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your connection to City Council by Mayor Justin M. Wilson

January 1, 2024

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Happy New Year!

As we welcome 2024, it is an exciting time to be an Alexandrian. It was great to see so many Alexandrians last night on the streets of Old Town celebrating as part of [First Night Alexandria](#).

In two weeks the community celebration to honor the memory of Rev. Dr. Martin Luther King Jr. will return to the George Washington Masonic National Memorial at 4 PM on Monday January 15th. I'll see you there!

If you would like me to host a town hall in your neighborhood, [please drop me a](#)

[Smoke Detector Installation Request](#)
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[line](#) and we'll get it on the calendar!

[Contact me anytime](#). Let me know how I can help.

Initiatives and Updates



A Proposal For Potomac Yard

Last month, [the City made a significant economic development announcement that will realize the long-held vision of North Potomac Yard as an economic engine for our City for decades to come.](#)

The [attraction of the corporate headquarters of Monumental Sports, a new arena for two professional sports teams, a performing arts center, broadcast studios, practice facilities, and other ancillary uses will catalyze thousands of units of new housing \(including a large infusion of committed affordable units\), the creation of a new school, parks and more.](#)

You can [watch the formal announcement online](#), including myself, Governor Glenn Youngkin, Senator Mark Warner, House Majority Leader Charniele Herring, and the owner of Monumental Sports, Ted Leonsis.

[According to analysis by HR&A Advisors this proposal will provide nearly a billion dollars of permanent annual economic output for City, just from the first phase, which includes the corporate headquarters for Monumental Sports, the Monumental Sports Network Studio, the arena, the performing arts venue, team facilities and the arena parking garage.](#) That same analysis shows that this first phase, would catalyze an additional \$5.6 billion of permanent annual economic output within the City. Together, this is projected to be \$3.6 billion of additional permanent annual economic output beyond what would occur without this catalyst.

While this economic impact is significant for the City, it is proposed to occur in a rather compact space. The arena, studios, headquarters and performing arts venue are all proposed for the area just south of the new Virginia Tech Innovation Campus building under construction, just north of the recently opened Potomac Yard Metro, just east of the existing Potomac Avenue and just west of the railroad tracks.

But to understand why we are here requires a step back a bit.

This year, **the City will collect \$856.4 million from a variety of tax and fee revenue sources to fund the costs of the City's government, including our schools, public safety, human services, transportation, infrastructure investment, debt service and more.**

A little over 62% of that money will be raised from the real estate tax. **Twenty years ago, 51.5% of our budget was funded by the real estate tax.** By digging a little deeper, the story becomes even more stark. Two decades ago, 69.6% of our real estate tax revenue came from residential sources, either residential taxpayers or the owners of residential multi-family buildings. Today nearly 81% of real estate tax revenues come from those sources, with only 19% coming from our commercial tax base.

As a contrast, while our friends in Arlington have faced some of the same factors, **their commercial tax base is 23% of their total tax base**, which has led to Arlington having the lowest real estate tax rate of any major jurisdiction in the region. **In Fairfax County, their commercial tax base is now just a little over 16% of their overall base.**

What happened? The short answer: A lot of things:

- Obsolete office space converted to other uses, demand for office space dropped and retail space consumption plummeted, leading our office and retail sector to drop from over 24% of our tax base to 17%.
- With high demand for multi-family rentals, our multi-family rentals went from 12% of our tax base to 20.5%
- Our residential properties generally appreciated at a much higher rate than commercial properties over those two decades.

That leaves us in a place where today residents of Alexandria are footing a larger percentage of the cost of their government than they ever have. The trajectory that we have seen over the past two decades shows no sign of abating in the future.

