed by the City among the Land Records of Alexandria, Virginia. The City’s right to record a lien for any unpaid Shortfall Guaranty amount shall be memorialized in a document recorded in the Land Records of the City of Alexandria, encumbering all property owned by CPYR, concurrently with the closing of the bond financing.
- e. After the Developer’s requirements to pay any Shortfall Guarantee have been satisfied, the City may deposit into the Station Fund only some or none of the net

new tax revenues generated by Landbay F or other Potomac Yard Landbays, if the City determines, in its sole discretion, that those amounts are not projected to be reasonably required to pay projected future debt service on bonds issued to finance the Potomac Yard Metrorail station. It is recognized by all parties that Special Tax District revenues under the Code of Virginia limit use of Special Tax District Funds to those purposes for which the Special Tax District was created.

- f. The Parties recognize that transfer of Net New Tax Revenues into the Station Fund are subject to annual appropriations and the current City Council cannot bind future Councils to make such appropriations. However, if in any calendar year the City Council does not authorize the transfer of Net New Tax Revenues into the Station Fund, the obligation of the Shortfall Guarantor to make Shortfall Guaranty payments in that calendar year shall be reduced by an amount equal to the amount of Net New Tax Revenues that would have been paid into the Station Fund but for the City Council's decision not to authorize such transfer.
- g. In the event that the \$32,000,000 Shortfall Guaranty is not utilized to pay debt service on the bonds issued for the Potomac Yard Metrorail Station, any unused portion thereof shall be paid to the City, for bond repayment, or for public improvements or amenities recommended by the North Potomac Yard Small Area Plan, as determined by the City Council. Such funds shall be paid to the City subject to the following: Upon the occurrence of the Shortfall Guaranty Release Date, the Director of Planning & Zoning will determine the total amount of floor area remaining pursuant to the CDD concept design plan for which a final site plan has not been approved as of the Shortfall Guaranty Release Date. The Applicant shall pay the unused portion of the Shortfall Guaranty (adjusted to reflect increases in the CPI subsequent to January 1, 2020) on a pro rata basis for each remaining square foot of floor area upon approval of each final site plan subsequent to the Shortfall Guaranty Release Date. However, if after the passage of five (5) years from the Shortfall Guaranty Release Date, final site plans have not been approved for all floor area authorized by the CDD concept design plan, the final payment of the unused portion of the Shortfall Guaranty (adjusted to reflect increases in the CPI subsequent to January 1, 2020) shall be due and payable in full on such fifth anniversary of the Shortfall Guaranty Release Date. In the event final site plans have been approved for all floor area authorized by the CDD concept design plan prior to the Shortfall Guaranty Release Date, the Applicant will make full payment of the unused portion of the Shortfall Guaranty (adjusted to reflect increases in the CPI subsequent to January 1, 2020) to the City within six months of the Shortfall Guaranty Release Date.
8. Final Approval of Metrorail Station Location. The parties will work together and with WMATA and other affected regulatory agencies and stakeholders such as the National Park Service ("NPS"), to resolve the final location of the Metrorail Station as expeditiously as feasible, taking into consideration the requirements of federal law with respect to required environmental analyses. The parties recognize the positive benefits as well as the issues related to the current preferred locations "B-2" and "B-3." The current

