

**DRCA Membership Meeting Mayor Wilson Transcript**  
**Potomac Yard Arena**  
**December 13, 2023**



- 00:00 **DRCA President Katie Waynick:** We are going to record in the event that our secretary needs to take notes. I do want to say upfront. We do have press on this call. We have people from all over the city, probably the state as well, from what I've been told. So the plan at this point is not to release this video out. It is for our secretary and minute keeping. So it is being recorded. I want to make sure everyone is aware of that. We're starting that now. And sorry to jump in on you.
- 00:31 **Mayor Wilson:** No, no, no problem. No problem. So let me start with kind of the surprise. I think, obviously, for a lot of residents, this is a surprise announcement and one that nobody was expecting and nobody was aware of. And I think, unfortunately, the nature of competitive economic development initiatives, whether it's this one, whether it's Landmark Mall, whether it's the National Science Foundation, whether it's back to trademarks, etc.
- 01:05 We are negotiating regarding city resources. In order not to negotiate against ourselves, it has to be it has to be confidential at the lead up of the process. But just like we did with Amazon and Virginia Tech, and obviously with Landmark and others, we are now entering the phase of public engagement and the opportunity to be transparent about this and talk to the community and ensure that your input, your voice is part of this process.
- 01:41 And we are going to spend the next year doing that. So this is the beginning of a very public phase of this process and one where we're going to have a lot of this opportunities, large and small for the community to engage, give us input, tell us what they think about this opportunity for the city, and help us craft final decisions at the end of this process.
- 02:14 I think And it's also decisions that are made here in the city on the Alexandria City Council, as well as decisions that are made by the General Assembly down in Richmond. And so there's going to be decisions at both levels that we have to go through. So we put out every bit of information that we have that can inform this process and make sure that the community is aware of all the details.
- 02:43 And if there is information that you feel like you need to evaluate this opportunity for the city that you are not getting, by all means, please contact me and we will make sure that we get that. So let me start about why we are here. So let's step back and talk about Potomac Yard. So Potomac Yard obviously used to be a rail yard.
- 03:11 And with the active engagement of Delray Citizens Association and other neighboring associations, we have shaped a new vision over the last 25 years for Bottomic Yard. It is a significant tract of property. A significant portion has been developed south of Glebe.
- 03:33 The portion north of Glebe, which is a shopping center today, is the area where over the last couple of decades, we have planned for an extensive amount of density in the master plan on that site. So the north part of Potomac Yard is planned for about 8 million square foot of density eventually. The shopping center was always intended as an interim use, as a temporary use.
- 04:03 Actually, it's browned for over two decades in that form. But I think the understanding was a suburban-style surface parking lot shopping center was not the future of a site adjacent to the Potomac Yard Metro and the brand new metro. We've also made foundational kind of infrastructure investments in Potomac Yard over the last couple of decades.

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- 04:28 And so that included my new metro station, which just opened after 25 years of working on the region's first Bus Rapid Transit System that serves that area. And hopefully, we'll have opportunity to increase that capacity over time, sewer infrastructure, etc. With the announcement of Virginia Tech, the beginning of the North Potomac Yard vision began to be shaped. And you saw the movie theater be replaced with Virginia Tech Building, which is under construction right now and should be completing next year.
- 05:02 And we are starting in a place where we're getting to the ultimate kind of the beginning of that vision for North Potomac Yard. However, achieving that vision is going to require a sequencing of land uses and things like that in North Potomac Yard. And that's part of what figures in this conversation.
- 05:24 So I think how we got here is that the master plan for North Potomac Yard includes mixed use development, both residential and office, and retail, commercial, throughout that property. It would tend to be a very dense, mixed-use area. And that's what's approved in the master plan. Really quick. I actually had a question come in on this.
- 05:51 **DRCA President Katie Waynick:** As you're speaking about that small area plan, can you also speak? There's a lot of mentions of the word entertainment district within that. And can you speak to how this been with that or what you know the envisionment was? Absolutely. I will definitely talk through that. So I think the intention was always a mixed-use opportunity. I think, obviously, everyone knows in a post-pandemic world the days where office space is going to be built both either on spec or even with a commission is unlikely.
- 06:29 **Mayor Wilson:** We're not building new office space even on top of metro stations. That's just not happening anymore in this region, unfortunately. And that's likely to be a reality for quite a while. And so what we have been doing is having a conversation as a community about how we diversify our revenues so that the costs of Alexandria's government are not entirely on the residential taxpayers of Alexander.
- 07:03 Every year for the last two decades, the cost of our government has been born more and more by residential taxpayers. And that is happening because our commercial tax base has been basically flat or down. And our residential tax base, as all of us who own residential property are acutely aware, has been appreciating at an extremely high or relatively high rate. And so every year, that percentage that of our government, the cost of our schools, our police are fire, is paid more and more by residential taxpayers.
- 07:37 And so the strategy of the city for a long time has been to diversify our revenues and promote more commercial growth that ultimately eases that burden on our residential taxpayers. And that drove this discussion in the first place. The city entered this discussion back in about six to eight months ago when this opportunity first kind of presented itself.
- 08:06 I will tell you that and I was just speaking for myself and my colleagues can also speak for themselves, but I will tell you that there was certainly a great amount of skepticism that this was something that would work for us in Alexandria. And so we explored this opportunity as initially with a lot of caution to determine whether this was something that would be advantageous financially to the city's taxpayers and to the city could be supported by existing infrastructure and ultimately could be done in a way that was financially responsible.