The only true way to change this trajectory is through economic development. Alexandria has had some successes:

- **Landmark Mall is becoming the mixed-use village that we always intended, anchored by the new Inova Alexandria Hospital.**
- **We successfully attracted the Virginia Tech Innovation Campus to Potomac Yard, joining**

- the neighborhood with the Institute for Defense Analysis, the American Physical Therapy Association and more.
- We successfully attracted the National Science Foundation and its 2,400 jobs to Carlyle.
 - We have begun to achieve the economic potential of our waterfront with the development on the south end of our Potomac River shoreline.
 - We are seeing the Oakville Triangle mixed-use vision come to life, anchored by an Inova HealthPlex.
 - Hilco Redevelopment Partners is transitioning an obsolete coal-fired power plant on our waterfront to a modern mixed-use community.
 - Decades of planning in Carlyle is paying dividends, as further mixed-use comes to life in that corridor.
 - We have also made large investments in the infrastructure to drive economic growth long into the future, most significantly with the Potomac Yard Metro opening last May.

That Metro Station is a key component of a larger vision for a mixed-use North Potomac Yard. For decades, City plans have assumed that over time, the existing shopping center and its acres of surface parking, would give way to a new mixed-use neighborhood, with residential, commercial, entertainment, a school, park land and much more. The North Potomac Yard Plan, includes the area north of East Glebe Road continuing to the City border, and allows over 7.6 million square feet of development. That future is now.

Much has changed since those plans were originally approved. New office development was on life support before the pandemic. In a post-pandemic world, there is essentially zero new office development occurring in the DC region. Existing office portfolios are defaulting at an alarming rate as tenants decide not to renew their leases. The economic growth of our region's future will be experiential, the types of non-residential uses that cannot be virtualized.

While this exact proposed use was clearly not specifically envisioned during the Small Area Plan process, it was not far from mind. From our Master Plan: *"In addition, uses such as entertainment and/or live performance arts are encouraged. An entertainment district could provide a unique identity for Conceptual rendering of Metro Plaza. this neighborhood and would differentiate this new town center from others in the region. The entertainment and theater uses can utilize the office parking during*

the evening hours, and add evening activity within the neighborhood."

Like so many competitive economic development initiatives in the City's history, the formal announcement is the first time most residents of our community learned of this proposal. The competitive nature of these efforts require confidentiality. With the announcement now behind us, we are entering a phase of very active engagement with the community to discuss the details of the framework agreement, and ensure community voices are heard as many more details are determined. We will work to ultimately settle on a proposal that is in the best interest of our City and our quality of life.

As the City engaged in this discussion with the Commonwealth and Monumental Sports and Entertainment over the past few months, we were mindful of the litany of public/private partnerships around the nation that turn out to be bad deals for the taxpayers, **particularly when it relates to sports facilities**. We have worked to make this deal different.

The arena and that land that it will sit on is proposed to be owned by a new Virginia Sports and Entertainment Authority.

The construction of the arena will be financed by three sources:

- A \$403 million up-front private investment by Monumental Sports and Entertainment
- A \$1.05 billion Project Revenue Bond issued by the new Authority
- A \$416 million Lease Revenue Bond issued by the new Authority

The debt from these bonds will be serviced and ultimately paid off over time by three sources:

- Annual lease payments that will be paid by Monumental Sports and Entertainment
- A portion of NEW tax revenues that are paid to the City of Alexandria by these new uses
- A portion of NEW tax revenues that are paid to the Commonwealth of Virginia by these new uses

Included in this deal is an ongoing fund that will renovate and upgrade the arena over time, to avoid the obsolescence that ultimately occurred at Capital One Arena.

Additionally, the City will have long-term agreements with Monumental Sports and Entertainment to ensure long-term tenancy and protect the City's taxpayers from risk.

There is no City or Commonwealth tax dollars being invested in the arena.

In addition to the arena, there will be two components that the City will be invested in. As part of this arrangement, the City will be investing in the new performing arts Center and the parking facilities, as a joint venture with Monumental. As part of that arrangement, the City is entitled to a share of the revenues from both of those uses.

Of the overall \$2 billion of investment from this project, 42% will be financed by Monumental, 53% will come from a portion of the new tax revenues generated by the project and 5% will come from the City.