- reserved site “A,” along with site “B-2” and “B-3,” will continue to be studied for the purpose of future NEPA environmental studies in order to select a preferred alternative among those options. The parties acknowledge and agree that the financial structure set forth herein as well as the North Potomac Yard Small Area Plan and related rezoning will only work if either location B-2 or B-3 (either in their current location or with minor adjustments due to environmental studies or final engineering) is designated for the Metrorail Station, and that if site “A” is chosen, or if the “no build” alternative is chosen, CPYR shall have no obligation for financial contributions or undertakings contemplated by this Agreement. The parties also acknowledge that the redevelopment of Landbay F will be subject to zoning conditions requiring the Landbay F Developer Contributions and Shortfall Guaranty and that the City may withhold subsequent development approvals and permits if payments are not made as timely required.
9. Metrorail Station Design Process. The parties will work with WMATA and NPS to develop an approved schematic design of the Metrorail Station. The current plan is for the Metrorail Station to have two entrances on or crossing Potomac Avenue, so as to expand pedestrian access to Metrorail to the maximum possible degree. Following the determination of the station design, the Station Fund will finance from revenues available and paid into the Fund, the development of detailed construction drawings for the Metrorail Station. The construction of the Metrorail Station may be done on a “design build” basis in which the final design of construction documents will proceed concurrently with early phases of construction. However, to minimize change order and related construction risk, if design build is used, the parties shall seek to advance the development of detailed construction documents to the greatest possible degree prior to the commencement of construction.
 10. Comprehensive Plan Process. The North Potomac Yard Small Area Plan was adopted by the City Council on May 15, 2010. Nothing contained as part of this letter modifies or limits the ability of the Planning Commission and/or City Council to amend, approve, defer or deny the North Potomac Yard Small Area Plan, or any future rezoning. Also the plan including the Metrorail station construction is subject to regulation by NPS, FAA and other state and federal agencies.
 11. Rezoning Process. The Owner has initiated an application for the rezoning of Landbay F of Potomac Yard to be known as CDD#19 (REZ #2009-0001; CDD#2009-0001; TMP#2009-0061). By letter dated December 8, 2009, the Owner was advised that these related applications were deemed complete for review by the City, conditioned on the applicant continuing to work with the City to address various items, including the Metrorail Station Financing. The City plans to continue its review of these applications. Nothing contained as part of this Memorandum modifies or limits the ability of the Planning Commission and/or City Council to amend, approve, defer or deny the rezoning, CDD Concept Plan and accompanying approvals.
 12. Redevelopment Preceding Metrorail Station Construction. In order to reduce the City’s risk of diverting general fund revenues to pay for debt service on the bonds for the Metrorail Station and accelerate the Developer’s ability to contribute to the Metrorail Station, the City will allow redevelopment of Landbay F to proceed prior to the opening

of the Metrorail Station in phases as specified in the CDD Concept Development Plan #2009-0001.

13. Conditions of Development Approval. The Owner's ability to proceed with redevelopment and to provide the Developer Contributions and Shortfall Guaranty is affected by the financial impact of the public benefit contributions and development conditions that will be imposed in the rezoning, CDD conceptual design plan and preliminary development special use permits (collectively "Land Use Approval Conditions"). The parties intend that obligations imposed in subsequent Land Use Approval Conditions will generally be consistent with the conditions approved with Rezoning #2009-0001, CDD Conceptual Design Plan #2009, and TMPSUP #2009-0061 as to extent and financial impact.
14. Vested Rights. The Owner has raised the issue of vesting development rights as part of an agreement for funding of the Metrorail Station. The City will work with the Owner during the comprehensive plan amendment and rezoning process, to provide commercially reasonable assurances acceptable to the City of Alexandria Attorney's office and the Owner, against arbitrary actions by the City subsequent to the approval of the rezoning that would deprive the Owner of approved uses, heights and densities. The Owner seeks to obtain the protections available pursuant to section 15.2-2307 of the Virginia Code. This may take the form of a post-rezoning DSUP process. However, any Owner protection involving vested rights must take into consideration the fundamental proposition that (i) phasing of development is conditioned as set forth in the conditions for CDD Concept Development Plan #2009-0001; (ii) any default by the Owner under the Shortfall Guaranty or in making cash contributions for the Metrorail Station would expose the City to significant financial liabilities and would be a basis for denying a request for vested rights, or for revoking a prior determination of vesting.

15. Terms Not Evergreen. All parties recognize that the financing plan discussed in this MOU is based on current projections of cost and timing of construction, and that if material adverse changes occur prior to finalization and closing of the Bond financing, all terms and conditions of financing and Developer Contributions will need to be reassessed and renegotiated.

Nothing contained in this MOU shall be construed to bind the current or any future City Council, until such time as the City Council takes actions that would be binding on future City Councils (such as the issuance of general obligation bonds).

In Witness whereof, the Parties have executed this Memorandum of Understanding on _____, 2010.

CITY OF ALEXANDRIA, VIRGINIA

By: _____

CPYR, INC., a Delaware Corporation

By: _____