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- 08:48 And I think there are a number of red lines that we used in this discussion, at least in the early parts of this discussion, to get us where we are. I think it's important to note that now we have entered the phase where we got to hear from you. And we have to hear from you about what would make this feasible? What would make this possible? What do you think is missing about this proposal?
- 09:18 And how we could make it viable if you do not feel it is. And that's the conversation that we are going to have over the next year with our community and determine how we address some very real concerns around transportation, some very real concerns around infrastructure, some very real concerns around the types of city services that this would support and the types of city services that it would impact.
- 09:47 I think I will say from the beginning that based on the analysis that we have done and we have brought in outside entities to analyze the financials of this project, this has the potential to be a very, very significant net positive for the city's taxpayers and has the potential to offset the cost of the services that the residents of the city expect and demand, public safety, human services, transportation, education for a long time to come and do so in a way that ultimately does not compromise our quality of life.
- 10:27 But we have now entered the phase where we need to engage with all of you to determine whether that is possible and what this deal looks like ultimately in its final form. So I think that's where we are. The choice is also an important one because this is a shopping center that if the vision of the plan, essentially North Potomac Yard Plan, does not happen, we will continue to have a surface parking lot, large surface parking lot, and a suburban shopping center.
- 11:03 And you'll see the Virginia Tech campus continue to develop. And some of the mixed-use projects that are closest to the metro, which right now are paused, would potentially happen over time. But the financial difference is dramatic. And so I think that's why we pursued this, and that's why we're presenting it now to the public to determine whether it is viable and whether it is something that we all believe.
- 11:35 As the council and those on our city staff who have analyzed this over the last several months believe will benefit our community. And so that's why we're here. I will stop with kind of my intro, and I will go to questions. I know Katie has a lot of questions, and as I said, I will answer as many as you guys will let me answer. Yeah. So I've been kind of watching some of the chat as well.
- 12:01 **DRCA President Katie Waynick:** Again, guys, we're going to try to leave this chat open, but if it just devolves into a comment section, or we're going to shut it down. We had a lot of people put some really thoughtful and comments into the form, and I want to be respectful of that. And a lot of them actually are touched on in some of the comments you're saying. So the first one I'm going to throw out there for you, Mayor. Has the city considered commissioning an independent economic impact study of the development, paid for by the city, not the development group, and done by, say, a regional university's economic department?
- 12:32 Would it consider doing this as well as any necessary periodic updates to the analysis and report as this project and deal evolves? Basically, a report to include the analysis of products with similar characteristics.

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**Mayor Wilson:** Yeah. So the answer is yes, and we already did. So we would not have gotten this far if we had not thoroughly investigated the financial feasibility of this project before getting to this point.

- 13:06 And so that was a considerable part of the due diligence of the city has performed over the last several months. And we will release that study and make sure that the public has the opportunity to review all the assumptions and all the assumptions that go along with this. Let me talk and I forgot to include this in my interest. I think it's important. Let me talk a little bit about the financials on this because I think the financials are compelling.
- 13:34 I have heard quite a bit over the last 24 hours about concerns that we are providing a billionaire with taxpayer money. And that is not what is happening here. And so let me talk about the financials of first the arena and then ancillary investments. Because I think important to note in this project is you have the arena.
- 14:02 You have a corporate headquarters with 650 approximately employees, all with over six-figure salaries. So this is a significant corporate headquarters in addition to being an arena. You also have a music venue that is associated with this, eSports, practice facility, ultimately a hotel, and a couple of other things.
- 14:31 And so this is not just an arena. Now, as it relates specifically to the arena, I want to describe the financing because I think it's very, very important to talk through this. So the Virginia Stadium Authority, which is a new entity, essentially, will be issuing the bonds for the construction of the arena. The land and the arena will be owned by this public entity. So this arena and the property it sits under will be owned by essentially a state agency.
- 15:05 And the debt that is borrowed by this public entity will be paid by really three streams of money. So first, a private stream. The Ted Leonsis, Monumental Sports, will pay, first of all, a \$400 million, essentially, down payment. Secondly, he will pay a rent payment. And that rent payment will be used to pay off that debt over time.
- 15:37 The second funding stream is that the city will take a portion of the new tax revenue that comes from this development, and we will use it to pay off a portion of that debt that is borrowed by the authority. And the third funding stream is that the Commonwealth will take a portion of its new tax revenue that is coming off this use, and they will commit it to pay off the loans that ultimately construct it.
- 16:09 This may sound familiar to some of you because this is exactly the way we funded the Potomac Yard Metro. The Potomac Yard Metro Station itself was funded using the tax increment of development that happened in Potomac Yard. And I emphasize that because we are not using money, city tax dollars that are committed or tax dollars that would be used to pay police officers, firefighters, educators, etc.
- 16:37 We are using the new money generated by the project to pay off the debt. So I just wanted to make sure I got that out there. And now we'll go back to your question. Sorry, Katie. Yeah. No. Actually, some of the first ones. You know This morning, I heard the word innovative used a lot during the announcement to talk about how it would be financed. And I think you just kind of touched on how this plan of financing differs from other arenas, from other stadiums. So that was one of our big questions there.