The City's long-time municipal finance advisors, Davenport & Company, have closely advised us as we have gone through this process. [**You can watch our advisors and our City's Director of Finance discuss the financing of this project in a video we released last week.**](#)

You can also [**watch our City Manager and the CEO of the Alexandria Economic Development Partnership present the full proposal to our City Council meeting last month.**](#)

While the contours of the financial relationship between the City, Monumental and the Commonwealth has been negotiated, there is a lot of detail associated with this proposal that must be determined. Protecting our existing neighborhoods from any negative impacts, ensuring that our transportation infrastructure can support any plans for use of these facilities and prioritizing public investments are just a few of the critical details that must be determined in close collaboration with our residents over the next year and beyond.

In addition to broad, city-wide engagement, we will have very targeted engagement with directly impacted neighborhoods, as we work through details specific to those communities. On the evening of the public announcement last month, I had the opportunity to answer questions before about 500 residents hosted by the Del Ray Citizens Association. [**You can watch that discussion online.**](#)

This is a large opportunity for our City and its future. We are in this discussion because the City Council, the Governor and leaders in the General Assembly believe that this proposal can be beneficial to our community. Those benefits will accrue to the many services that our residents expect and demand, including our schools, our public safety agencies, transportation, housing, human services and more.

I look forward to extensive engagement as we shape this proposal to realize those benefits. Let me know your thoughts as we continue this discussion.



School Board Special Election

Due to the resignation of School Board Member Willie Bailey, there is a Special Election to be held on Tuesday January 9th for School Board. This election will choose a replacement School Board member to serve the final year of Board Member Bailey's 3 year term.

The seat represents District A, which is the East End of the City.

Voters who vote at one of the following 11 precincts are eligible to vote in this Special Election:

- Ladrey (Charles Houston Recreation will be the voting location)
- City Hall
- Lyles-Crouch
- Durant Center
- Lee Center
- Cora Kelly/Chick Armstrong Center
- Mt. Vernon Center
- George Washington School
- Fire Department Headquarters
- Charles Houston Center
- Potomac Yard

On Tuesday January 9th, these City polling places will be open from 6 AM until 7 PM for the Special Election.

[A sample ballot for this race is available online.](#)

The student newspaper at Alexandria City High School, The Theogony, **[has published interviews with both candidates to assist voters.](#)**

The **[Alexandria PTA Council will be hosting an online candidate forum on Wednesday evening at 7 PM.](#)**

Last year, Virginia introduced "no-excuse" early voting, so voters have three choices to vote in this election:

1. Any mailed ballot that you have already received can be mailed back or dropped 24/7 at the drop-box located in front of 132 N. Royal Street.
2. **[You can vote early in-person at the Alexandria Registrar's Office \(132 N. Royal Street\) from 8 AM until 5 PM all this week.](#)**
Tomorrow the early voting will extend an extra 2 hours to 7PM. On Saturday, the final day of early voting will be from 8 AM until 5 PM.

3. You can vote in person **at your precinct** on the Special Election day of January 9th.

I'll see you at the polls!



Budget Update

Next month our City Manager will present the **proposed Operating Budget for Fiscal Year 2025 (July 1, 2024 - June 30, 2025) and the proposed Capital Improvement Program (CIP) for Fiscal Year 2025 through Fiscal Year 2034.**

The most important decision the City Council makes each year is the adoption of the annual operating budget and capital improvement program. The operating budget generally funds the on-going costs of government (primarily personnel), while the capital budget funds one-time expenditures that provide the community with an asset (new schools, new roads, new playing fields, transit buses, etc).

The upcoming budget will be proposed and adopted in an uncertain environment, with impacts in the real estate market driven by higher interest rates, and where we continue to see inflation impacting the cost of talent and raw materials, two things local governments buy in large quantities.

In November, the City Manager presented his initial outlook for the upcoming budget to our annual Council retreat.

In Virginia, the structure of municipal finance is heavily reliant on real estate taxes. Consequentially, in Alexandria the real estate market, both residential and commercial, dictates our budgetary fate. After seeing the healthiest growth in our real estate tax base in over 15 years, last year we saw slowing. For 2024, we are expecting further slowing as the impact of mortgage rates more than doubling is affecting our real estate market.

