

Del Ray Citizens Association Town Hall Meeting Minutes

January 8, 2024 - 7:00pm

Virtual via Zoom



Arena and Entertainment Complex in Potomac Yard Town Hall with

7:00 pm: Zoom Malfunction

- We apologize for the inconvenience, and ask that you please watch the video recording to catch up on anything you may have missed. In addition to emailing comments and questions regarding the proposal to DRCA, AEDP, and elected officials, Senator Ebbin noted that there will be a Town Hall with the 39th Senate District Representatives at Alexandria City High School on Sunday Jan. 21st at 1pm for providing community feedback. DRCA will continue to bring neighbors together to learn more about the project developments as they unfold.

[Link to Video Recording](#)

[Slides Referenced During the Presentation](#)

[Monumental ALX - AEDP](#)

[Link to Community Questions](#)

7:20 pm: DRCA Introduction and Welcome by President Katie Waynick

Contact the DRCA Executive Board: execboard@DelRayCitizen.net
[Del Ray Citizens Association](#)

- DRCA Executive Board aggregated questions received via online form: <https://buff.ly/47gVLGO>
- Thank you to other Civic Associations and HOAs that are joining
- Nearly 1,000 people registered for this Town Hall, unfortunately technical difficulties occurred and many were not able to attend

Welcome Panelists

Senator Adam Ebbin

Contact Senator Ebbin: senatorebbin@senate.virginia.gov 571.384.8957
[Senator Adam Ebbin](#)

Delegate Elizabeth Bennett-Parker

Contact Delegate Bennett-Parker: DelEBennett-Parker@house.virginia.gov 703.239.3155
[Elizabeth Bennett-Parker](#)

Stephanie Landrum, Alexandria Economic Development Partnership

Contact Stephanie Landrum: landrum@alexandriaecon.org 703.739.3820
[Alexandria Economic Development Partnership](#)

Mayor Justin Wilson

Contact Mayor Wilson: justin.wilson@alexandriava.gov
[Mayor Justin Wilson | City of Alexandria, VA](#)

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Senator Ebbin Initial Thoughts:

- Proposal offers potential for City to be less reliant on residential property tax
- Quality of life concerns: transportation, affordable housing, labor conditions

Delegate Bennett-Parker Initial Thoughts:

- Closest elected official to the site
- She was not involved in negotiations
- Would vote “no” if a vote was held today because of lack of information.
- This needs to be a net positive for Alexandria