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17:07 **DRCA President Katie Waynick:** You did touch on this. What public dollars will be used? I've seen a lot of people in the chat also very interested in knowing a little bit more about what the rate on the bond is. Do you anticipate the creation of a local stadium tax? And then one final one in this vein of conversation. Can you explain the term incremental taxes? And I think that's what you were just explaining because that's one thing that appears on the AEDP website.

**Mayor Wilson:** So I'm going to try to remember all those questions. Let me start at the end.

17:33 Incremental taxes are taxes that are generated by the new development. So if nothing happens, that's the base case. If something happens, new tax revenue is generated from it. And so this is essentially like for example, what we did with Potomac Yard is we said, "We're going to keep whatever money we need to provide services to that new development," and anything beyond that is what we have the ability to use to pay off that debt.

18:00 And so that's what incremental taxes are. So someone asked what the interest rate on the bonds are. There are assumptions built into the model. Obviously, until the bonds are issued, you won't know what the interest rates are. I think we are in an interesting interest rate environment. And so I think you'll see that there were conservative assumptions that were built in to this. But ultimately, until the bonds are issued, you won't know the exact rate until they go to market. And I forgot the first part, Katie.

18:29 Do you anticipate the creation of a local stadium tax? Yeah. So there is, and we'll get this all out to the public to detail all the revenue streams. But there is a couple of revenue streams associated with the project and the use that are being used to fund the package. And so we'll get that detail out to you. And then one last one here that just came in. Who will guarantee repayment of the debt if tax revenue falls short of the expectations? So there is a and we'll get all this detail out.

18:59 There is a backstop from the city and the Commonwealth as well as the authority. So we can get the detail on how that is structured and who pays what. And then also, as I said, we've had analysis that goes through the that goes through the likelihood in Philly and the range of venues for the comfort that we have on this field. We'll get that out to the public as well.

19:26 **DRCA President Katie Waynick:** Had a number of questions concerning extensive set of research showing the sports and arena team moves are almost always bad public investments. Can you explain how this will be different, including any details of the again, we've touched on the economic analysis that's been done. So those studies would be really helpful to know when those are going to be released. Furthermore, please explain how an area that is hemmed in by a river and an airport will be adjusted to accommodate the substantial increase in traffic.

19:58 Traffic and parking was not surprisingly a very big theme in a lot of these questions.

**Mayor Wilson:** Yeah. So let me talk and I neglected to do this in my intro. So this is helpful. So I think first of all, I need to detail the kind of the physicality of the site because I think it's important to understand where we're talking about.

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- 20:19 So the arena and the performing arts facility are basically between the Potomac Yard and the Virginia Tech building and not crossing Potomac Avenue. So this entire arena and the performing arts venue, there's stuff on the other side, like the headquarters and things like that that are on the other side of Potomac.
- 20:50 But the arena and the performing arts facility are all hidden between Baton Avenue, the Baton Guard Metro, and the Nina Tech. And to give you kind of a frame of reference, this whole proposal that we are talking about is 15% of the density that is approved in the master plan for North Potomac Yard. It is 15%.
- 21:18 It is a very tiny portion of the overall part of Potomac Yard. Most of the density that's going to happen, obviously, is going to happen in where the existing parking lot is in that whole area. And let me start to talk and you asked about the parking, and let me start talking about that and the impacts on traffic and things like that. So I think, first of all, the traffic and the transportation is probably the biggest unknown here.
- 21:48 And we have a lot of work to do with the community. We have a lot of work to both ensure that this possibility from a patient perspective and ensure that it does not have negative impacts on the neighborhoods that we all live in. And so that is an absolutely critical part and is a part that still requires a lot of work. So let's talk about parking to begin with because I think that dictates the amount of automobile traffic that's going to be on the site.
- 22:19 So I think the city's interest during these early discussions has been in keeping the number of parking spaces on this site at a minimum because we do not want a lot of vehicles accessing this use. That is not what we want to encourage. This is intended to be a transit arena, a transit operation.
- 22:45 And that's why we invested in a \$370 million metro station that just opened in May, is to ensure that the development that happens in Potomac Yard is dependent on the metro. We also have the Region's First Bus Rapid Transit System that serves this area as well. The proposal for this project is 2,500 parking spaces underground, 2,500 parking spaces.
- 23:12 To give you a frame of reference on that, when the movie theater was in existence a couple of years ago, the combination of the parking at the movie theater and the parking at the surface parking lot that still exists was 3,700 spaces. So this will be a significant net reduction in the number of parking spaces that are on this site. Now, obviously, that parking lot is not full every day and has not been for a long time.
- 23:42 But the intent is to ensure that we do not have people beyond a small core accessing this by vehicle. And that's certainly going to be the encouragement. And we will continue to push to keep the parking at a minimum. So you asked the question around the studies that show that there are stadium deals around the country or arena deals that are around the country that have not been successful, have not had stimulative effect, have not had economic growth.
- 24:15 And that's absolutely true. There's a lot of bad stadium deals around the country. And I think that's why when we went into this discussion, we said, first, we had to have private money on this table. And so that's why you see a \$400 million upfront private investment in this and ongoing rent paid by monumental into the deal because they need skin in the game.

