

December 16, 2023



MONUMENTAL ALX

FOR ILLUSTRATIVE PURPOSES ONLY

First Presentation about the Proposal for Alexandria to Welcome a World Class Entertainment District at Potomac Yard

City Manager Jim Parajon
AEDP President & CEO Stephanie Landrum

PROJECT WEBSITE- www.MonumentalALX.com

The Opportunity to Bring a World-Class Entertainment District and Monumental Sports & Entertainment Campus to Alexandria, Virginia

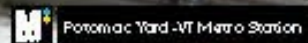
Here's what you need to know about what happens next for this monumental opportunity to become a reality.



The Vision

Monumental Sports & Entertainment, the Commonwealth of Virginia, the City of Alexandria, and JBG SMITH announced a framework of an agreement for a public-private partnership to create a world-class Entertainment District in Alexandria at Potomac Yard.





New Arena and Practice Facility for Washington Wizards and Capitals, Monumental Sports Corporate Headquarters, Monumental Sports Network Studio, a new Fan Plaza, and Performing Arts Venue*

LONG-TERM FUTURE DEVELOPMENT

FUTURE DEVELOPMENT
Office, Residential, Walkable
Retail, Hotel and Meeting Space, and
Community Gathering Spaces

ROUTE 1

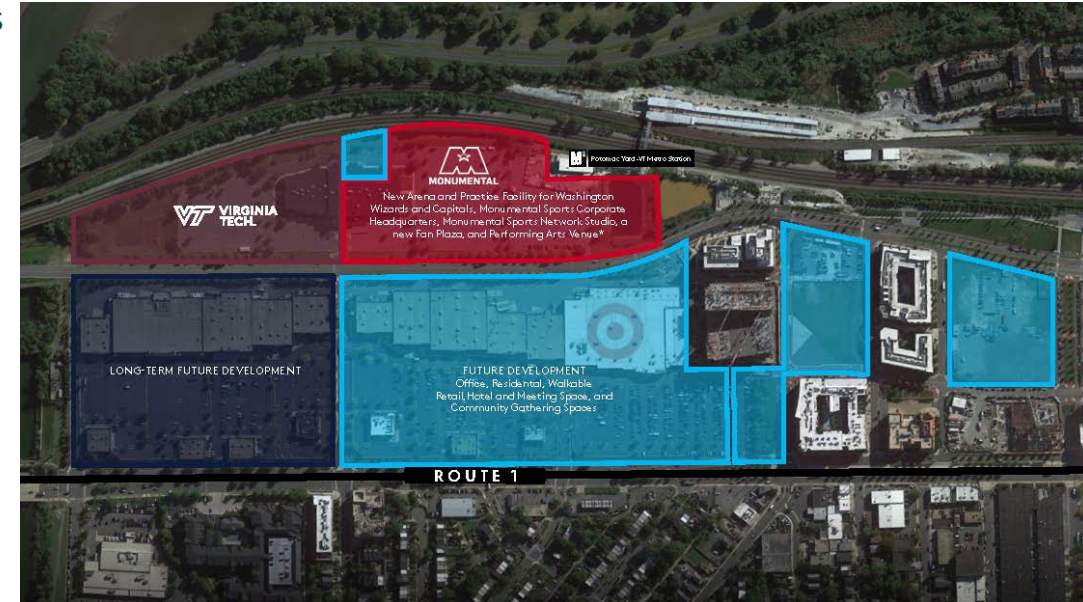
PROJECT AND FUTURE DEVELOPMENT

Monumental Sports & Entertainment intends to anchor an Entertainment District in Potomac Yard. MSE's campus would include:

- The global headquarters for Monumental Sports & Entertainment and its more than 650 employees
- An industry-leading arena for both the Washington Capitals and Washington Wizards
- A state-of-the-art Monumental Sports Network media studio
- The Wizards practice facility
- An expanded e-sports facility
- A performing arts venue
- 2500 space underground parking garage

ARENA PHASE

The Arena Phase will be financed by the public-private partnership between the Commonwealth, City, MSE and JBG SMITH. This development will take place in the area highlighted to the right in RED.



Future Development- Phases I, II and III

- The investment in the Arena Phase will catalyze and jump-start construction and development of Phases I, II and III of Potomac Yard
- The City, Commonwealth and JBG SMITH are working on an agreement to bring forward the following uses in **Phase I**, located on portions of the property highlighted in light blue:
 - Residential buildings, to include dedicated affordable housing units
 - A Class A/trophy office building
 - Street level retail, to include destination and neighborhood serving tenants as well as possible relocation of existing retailers
 - Multiple hotels, with conference facilities
 - Dedication of school site to the City of Alexandria
- Phases II and III will be developed upon completion of Arena and Phase I, as retail leases expire and market demand supports