7:25 pm: Potomac Yard Arena Proposal Q & A

PROCESS/ TIMELINE

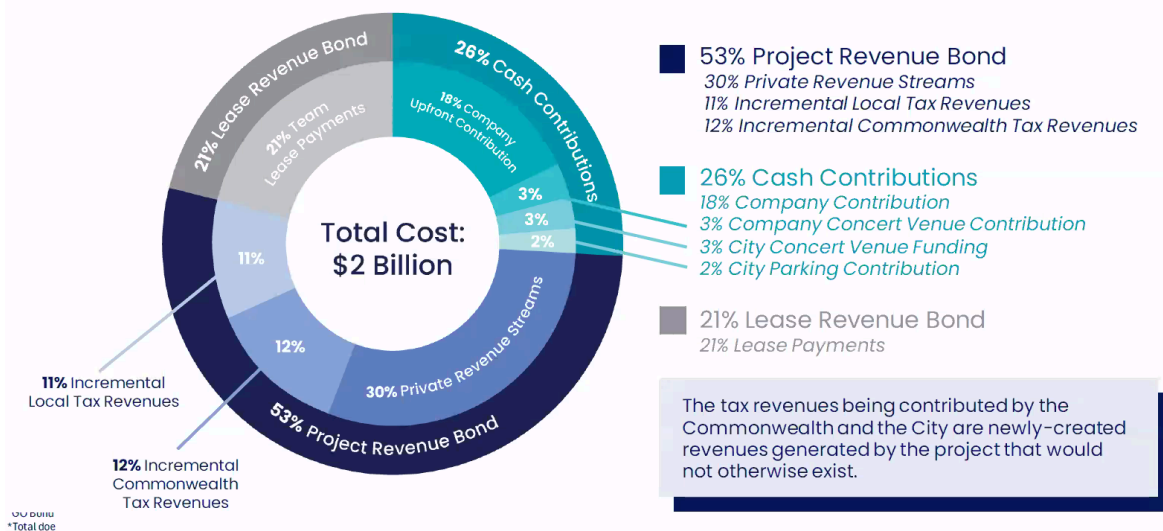
- Votes at State Level: Session starts Wednesday at noon for 9 weeks
 - 2,000 bills at that time
 - Feb 13th is crossover - has to pass from the first chamber or it dies
 - One or both bodies of government
- Large issues are usually a single legislation
- Governor has included this proposal in his budget, Senator Ebbin would prefer to see an independent Bill for this review
- Local level:
 - Whether or not to enter into the engagement
 - What are the differences we would like to see
 - Entitlement process - City process involves multiple processes over the full length of 2024
- How is this being received in Richmond?
 - Mixed response, most are taking a wait and see posture
 - 140 members of the general assembly, will have a mix of responses
- How are the Senator and Delegates soliciting feedback
 - Sending out mailer
 - Question about people's opinions and open ended responses
 - Town Hall: Sunday Jan. 21st at 1pm with 39th senate district representatives at ACHS
- How to make agreements legally enforceable
 - Bill will have certain requirements with the force of law, if it is in the bill it can be enforced
- Can City residents vote on this
 - Governing by referendum is generally not encouraged
 - Unusual for economic development to be sent to referendum



- How can residents ensure this “done deal” is satisfactory
 - Not a done deal
 - Must go through votes at General assembly, City Council
 - A lot of engagement opportunities

FINANCING

The financing structure for this project is unlike any sports financing structure ever put together before.



- City of Alexandria pays for half of the performance venue (3% of \$2B = \$60M) and to contribute to the parking deck (2%, \$40M)
- 74% being paid for with bonds by Monumental
- What would a budget shortfall look like for the bond
 - Stephanie: No variability in lease payments, contract
 - Project revenue bonds have variability: different sales each year
 - Modeling with 2X coverage - bring in twice as much debt coverage as required
 - Could do 50% worse than planned and be totally covered
 - Not pledging all revenue to payment of bond
 - The stadium authority will pay bond debt, the additional money from each year will be split between the Commonwealth and the City
 - Worse case scenario: City and Commonwealth are backing with a “contingent moral obligation”, would require splitting the shortfall if their is an amount
 - Open and active negotiation
 - No penalty for prepayment

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- Performance bonds need a signed lease, interest only payments until the building is operational
- Light Blue development will be property tax generating for the City (see page 7 of slides)
- Green: No revenues from this section are pledged to pay for the bonds

- Is it possible to require that some of the money generated go toward Property Tax relief for the residents of the City
 - Would be better to make sure it is a good deal and then let City Council decide as a policy decision rather than make a requirement within the Bill

- Was there an overestimate of economic impact study, little consideration given to negative impacts
 - Fiscal impact of uses is different based on use type
 - Study and vendor have worked with the City in the past, IMPLAN model is industry accepted and is one piece of the puzzle

- Seem to imply only 2 scenarios - no development and to remain as is / only new development due to arena
 - Baseline model was new residential with ground floor retail
 - No current demand for office space or hotels without a catalyst driver
 - Will achieve development 20 years sooner with the arena catalyst
 - Only parcel East of Potomac Ave would be available for development without including the shopping center as area for redevelopment

- N. Potomac Yard Small area plan requires a minimum amount of commercial development that needs to be built per the small area plan, not an opportunity to convert it all to residential only

- Seems to be a lot of proprietary data from JBG, can more information be released
 - Hoping to have additional information out this week through AEDP

- Third party review?
 - State is having a third party independent review of the economic impact analysis