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24:47 A public-private partnership should not be entirely public. And there are certainly stadium deals around the country, including in this region, that have been nearly entirely public throughout the country. And those are a lot of the stinkers that you're referencing in the study.

25:08 So I think we, as we went through this process, tried to ensure that we learned from the lessons of those failed deals and ensured that we put together a deal that was going to be a significant net positive for the city and its taxpayers for a long time to come. I think I answered all of those questions, Katie, but let me know if I missed one.

**DRCA President Katie Waynick:** No, yeah. I'm trying to keep up with what you're answering, what's being asked in the chat, and what we already have and mesh it all together.

25:38 And I think you're doing much better than I would be. So one really quick going back. Sharing screens is going to be a little wonky. So I dropped a link in the chat. But if you go back to the economic development site and you scroll down, there's actually a really fantastic rendering of kind of the footprint of where this is projected to be, where future development will be. And it touches on a couple of questions. We've actually had a lot of people very worried about access to Target.

26:08 And so number one is and it appears that that diagram is this a correct statement that Target will not have to be touched initially for this to kick off. And here's a little longer form. The plan seems to depict most of phase one change happening east of Potomac Avenue where the arena complex is. Are there impacts to the shopping center in the nearer term that citizens should understand, maybe related to construction, for example?

26:36 **Mayor Wilson:** So we can get some more detail from the landowners on kind of how Target will be handled. I will tell you that, you know as I said, the shopping center was always intended to redevelop at some point. That target does extremely well. And so my guess is and I can't predict, obviously, what landowners and a private tenant are going to do, but they are going to do whatever they can to ensure that there remains a target on that site in the future.

27:07 And certainly, that is our interest. And that was always an assumption that we would have a future kind of more urban target in Potomac Yard. And so this potentially accelerates that and what that looks like, I think it still needs to be determined in the future, so. The one area I'm going to jump to is we've hit it in the chat. We had a great question on it. Transportation.

27:35 **DRCA President Katie Waynick:** So I'm going to a couple of them again and answer whatever you know order you need to. There have been a couple of questions asked related to WMATA specifically. Given that this development will benefit mightily from the Potomac Air Metro Station, will the developer reimburse the city for its contribution to the metro? And the Potomac Yard Metro Station has one entrance and about six fair gates. This isn't sufficient to handle arena volumes. The post article alludes to improvements to the station.

28:05 What specifically is in the works and is a model on board?

**Mayor Wilson:** So thank you. Thank you for that question. So absolutely is the first question. There is no way that the current station could accommodate this use as is. And so I think a

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significant chunk of what has initially been envisioned as transportation infrastructure investments would require improvements to the station to really tie the station directly into the new arena and performance venue, and then ensuring that the bridges and things like that can handle that capacity of volume.

28:46 So there is an assumption around changes to Potomac Yard Metro. WMATA certainly is aware of this discussion and have been consulted about this early on. Obviously, as we do the as I said, we still have a lot of work to do on transportation and we'll work through that over the ensuing time to sort that out.

29:15 But that's the intent on that. Did I answer all of that?

**DRCA President Katie Waynick:** My question was just if there's any plans as part of agreement for the developer to reimburse the city for the metro?

**Mayor Wilson:** So first of all, JPG, the landowner, is already paying for a significant portion of the metro in the form of the increased tax revenues that have been generated on that site.

29:45 Additionally, the north part of Potomac Yard, essentially the non-residential portion of Potomac Yard, is in a special tax district and pays a 10 cent higher real estate tax than all of us pay. And they have since we set up that tax through 2010, 2011. And so they pay a higher tax rate, and that is actually being used to pay off the debt associated with the construction of the Potomac Guard Metro Station in the first place.

30:15 So as I said earlier, the tax district and the tax increment from development have been essentially paying off that debt from the station and will continue to do so for a long time to come.

**DRCA President Katie Waynick:** Cool. We have a lot of people talking about parking overflow into neighboring neighborhoods. So a couple of ideas on this that we've had.

30:40 Obviously, the process for creating a residential parking permit district is incredibly difficult, requiring a petition with 50% of the residents in the neighborhood and then a survey by the city to find a certain number of cars or non-residents. The question, basically, is, would the city council consider creating a new residential permit parking district as part of the approval process instead of waiting for the negative repercussions to happen?

**Mayor Wilson:** Yeah. So I can't speak for the council as a whole, but I can say that for me personally, absolutely.

31:12 I think we're going to have to when this goes forward, if then when this goes forward, we're going to have to do a whole series of neighborhood protection kind of things. And residential parking permit is one of them. But there is also a whole bunch of other stuff as well as stuff we've never done before that we would have to consider and look at for ensuring that we won't have people spilling over into neighborhoods or impacting neighborhoods.



