



## The Station at Potomac Yard

2403 Jefferson Davis Highway, Alexandria VA 22301

Residents of Alexandria will soon be enjoying the fruits of a major redevelopment project that includes apartments for working families and 1,500 square feet of retail space, in addition to a state-of-the-art fire station.

**THE COMMUNITY.** Alexandria is one of the most historic cities in Virginia, with its residents playing significant roles in the founding and growth of our nation. From these roots, Alexandria has become one of the most sought after locations in the country, with a population of more than 140,000 and an area median income of \$99,000.

**THE SITUATION.** Like many areas of Northern Virginia, Alexandria experienced extremely high real estate price increases for both rental and homeownership properties during the past decade. At the same time, the city lost more than 8,500 units of privately owned affordable rental housing to condominium and market-rate rental conversion. Even during real estate downturns, Alexandria's housing market remains one of the most stable and expensive; attached and detached units have median sales prices of \$507,000 and \$673,000, respectively. As a result, Alexandria has lost many low- and moderate-income residents who work in the city but can no longer afford the cost of housing located within the community.

**THE PLAYERS.** In 2004, two nationally known home builders, Pulte and Centex, combined efforts and created Potomac Yard Development, LLC (PYD) to acquire and redevelop Potomac Yard, a 167-acre tract of land located along Route 1 in Alexandria. The preliminary redevelopment concept was designed to transform the former rail yard into a walkable urban village with office, commercial, hotel and residential spaces, surrounding a town center with access to multiple transportation systems.

**THE PROCESS.** In 2006, the City of Alexandria and PYD partnered to develop and refine residential neighborhood plans and street configurations. One of the city's concerns was the impact the very dense development would have on its emergency services delivery systems. In response, PYD offered a parcel of land within the development to construct a new fire station. PYD also agreed to make \$10 million available to assist with Alexandria's goal of creating more affordable apartments within the city.

The collaboration between Alexandria and PYD led to a combined public facility / residential development concept that became The Station at Potomac Yard. The concept was extensively presented to the community for input. To address concerns about additional city preparedness post 9/11, the fire station was enlarged to accommodate new emergency services equipment. To address environmental concerns, the city agreed to fund the additional investment to ensure the development achieved LEED® (Leadership in Energy and Environmental Design) certification. By late 2006, The Station at Potomac Yard was endorsed by the mayor's appointed task force.

# Start a metamorphosis of your own.

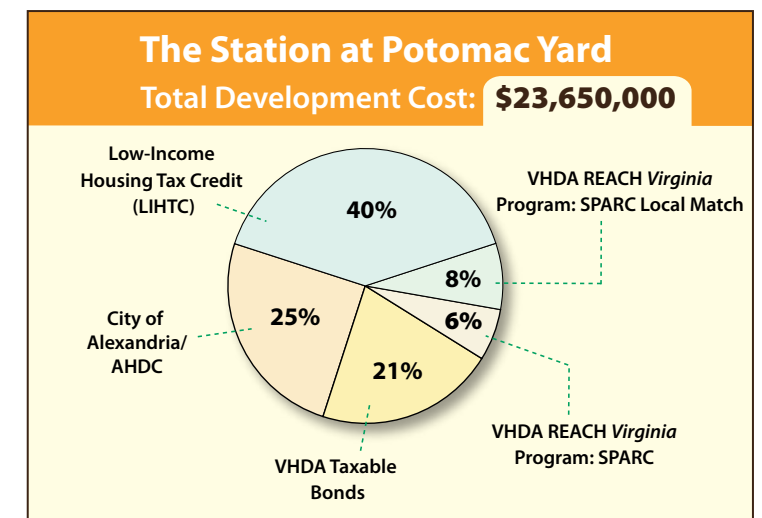
**THE DESIGN.** The five-story brick building respects the architectural traditions of the city by featuring an ornate front façade with decorative arches, pre-cast concrete bands and an imposing tower evocative of historic fire stations found in the city's Old Town area. The Station at Potomac Yard includes 64 affordable apartments designed for teachers, public service employees, working families with children and households with an array of incomes. All of the apartments are located above the fire station.

**THE FINANCING.** Total development costs for apartments, retail space and related structured parking were estimated at \$23.6 million. Through VHDA's REACH *Virginia* (Resources Enabling Affordable Community Housing in Virginia) program, VHDA leveraged and pooled its financial resources with the private and public financial allocations available through PYD and the city.

The development's mix of uses made it a perfect candidate to receive funding under the federal Low-Income Housing Tax Credit (LIHTC) program, which VHDA administers in Virginia. It is anticipated the development will realize \$9,300,000 in equity through the syndication of the tax credits. The city provided additional equity in the amount of \$6 million through the Alexandria Housing Development Corporation that was part of the PYD donation.

The balance of the money was made available by VHDA through blended resources. The authority's bond program will provide \$4.85 million in taxable bond financing. Another \$1.5 million will be funded by VHDA's low interest program known as SPARC (Sponsoring Partnerships And Revitalizing Communities). In addition, even lower interest financing from SPARC Local Match will provide \$2 million. SPARC and SPARC Local Match are funded by VHDA's REACH *Virginia* program.

**CONTACT INFORMATION.** To learn more about this project and other housing finance solutions that can transform once-neglected buildings into desirable residences and vibrant street-level businesses, please contact Mike Scheurer at 804-343-5916 or [mike.scheurer@vhda.com](mailto:mike.scheurer@vhda.com).





VHDA FINANCED MIXED-USE/MIXED-INCOME DEVELOPMENT

## The Station at Potomac Yard

Business and Community Blended for Vibrant Living

20  
FALL  
09



<b>LOCATION</b> Downtown Alexandria, VA	<b>RESIDENTIAL</b> 64 apartments	<b>VHDA LOAN</b> \$8.35 million construction and permanent financing; \$1.03 million LIHTC 2007 reservation; \$9.3 million estimated equity investment.
<b>DEVELOPER</b> Alexandria Station LLC	<b>COMMERCIAL</b> 1,500 sq. ft. retail space	
<b>ARCHITECT</b> LeMay Erickson Willcox Architects, architects of record Rust/Orling Architecture, associated architect	<b>MUNICIPAL</b> Fire station	

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