Real estate tax revenues are currently projected to grow by 2.4%, which would be a return to the anemic growth that has characterized much of the last decade and a half. After a pandemic-driven aberration with higher than expected vehicle prices, our staff is now projecting that vehicle personal property tax revenues will return to normal with a modest 1% increase next year.

Yet on the expenditure side of the ledger, we are seeing increases in costs across our balance sheet, driven by new costs for cash capital and debt service to support City and School capital investments, new investments to support student enrollment growth, the

costs of regional and local transit services and the impacts of new collective bargaining agreements for our City employees.

With these revenue estimates and expenditure estimates, this brings us to a projected revenue shortfall of \$19 million.

Given that our local budget must be balanced, that shortfall must be resolved with either spending reductions, tax increases or some combination of the two.

To formally commence that process, **[the City Council adopted our annual budget guidance for the City Manager](#)**. Given the considerable uncertainty, the adopted guidance asks the City Manager to propose his budget without a tax rate increase, as well as a scenario that includes a rate increase.

This will be a challenging environment to adopt a budget. With our residential taxpayers already paying more this year due to the appreciation in our residential tax base, I believe we should again work to avoid a rate increase while protecting the core services our residents depend on. Last year was the 7th budget in a row without a tax rate increase and I am hopeful we can continue that pattern.

The City Manager's budget presentation is on February 27th.



Alexandria West Planning

Since the fall, our community has been engaged in a comprehensive update of the Alexandria West Small Area Plan. This plan will encompass **[a wide swath of our City, the entire northwest corner](#)**. This process **[has engaged residents throughout the plan area over the past few months](#)**.

[You can watch last month's community meeting providing an update on the ongoing planning](#). You can also review the **[community questions that were submitted, along with answers provided by our staff](#)**. This month, our staff will be returning to the Planning Commission and the City Council to provide an update and get feedback as our staff prepares to release draft recommendations for community review.

The City's Master Plan is made up of **[18 Small Area Plans](#)** and several Citywide sub-plans (Transportation, Housing, Open Space, etc). This is how the City meets **[the obligations of state law to adopt and update a comprehensive plan](#)**.

Over 23 years ago ago, the City Council adopted **"Plan for Planning,"** a vision for how the community could proactively work to get ahead of development pressures and ensure that our community's vision would shape transition in our neighborhoods.

Since that time, the City has been revising and modernizing these Small Area Plans, working intensely with different neighborhoods around the City to adopt a vision for the future of our community.

But no plan is worth the effort if the City will not implement what was planned. Over the past several years the City has worked to improve our efforts to implement plans and policy goals in a variety of areas. **To provide accountability for those efforts, the City publishes an annual report detailing the status of implementation of the most significant City planning initiatives.**

I am excited to see these neighborhood planning efforts moving forward, specifically as we work to conclude a new Alexandria West Plan! I look forward to your input.



Financial Audit

Along with Councilwoman Alyia Gaskins, I am a member of the City's Audit Committee. One of the duties of the committee is to supervise the City's annual financial audit.

When our audit concludes, the City issues Annual Comprehensive Financial Report also known as the ACFR. At the end of November, **the City Council accepted the ACFR for the Fiscal Year 2023, which concluded on June 30th of 2023.**

This document includes the statement from the City's independent certified public accountant firm, **CliftonLarsonAllen, LLP**. That statement is an unmodified, "clean" opinion, of the City's financial reporting. This external affirmation provides public assurance that the City's financial controls are appropriate and provide for accountability as stewards of tax dollars.

The ACFR includes audited statements of the City's financial position and can be useful to fully understand the financial condition of City government.

New this year, **is our release of a Popular Annual Financial Report (PAFR)**. While some in our community get as excited as I do with the 252 pages of dense financial reporting of the ACFR, the new PAFR

is designed to be a more accessible document for this important information.