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- 31:43 You know I think this is kind of a post-pandemic reprieve. I think prior to the pandemic, we kind of assumed we were going to already have to do a residential parking district, at least on the east side of Mount Vernon Avenue because of potential spillover from the Potomac Yard Metro and it being used as kind of a commuter lot for the Potomac Yard Metro. I think the pandemic and kind of the lower levels of office workers heading into DC has made that not as big of an issue.
- 32:13 But we did create an RPP in Potomac Yard and in Potomac Greens and Old Town Greens. So I think we did anticipate that spillover just because of the metro. And so in this case, I think we would obviously have to look at something like that for a whole variety of areas to ensure that there wouldn't be impact.
- 32:39 And those are the types of things that I think over months and months of engagement, we're going to want to hear and determine what we need to put together to protect the neighborhood. But I think certainly we would never want to see a situation where this would become you know our neighborhoods would become street parking for this or even for the metro in general, which I think was the reason we do RPP all around the city by our metro stations is to prevent that kind of commuter lot thing.
- 33:11 And I mean, if you think back to pre-pandemic, you know I'm a daily metro user and dash user. And you used to see pre-pandemic people walking down Braddock Road as far as they needed to to avoid the RPP to park on Commonwealth Avenue or wherever else and just walking up Braddock to Braddock Road Metro. And so that's traditionally a challenge all around the city. And I think we needed to figure out the solutions on that.
- 33:38 So that's certainly a part of solutions we would consider.

**DRCA President Katie Waynick:** Can you also talk to any traffic studies that have already been done or are in the plans or in the works, what the city is looking to do in terms of traffic studies? If not, when will one be done? And will there be funding as part of the development to further address nearby problem areas such as Route 1, East Glebe, those areas?

- 34:03 **Mayor Wilson:** So let me start by going back and saying that you know in the master plan, we have 8 million square foot of development that could potentially come in North Potomac Yard. And when we did that planning process, there was obviously a lot of traffic studies. Sorry, there's an ambulance going by my house here. There was a lot of traffic studies that informed that process.
- 34:26 And all those studies and things like that would be updated to ensure that you know essentially a transportation plan on steroids here to ensure that this could be a thing that would not impact quality of life. So those are studies that will happen and will continue to happen as part of this process to make sure we come up with a plan that's viable.
- 34:52 **DRCA President Katie Waynick:** So I'm going to move on to an area that I think most people know I get excited to talk about, the infrastructure questions. So first one, and selfishly, this one is for me. The stormwater and sewer carrying capacity of the Potomac Yard Trunk Alline was a big topic of discussion during development conversations around Braddock Metro a couple of

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years ago. Does the arena development advice being office, condo, apartments, or hotel use, does that change the long-term capacity projections of this line?

35:24 And what, if any, impacts are to be expected downstream?

**Mayor Wilson:** Downstream, so to speak. I can't answer that authoritatively. I'm not an engineer, but I can say that you know we would obviously fully ensure that the infrastructure is able to meet the use here.

35:47 You know Before Potomac Yard was ever really developed, there was significant sewer infrastructure that was required to be built, privately financed, by the way, in Potomac Yard. And so there is a lot of infrastructure there. And we can give detail on the infrastructure and the capacity of this use.

36:13 You know This use is not a traditional residential or commercial use, which both have kind of really well-understood sanitary sewer impacts. And so I think there would need to be more in-depth analysis about what the impacts are of an arena that has you know 20,000 people who potentially are using the bathroom and washing their hands and all those things.

36:46 And so I think that would obviously be studied by this. But I would point out that the master plan assumed 8 million square foot of development in North Potomac Yard. And that was informed by that was informed by the infrastructure analysis during that master planning process. Another one in this area.

37:10 **DRCA President Katie Waynick:** Given the expected continued growth that would follow the stadium development, if approved, to what extent can or will city leaders and our local representatives work to include money for the construction of new schools, potentially even a new high school in the area in that development package?

**Mayor Wilson:** Yeah. Absolutely. So a part of this package is a school site. So we have long required a school property in North Potomac Yard, but that property only happens when that property only comes to the city when the development happens.

37:43 And a big part of the spin-off economic benefit of this proposed use is that remember I said this is only 15% of the density proposed for North Potomac Yard, but it catalyzes ultimately the additional 85%, which is housing and retail and different commercial mixed-use office, including that. So it will catalyze all of that.

38:10 And when it does, it also requires a school site. And part of the conversation so far has been expanded K-12 partnership with Virginia Tech. Virginia Tech has been a key part of the discussion so far in this project. And I think there is an opportunity for some really exciting things from the K-12 side as part of this project, in addition to having a school site that we will get out of this project.

38:42 I don't know if it's on the website yet, but we'll get it out there, but you can get kind of a picture of where the school site is, and we can get that to you. But there is a school site included as part of North Potomac Yard, and this brings that to fruition. Awesome.

**Del Ray Citizens Association**

\*Note this is a machine transcript and has not been human-reviewed

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**DRCA President Katie Waynick:** We had a number of questions. You've touched on it. But specifically about within new development, will the new buildings be required to meet the city's environmental expectations, or does this package exempt the developers from those?

39:14 Can you speak to what they're going to have to do in terms of those reports and protections?

**Mayor Wilson:** Yeah. Yeah. So we haven't gotten to that level of specificity yet, but I can pretty much assume that this is going to meet the city's green building policies, and we will work to use this as an opportunity to implement all of our best practices and even beyond what we've done before on this site as far as sustainability is concerned.