PHASE 1





For Illustrative Purposes Only



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EVALUATING ECONOMIC DEVELOPMENT PROJECTS

- Evaluate “base case” and market reality
 - Seek commercial uses viable in a post-pandemic world
 - Aligned with Small Area Plans and community vision for development
- Compare opportunity to base case- fiscal and economic
- Seek and secure commitments from partners (State, company, real estate)
- Incentivize AND Invest in community
- Guiding principles:
 - Utilize City’s favorable cost of capital while **protecting the City’s bond rating**
 - **Enhance future debt capacity** by creating new economic activity
 - Follow successful “**invest in catalyst**” historic approach
 - Investments only when **inducement makes the project possible**
 - **Generate new revenue** throughout incentivized project
 - Leverage **new revenue from project** as incentive
 - Follow **Economic Sustainability** principles
 - **Diversification** of City tax base



PROPOSED FINANCIAL STRUCTURE

Campus Investment and Ownership:

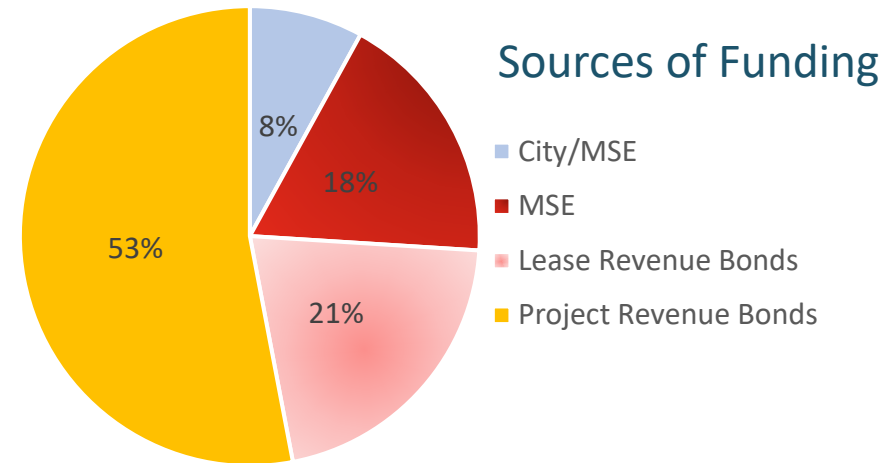
The land and buildings will be owned by the to-be-created (by the Virginia General Assembly in their 2024 session)

Virginia Sports and Entertainment Authority

None of the City's current tax revenues, including in Potomac Yard, are being used to support the project

\$2 billion transformational investment will be supported by:

- bonds issued by the Sports Authority (Lease Revenue + Project Revenue bonds)
- Cash investment by Monumental Sports & Entertainment (MSE)
- Capital investment in the performing arts venue and related parking by the City (matched by capital investment from MSE) (City/MSE)



MIX of SOURCES:

40% - MSE cash + lease payments

53% - tax revenues generated by MSE business and activities

5% - City contribution

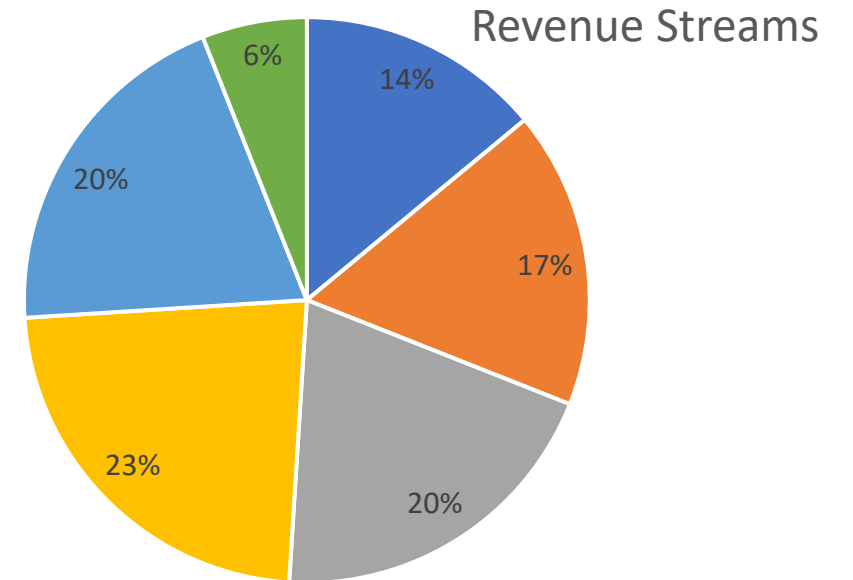
PROPOSED ON SITE TAXES PLEDGED

None of the City's current tax revenues, including in Potomac Yard, are being used to support the project
No inclusion of any taxes already being collected by the Commonwealth to repay the bonds

The bonds will be repaid through:

- annual rent paid to the Authority by MSE (40-year lease)
- parking revenues at 2,500 space parking garage
- new ticket admissions tax
- district naming rights
- Commonwealth and City incremental taxes generated by the Arena and Phase 1 development

Excess revenues flow back to Commonwealth and City, annually



- MSE Lease Payments
- Incremental Commonwealth Tax Revenues
- Incremental Local Tax Revenues
- Arena Ticket Tax Revenues
- Arena Below-Grade Parking Revenues
- Campus Naming Rights/Other

PERFORMANCE VENUE PARTNERSHIP

Investment and Ownership:

The performance venue will be owned by the City of Alexandria (or related entity) on ground leased from the **Virginia Sports and Entertainment Authority**

- \$112 million investment, split between the City and MSE
- \$50 million investment in related underground parking by City
- For a total city contribution of \$106 million

The venue will be managed by a Partnership and Operations Agreement between the City and MSE

“We’re able to celebrate all types of arts in that space,” [President of Venues Jordan] Silberman said. “Having the ability to grow talent and play that facility, then eventually graduate up to the [arena] in Potomac Yard. We envision a 6,000-seat facility having the ability to flex outside into a fan plaza [with] people flowing back and forth between both facilities, a band that would host a pregame concert for fans in that plaza and really flow into the whole entertainment district.” - [WTOP News](#)



ECONOMIC IMPACT

The Alexandria community will directly benefit from this project. The AEDP engaged a third party consultant to consider the range of assessed taxes to determine one-time and ongoing (annual) net fiscal impacts associated with construction and operation of the district to the City of Alexandria and State of Virginia. **Analysis of the entertainment district and impacts will be released week of December 18, 2023.**

The tax revenues generated will support significant investment in:

- expanded affordable and workforce housing (\$50+ million in meals tax set-aside alone)
 - innovative K-12 and higher education opportunities
 - Dedication of school site
 - School construction contribution
 - transit and transportation improvements
-
- catalyst to create **exceptional experiences** and **foster economic growth**
 - jump starts the 9 million total SF entertainment district,
 - ultimately creating **30,000 jobs**
 - **total economic impact of \$12 billion** over the next several decades
 - creating **diverse revenue streams for our city**

THE ALEXANDRIA PROCESS

Following the announcement of the framework agreement (STEP 1), we immediately move into a multi-layered process to engage the community and stakeholders.

STEP 2 begins with today's presentation of the project, deal structure and community benefit.

In 2024, the partners will engage with the community to discuss, review and bring forward the following land use proposals for consideration by Planning Commission and City Council (STEP 3):

- Master Plan Amendments (to the North Potomac Yard Small Area Plan)
- CDD Amendments
- Development special use permits (DSUPs)



AGREEMENTS & CITY COUNCIL ACTIONS

Preliminary list of agreements that will require City Council action:

- Master Agreement (or MOU)
- Land transactions- sale, lease, easement, etc.
 - Authority Lease of Land for Performance Venue
 - Authority Lease of Campus
- Arena Campus Design & Construction Agreement (or Master Development Agreement)
- Revenue contribution and cooperation agreement
- Development Agreement for construction and delivery of Phase 1
- Community Benefits Agreement

COMMUNITY ENGAGEMENT- PRIORITY TOPICS

Transportation & Infrastructure Investments

The project funding includes \$110 million in on-site infrastructure including site development and roadway, signal, and intersection improvements funded through the bonds.

VDOT, Alexandria DOT, MSE, JBG SMITH, and transportation consultants continue to refine a detailed analysis of the National Landing corridor needs, with input from residents, regional partners, and the business community to ensure a safe, reliable, and successful Entertainment District.

Four-part plan to improve transportation, to be specifically scoped and defined, will focus on:

- Neighborhood Protection
- Transit
- Smart Mobility
- Roadways

Community Benefits

Affordable Housing

K-12 School development and Programming

Open Space

Retail merchandising- existing tenant relocation, small and local priority

Other?

How to get involved and learn more:

Our partners at JBG SMITH and Monumental Sports & Entertainment will join us in ensuring residents have ample opportunities to engage in the project and have their voices heard.

There are a variety of tools to meet varied needs of households and individuals:



City Council Townhalls and public hearings: schedule can be found at www.alexandriava.gov/Calendar



Pop-up events throughout the City: Can't wait to see you at your favorite Alexandria events!



Extensive content with ongoing updates on the website: Visit MonumentalALX.com



Staff liaisons will be dedicated to adjacent neighborhoods



Site tours of the proposed Entertainment District: sign up for email updates at MonumentalALX.com to know when they start



Community group meetings: Interested in having a representative from the project join your community group meeting? Email AlexEngage@alexandriava.gov



Extensive content with ongoing updates on the website: Visit MonumentalALX.com



Neighbor-to-neighbor conversations

Translation services and Hybrid options are available as needed.