I hope you find this new financial information helpful!



Confederate Street Names

This month, the City Council will formally receive and act upon a recommendation by the Alexandria Naming Committee to undertake a renaming or rededication of several City streets.

This recommendation was informed by the Historic Alexandria Resources Commission which endorsed a list of new street names, prioritizing those who are underrepresented on Alexandria street signs, particularly women and minorities.

Early in the morning of August 21, 1863, William Quantrill led a Confederate guerilla group to attack Lawrence, Kansas. After looting most of the businesses in the town, the guerilla group then executed nearly 200 men and boys in the town. Today, Quantrell Avenue on our West End is named in his honor.

On March 6, 1857, Chief Justice Roger Taney wrote that African-Americans “are not included, and were not intended to be included, under the word ‘citizens’ in the Constitution, and can therefore claim none of the rights and privileges which that instrument provides for and secures to citizens of the United States. On the contrary, they were at that time considered as a subordinate and inferior class of beings, who had been subjugated by the dominant race...” These words were included in the majority opinion in the Dred Scott v. Sandford case before the United States Supreme Court. Today, Taney Avenue is named in his honor, also on our West End.

In the aftermath of the Civil War, Confederate veterans came together to form the Ku Klux Klan, to perpetuate racial terror and “The Lost Cause.” Chosen as the first “Grand Wizard” of this racial terror group was former Confederate General Nathan Bedford Forrest. Today, Forrest Street is named in his honor in Del Ray.

Unfortunately, these three examples are replicated throughout our City. Those who served on City Councils of the past used street naming policies as a form of permanent protest against the burgeoning civil rights movement and growing political power for African-Americans. As a symbol, these honors persist today, honoring virulent racists, many of whom took up

arms against our nation. These honors are not defensible and should be removed.

In August of 2016, the Ad Hoc Advisory Group on Confederate Memorials and Street Names **presented its final report to the City Council**. This report recommended that the City proceed with a **renaming of Jefferson Davis Highway** and allow the typical City renaming process to handle renaming of other streets in our City.

During the FY 23 budget process, our City staff **provided a detailing of the budgetary impacts that would accompany street renaming efforts and detailed a more methodical approach**.

While it is important to remove these inappropriate honors, it is also important to consider practical concerns as thousands of Alexandria residents live on these streets, numerous businesses operate on these streets and residents and visitors use these existing street names to navigate our community. As such, I believe a reasonable, yet deliberate pace of renaming these streets over time should be embarked upon.

Early this year, **my colleagues supported my proposal** to ask our Historic Alexandria Resources Commission (HARC) to help us develop a list of people, places and things worthy of honor, particularly those names that draw attention to people and events of our history that have been frequently overlooked. With that list, the City's Naming Committee will go to work to assign new names to approximately 3 streets each year.

Honors and commemorations that seemed appropriate a century or even 40 years ago, may no longer be appropriate in a modern Alexandria. Our ability to reflect and change is a strength of our community. We will welcome public input at our Public Hearing on Saturday January 20th, when we discuss these proposals.



General Assembly Legislative Package

Each year, the City adopts its Legislative Package. Essentially, this is a wish-list of legislative initiatives and budget requests we would like to see enacted by the Virginia General Assembly in the upcoming session. While the state government is certainly a financial supporter of the City's budget, Richmond also sets a legal environment that impacts how we provide services to our residents.

Two years ago, I wrote about the changes that were coming to Richmond, as Governor Youngkin prepared

to take the oath of office as our 74th Governor and Republicans took control of the House of Delegates, leading to divided government, after two years with Democratic control of the governorship and both houses of the General Assembly.

When the General Assembly convenes on January 10th, we will enter a new phase as Democrats will retain control of the State Senate and take control of the House of Delegates. Given the impacts of redistricting and the ensuing retirements, this upcoming General Assembly will see a shocking amount of turnover. A third of the House of Delegates, 34 members, will be new to the body. Nearly half of the State Senate, 17 members, will be new to the body.