39:47 **DRCA President Katie Waynick:** All right. I'm going to go back up. Another one that we had come in. How will security be handled before, during, and after events? What kind of additional burden will this put on our emergency services personnel who are already working longer shifts to cover current needs? Do we have the number of fire stations, crews, medical units to cover the current city need plus an event and/or how will we utilize regional partnerships to cover those needs? And then the final portion of this one, will Monumental be helping cover those additional costs? Yeah.

40:15 **Mayor Wilson:** Absolutely. So a big part of this package is a public safety plan. And there will be an agreement regarding public safety standards and kind of how the city, as well as, as you mentioned, regional partners, will provide public safety to the site and the surroundings. So I think it is in mutual interest of both monumental and the city to have a safe environment, a fan-friendly environment here as part of this project.

40:55 And so public safety is going to be a key component of this. And it is likely, as we're not unusual in this region, it is likely that that will involve multiple public safety agencies working in partnership to protect this use in the surrounding community and ensure that it is safe. We have a tradition in this region of mutual aid and kind of shared response.

41:26 **DRCA President Katie Waynick:** And that's what would happen here to ensure that it is safe for everyone. Okay. I see a number of people. I've got some other ones on the site itself, but I do want to get to this because it is popping up, and it was in our original list as well. So it sounds like the City Council is committed to approving this. I'm trying to find how it was worded here because I think, number one, what are the next steps legislatively, both at the local and state level?

41:57 What are the prospects for passage and the general assembly? And what would I'll probably find the exact wording for it, but I'll just do it from over here. Will the city consider withdrawing support if the citizens have overwhelmingly shown not to support this? Yeah.

42:19 **Mayor Wilson:** So as I mentioned at the outset, we are beginning an engagement process about what we believe is an incredible proposal that we believe the community should learn about and give us input on. And that's what we're doing. And as far as the decisions that need to be made, there's a couple of different things that are going to have to happen. So I think the city council is going to have to make decisions both on the land use.

42:51 So there's land use decisions as well as kind of agreement decisions related to the finances of the overall project. The Commonwealth, the General Assembly, is going to have to make

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decisions on the financials of the project as well as potential infrastructure impacts and how they will provide support for those infrastructure impacts. So there's decisions made on both sides.

- 43:22 The vote that was referenced in The Washington Post this week was the vote of there is a committee down in Richmond in the General Assembly that's required by law to review any potential economic development initiatives over a certain threshold before the governor can enter into those agreements. It's a bipartisan committee and they do a confidential review of these proposals.
- 43:50 And the governor must go through that process before he can entertain these kind of suggestions. So the structure that committee has made so that it's kind of a proxy for different parts of the General Assembly. But obviously, there are still votes that have to happen in both the General Assembly and City Council to get here. Can you go over a little bit what the timeline what is a reasonable timeline to expect, including gathering community feedback, negotiating details, final votes for approval?
- 44:23 **DRCA President Katie Waynick:** If it's approved, what do you see as the earliest potential construction good start? And then if you could also touch a little bit on what you guys envision the community outreach to look like. I know that you know obviously, emails, three-on-ones are really helpful speaking at meetings, both legislative meetings when it's on the docket, stuff like that. But if you could just speak to that community engagement piece, how residents can show their support or their concerns or their not support, yeah, timelines, all of those things.
- 44:55 **Mayor Wilson:** Yeah. So we'll put out a schedule and engagement plan very shortly. I don't have it in front of me right now, but we will get that out to the community. And there will be kind of our normal meetings and virtual and in-person and kind of engagement opportunities.
- 45:14 I think we will do more specialized kind of customized micro engagements with civic associations and homeowners associations that are immediately adjacent and impacted because I think there's going to be some specific issues that relate to certain neighborhoods that we're going to want to work through kind of on a smaller format and determine what things need to be addressed as part of that.
- 45:41 So we'll get a schedule out and we'll get a timeline on that and help you with kind of the timeline of decisions and things like that. So this is going to be an extensive process, and we're going to make sure that everyone's aware of how to provide input, so. A couple more related to the site itself. And some of these, I think we touched on a little bit before, but they are nuanced a bit, so I wanted to include them as well.
- 46:12 **DRCA President Katie Waynick:** Will, the Virginia Tech Innovation Campus Buildings 2 and 3 still be built under this plan. If development space is taken away from them, how does that impact our K-12 schools that were going to benefit from the facility? Will there be any sharing of the new facilities with the public on non-game days, or will the area be closed? Specifically speaking, indoor court space and how ice rinks are limited. And will our schools be able to utilize any of the spaces created? Okay.
- 46:40 So as far as kind of community use or anything like that, you know we're very early and not at a point where we determine any of that. But I think to the extent that there is a desire for those

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kinds of things, I think, absolutely, please let us know. And those are the types of things that would inform the council's discussions and requests of the entity.