- Has a sports economist been involved?
 - Structured differently than other sports deal, would be open to discussions directly with sports economists

- Multijurisdictional economic impacts: 30,000 permanent jobs - how does moving the jobs from DC to Alexandria benefit the City
 - Senator has not seen the jobs report yet

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- Jobs that would be relocating are 650 from Monumental Sports and Entertainment - Monumental is expanding into Virginia, not leaving DC
- Mystics would be moving to Capital One Arena
- Balance of 30,000 jobs are the rest of Potomac Yard as it gets built out and are new jobs creation
- Discussion of other potential uses for the site - has anything else been explored, why is this option better than an education purpose
 - Actively promoting this site as a marquee site for years, brought in VA Tech and are still working to bring other corporations that are interested in Science and Tech. Monumental hires science and technology graduate students. VA Tech is one of the reasons that this site is interesting to Monumental
 - Will continue to talk to other education and corporate tenants
 - Sports / Entertainment / Technology district
 - Variety of community amenities required by developer
 - Development creates benefits to the City
 - Open space
 - Infrastructure
 - School Site is required to be turned over to the City
 - Affordable Housing
 - Community amenities

TRANSPORTATION

- Transportation Funding
 - State is engaged with Kimley Horn for a transportation study due this January
 - \$110 M included in project financing for transportation, \$25M on site
 - \$200M worth of potential projects needed to move people through the district
 - This site was always planned for a lot of people to come to it, 20,000 people coming to work in office buildings - similar number of people coming to arena, but at different peak times
- Traffic Study - key topics raised
 - Traffic during games and events
 - Protecting Neighborhoods
 - Existing Route 1 Multi Modal
- Additional items
 - Water Taxi
 - VRE / Amtrak connections
 - Bike Connectivity
 - Real Time Transit Technology
- How are we working with Arlington and Fairfax County - capacity at end of line metro

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- stations, Boulevard development of Route 1 in Crystal City
 - Secretary of Transportation is the lead from the states perspective of engaging the regional discussion and working on the Transportation Study
 - Preliminary conversations with Arlington and Amazon re: HQ2 - tweaks or changes needed to that agreement
 - All parties are motivated to work together
- National Park Service involvement / what has already been learned from development in the site - construction of metro
 - NPS is a major stakeholder
 - Already 3 corporate headquarters adjacent to this location
 - Will be owned and developed by the Sports Authority - the major job of the authority will be to manage the project budget and the construction

HOUSING / QUALITY OF LIFE

- Can the City create anymore regulations around Air B n Bs
 - Bills coming before the General Assembly may give localities more flexibility to adopt additional regulations
- Property Values - exacerbate housing inequality in Alexandria - what can be done, Tenants and Workers United
 - Rent stabilization / rent control, VA does not currently have this option, but the State could consider it - not always simple, but it will most likely be discussed again this session - Senator Ebbin supports giving significant notice prior to rent going up
 - Dedicated taxes at City and State level were protected and not dedicated to the projects - Meals Tax, on site affordable unit generation or contribution to affordable housing
- Public Safety - Increased required services
 - Public services agreement is a detailed plan that outlines the level of service provided and who pays for what
 - Facilities of this size and scale - regional design of public service professionals that serve across the region
 - Mayor Wilson: We would never let this arena negatively affect safety in the City
- Noise - quality of life from the entertainment venue
 - City has a noise ordinance
 - Nothing has been definitively designed, everything will go through design. Idea is

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for a small outdoor stage facing the arena for a pre-game concert

- What are you looking for to vote yes / no on this proposal
 - Delegate Bennett-Parker:
 - Commitment from State for Metro funding
 - Transportation Study - how are people getting to the site, where are people coming from
 - Economic analysis and assumptions - need more information
 - Affordable housing
 - Would like to hear more feedback from the community

- City is missing a facility for 4-8,000 people - graduation, prom, other community events that a venue like the performing arts center could contain

8:50pm: Meeting adjourn