Most of the focus in Richmond will be the adoption of a new biennial budget for the Commonwealth. With a very different financial condition facing the Commonwealth, obtaining bipartisan agreement on the budget will be much more challenging. [**The Governor initiated this process last month with the presentation of his budget proposals.**](#)

Along with Councilman Kirk McPike, I serve on the City's Legislative Committee, which recommends the Legislative Package each year to our colleagues.

Last month, the City Council endorsed our Legislative Package for the upcoming session. As in past years, our package reflects a set of [**Legislative Principles**](#) providing a framework for approaching proposed legislation, and a set of [**Legislative Priorities**](#) requesting specific legislation be enacted.

After November elections and the impact of redistricting, we will have a new delegation in Richmond. Alexandria will now entirely be represented in the [**39th State Senate District**](#) and will be represented by three members of the House of Delegates, those elected from the [**3rd District**](#), the [**4th District**](#), and the [**5th District**](#).

In the State Senate we will be represented by [**Senator Adam Ebbin**](#). In the House of Delegates, the City is represented by [**Delegate Charniele Herring**](#), [**Delegate Elizabeth Bennett-Parker**](#) and [**Delegate Alfonso Lopez**](#).

To learn more, [**click here to determine who represents you today.**](#)



After-School Services

Over the years, I have frequently written in this newsletter about academic performance in our schools and how we as a community can work to narrow achievement gaps. I have noted that our children are only in school for 32.5 hours a week. So much of what determines their educational attainment and ultimate success in life occurs during the hours when they are not inside a school building.

For the past decade, I have served on the City Council/School Board Subcommittee. Under the auspices of that committee, we initiated a process eight years ago to focus jointly on the times outside of the classroom. Our work has been designed to leverage those times to improve educational outcomes for our children.

In June of 2016, the Council and School Board [held a joint worksession](#) to focus on the after-school experience for students around our City.

The [data collection efforts](#) showed clear discrepancies in the availability of after-school services in the west end versus the east end of the City. It also showed wide variation in the types of services offered to youth as well as the grade levels that the programs serve.

Today public, private and non-profit organizations provide after-school services in Alexandria. The programs range from extensive homework assistance and tutoring to unstructured gymnasium time.

Our goal must be to improve the outcomes for our children by improving the coordination, quality, and availability of these services.

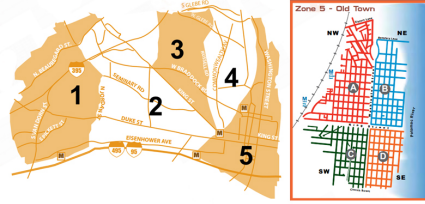
Public/private collaboration during the pandemic gave birth to the "[Youth Support Network](#)." This partnership of the City, our schools, non-profit organizations and private providers was constituted to assess and make concrete policy recommendations as it relates to after-school and out-of-school time programs.

During the FY 2023 budget process, along with Councilwoman Alyia Gaskins, [I successfully included funding in our budget to give the Youth Support Network the resources to better assess our existing services, fund a new program locator and a new program quality pilot.](#)

Last month, [the resulting community report was presented to Alexandria residents.](#) This important report brings together an assessment of the services

available in our community, the gaps that exists, as well as a set of recommendations for how we move forward.

I'm hopeful that we will be able to advance policy changes that will fully leverage our investments in after-school activities to improve the academic outcomes for our kids.



Leaf Collection

Alexandria's annual leaf collection began last month and will continue into January! Crews have completed the second pass for all streets and the third pass for most streets in the City. Check online to learn your collection date for those streets that await a third pass.

Leaf vacuuming will proceed to each of the designated zones beginning on the scheduled dates. Each zone will take several days to complete.

Additionally, the City is making up to 15 leaf bags available for each residential household. The bags can be picked up at City Hall, the City's self-service shed at the corner of Roth and Business Center Drive or at Charles Houston, Chinquapin, Patrick Henry or Mount Vernon Recreation Centers.

These leaf bags can be placed out for collection on your regulation collection day.

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