- 47:05 As far as the plans for the future phases of Virginia Tech, I can get you some details. I don't have off the top of my head what their current plans are for subsequent phases and how this is impacted. I will say that they are very excited about this potential investment. This is something they're very, very excited about. So I don't think it has negative impacts on them.
- 47:33 In fact, they think it has significantly positive impacts on them, so. Can you also speak to what is the city doing or what are the considerations being included or talked about to ensure that 15, 20, 30 years from now, Monumental does not pick up and move elsewhere? Basically, we did have a lot of comments related to making sure that in a couple of decades, we are not in a position that DC is in right now. So what are we doing to make sure that doesn't happen?
- 48:02 So I think there's two things that kind of shape our thinking on the impacts for the future. So this is a 40-year lease, and we would negotiate a non-relocation agreement with Monumental before we would ever go forward on this.
- 48:23 And then I think the biggest contrast with what has happened in the District of Columbia is there was never really a provision in the arrangement in DC for ongoing maintenance and modernization of the facility over time and kind of who would pay for that. And structured into this deal is that.
- 48:46 We will have an ongoing fund built into this deal that allows for monetization over time of the arena so that we don't end up in a situation where it becomes, after 40 years, no longer a viable thing. So I think that it is desired and it is structured so that that's not going to happen. Okay.
- 49:15 But let me just go back, though. As I said at the beginning, the arena and the property would be owned by the authority. And I know you touched on it. Can you explain that authority one more time, but how the city versus state and how that works with the authority? Yeah. So ultimately, the structure of the authority is going to be determined by the General Assembly when they finalize creation of it. But the intent is a public entity, a separate public entity kind of formed under state statute.
- 49:44 It'll have a board that is likely appointed by the governor. And our expectation is that we would have a number of seats designated from the city on that board. They run the stadium authority, if you will, and they would issue the debt, the bonds that construct the arena. Ultimately, they will own the arena and they own the land that it is under.
- 50:15 **DRCA President Katie Waynick:** It'll be owned by a public body. We did have some questions and this kind of relates. If you could sort of touch upon I think there's a lot of confusion about you know why Richmond would have so much say in something that is so hyper-local. Is that something related to the Dylan rule, or is this just something does that go back to the group that had to put forward a vote? I think it was the Monday group before something of this magnitude could go through. Yeah.
- 50:44 **Mayor Wilson:** So I think the reason Richmond is involved is because we did not want this to be all on the books of the city of Alexandria. We did not want the debt and the financing structure

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to fall completely on the city of Alexandria. So the state has the capacity and capability beyond what the city has. And so they essentially help us kind of manage this risk together.

51:15 So that's why the state is a partner on this. And the reason it went to the MEI is because, as I mentioned, the state law requires that the MEI approve and review these proposals before the governor can be allowed to extend them.

**DRCA President Katie Waynick:** There was one more on traffic. No, transportation I wanted to get to as well. Can you expand upon the current ideas for the \$200 million earmarked for transportation infrastructure updates?

51:44 Very curious as to what ideas you may be toying with currently.

**Mayor Wilson:** Let me talk to you about kind of what is being thought of and then what kind of I have in my head, which is just, again, one member. So you know I think, as I mentioned, clearly, there's going to have to be improvements to the metro station in order to accommodate as well as to ensure that it's connected to the arena.

52:15 So clearly, that's part of this project and part of it, and it's going to have to be important. Secondly, there is clearly going to have to be intersection and roadway improvements on Route 1 as well as other adjacent intersections to ensure that the volume of cars that does come into this site is able to get in there and not create problems for the neighborhoods and not create problems for Route 1.

52:50 Are there other things? And I think that's what we want to talk about with the community and determine a really robust transportation plan around other options for what can be done. And I think there are a lot of options. And I think we're going to certainly work with Richmond to help us ensure that the transportation impacts are managed as part of this process.

53:18 But you know I think our goal is to have this, again, be transit that's going to serve this site and get people to and from this site. As I mentioned, we do have the Region's First Bus Rapid Transit System in here. We have plans for expanded dedicated corridors in the Bus Rapid Transit System. And so I think that's certainly an option for us.

53:44 We also can increase the amount of rolling stock on the Bus Rapid Transit System as well. And so I think there are a lot of different options that are available. I mean, this is the most transit-rich area of our city. There is probably no place else in our city that has more transit capacity and higher frequency transit capacity than the Potomac Yard area.

54:09 You know As someone who today, multiple times, took Dash back and forth from my home to the Potomac Yard Metro area and back and then jumped on the metro and back. I mean, we have high frequency in this area, so.

**DRCA President Katie Waynick:** I have a couple that are related to housing that I wanted to get to. And guys, being mindful of time here, so we are going to I'm trying to kind of look through and lump questions together as much as I am able. If I'm not able to get to your question, I have been working off of a document.

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- 54:39 I'm going to put the questions in there and make sure that both Mayor Wilson as well as counsel receive copies of these so that they have an idea of what many of the concerns are because I think that there is a lot of overlap here. The two that were related to housing that I did want to get to. There are a lot of job numbers being proposed, just number of jobs being created from this proposal. The first is how can we ensure enough housing gets built for the thousands of jobs being relocated to Potomac Yard as part of this plan so that current residents are not displaced.
- 55:11 And a second portion or a second part of that would also be this could and likely will increase the demand for and the number of short-term rentals. If this goes ahead, will the city consider and will the state give authority for limits on short-term rentals? So let me take the second one first. The city has been having kind of non-official at this point conversations around short-term rentals and kind of what regulation is necessary.
- 55:43 **Mayor Wilson:** We do not have anything beyond a requirement to register short-term rentals. And we have taxation agreements with the major short-term rental companies to turn over tax revenue to the city for them. But we have not gone further on regulation. A couple other jurisdictions have now in Virginia started to tighten the regulation on short-term rentals. And there has been some litigation related to that.
- 56:13 And it looks like those regulations have actually withstood court scrutiny. So I think it's likely that we will have we have expanded authority to regulate those. And I think the city has done some analysis at our staff level around what types of regulations would make sense as it relates to short-term rentals, both to protect neighborhoods from impacts on quality of life as well as to protect housing supply because, unfortunately, the short-term rentals that we have usually take away from kind of our normal housing supply.
- 56:56 And so we have to be careful about how we regulate those because I think they have impacts going both ways, and so we have to make sure we regulate them thoughtfully. But I would not be surprised to see, unrelated to this proposal, to see counsel considering more stringent restrictions on short-term rentals in the near future. It's definitely been something that I think folks are kind of mulling over. As far as the larger housing impacts here, I guess I would say a couple of things here.
- 57:25 So first of all, this catalyzes a significant amount of housing development in North Potomac Yard. North Potomac Yard has, as I mentioned, eight million square foot of development that is essentially allowed by the master plan. And this would provide a catalyst for a lot of that housing creation to happen, which would ultimately add a lot of additional housing.
- 57:50 Part and parcel with that, we have our ordinary and inclusionary zoning requirements or policies in North Potomac Yard that would require or would prompt the creation of additional committed affordable housing as part of those developments.
- 58:12 And I think the city has also, as part of the master plan, considered the potential creation of additional committed affordable housing in the North Potomac Yard area as it develops over time.
- 58:31 Additionally, because of the significant tax revenue associated with this use, approximately \$50 million would be generated for committed affordable housing from this use, specifically from this use, by some of our policies around revenue dedication for affordable housing.

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58:56 **DRCA President Katie Waynick:** So this would be a significant housing generator as part of this use. Okay. And I've got a couple excuse me to try to tie it all back together. One that I should have asked earlier when I asked about how do we make sure we are not where DC is now 30 years from now. Could you speak to if owners of the or well, if owners of the team are demanding \$500 million for renovations, how that will be addressed within negotiations?

59:32 And you might have touched on it earlier if you didn't.

**Mayor Wilson:** I was going to say I think I answered this one earlier. So first of all, as part of this proposal, they are contributing \$400 million and then ongoing rent to build this arena. That is part of the deal. And then included in the deal is ongoing maintenance and modernization over the life of the arena.

01:00: So the assumption is that we do not end up in a situation where the arena becomes obsolete  
03 over time. Okay. What do you see as the biggest threat or obstacle to the arena being built? And at this point in the process, is there a path which Monumental could still end up in DC? Sure. Absolutely.

01:00: You know This is not a final deal. This is not done. I think, as I mentioned, we have a lot of work  
32 that has to happen at both the local level and the state. And so we will work to engage with the community and determine what types of mitigations are required to move this forward. And yeah, at any step of the way, this could absolutely still die.

01:01: **DRCA President Katie Waynick:** Excuse me. Last question. I want to be mindful again wrapping  
04 up the questions around you. Again, I'm happy to stay as long as you guys want. Well, we have one bit of land-use thing. I want to try to get addressed tonight because I know that we have people who have taken time to be on the call for that as well. But the final one that I want you to just circle back and touch again is if you could offer any timelines on when some of these studies will be released. I know that's the one that has continued to pop up. The parking studies, the economic studies, the environmental studies.

01:01: When do you see some of that being released to the public?  
32

**Mayor Wilson:** It should be very, very soon. We'll get the economic study out. I think they were just working to finalize it as well, get additional outside review to get that out to the public. I think it's also important to note that this is something that we have had we've engaged our municipal finance team.

01:01: So both our kind of bond council and all those folks who advise us on our normal municipal  
57 finance options. And then we've engaged with our rating agencies at at least a high level around this, but we have more work to do in that regard. But we'll get that out as soon as we possibly can, so.

**DRCA President Katie Waynick:** There's actually one more. I apologize.

**Mayor Wilson:** Again, I'm happy to take as many as you want, please.

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**DRCA President Katie Waynick:** I know. So I will be sending these to you and feel free to send back as many answers as you like.

01:02: In the proposed plan, what income streams will be dedicated back to the city? One concern I've  
26 heard a number of times is when you have these types of sporting venues, the owners themselves get all the revenue. So how are we as a city making sure that the city is benefiting from that revenue?

**Mayor Wilson:** So we'll get all that information out to the public. That's part of the economic study. And again, we'll get all the details on how the debt is serviced and where it is serviced and all that. And so we will provide all that to the public.

01:02: I don't want to kind of read it off right here. But there is different revenue streams that are  
55 associated with different parts of this project that ultimately go into the overall pie. But we'll get that all to the public, so. Fantastic. Well, I want to, Mayor Wilson, thank you for being with us and taking an hour of just straight questions. That's not an easy feat. And I'm sure we will have more conversations and more questions.

01:03: **DRCA President Katie Waynick:** Again, I know that I did not get to all of them, both in the chat as  
25 well as submitted through the form. So I will be going through this form. And if I didn't squeak it into another one, try to include it as well. I want to thank everyone again for joining tonight. This is an incredible turnout and really appreciate everyone taking the time to do that.