

- (2) Authorize the City Manager to execute the three (3) month extension of the existing Lease Agreement with Jeffrey L. Yates, TR.

BACKGROUND: In June 2022, City Council approved a two-year Lease Agreement between the City and Mr. Jeffrey Yates, TR to use a portion of public sidewalk right of way, or approximately 509 square feet adjacent to 1050 N. Fayette Street for overflow activities from Yates Car Wash and Detailing located at 1018 N. Henry Street. Renewal of the lease, which is set to expire June 30, 2024, is contingent upon the approval of the second of two mandatory five -year reviews of the Special Use Permit (SUP #2014-0032) for noncomplying light automotive uses to occur in 2024 and City Council approval.

The SUP reviews provide an opportunity to “assess the redevelopment potential of the site and the compatibility of the use with other uses in the area”. The first SUP review in 2019 determined that the business remained compatible with the neighborhood and a five-year extension to the SUP to 2024 was approved administratively.

With the completion of all three phases of the Braddock Gateway site, the construction of a sidewalk in front of 1050 N. Fayette Street will provide pedestrian connectivity in an area home to hundreds of new and future residents. Therefore, staff proposes an extension of the two-year lease through September 2024 with no changes to any other terms of the lease to allow staff and the lessee, Mr. Yates time to negotiate a new lease with terms that would include construction of a sidewalk in front of the business due to the residential development that has occurred in the neighborhood.

DISCUSSION: The executed lease agreement provides for a lease term of two (2) years which is scheduled to expire June 30, 2024, to coincide with the Special Use Permit review in 2024. Under the current terms, if City Council extends the SUP in 2024, provided that the lease is not in default at the end of the initial two-year term, the Lessee would have the option, with City Council approval to renew for one (1) additional five (5) year term to expire no later than June 30, 2029.

Staff recommends that before renewing the current lease, a new lease should be drafted and executed with terms that would include construction of a new sidewalk and right of way site improvements. This would improve the appearance of the streetscape and also provide a clear and safe route for pedestrians while allowing Yates Car Wash & Detailing to continue to operate in the interim.

Therefore, pending the results of the Planning Commission SUP review on June 4, 2024, City Council lease extension review on June 11, 2024, and Public Hearing on June 15, 2024, for the SUP and lease extension, staff is proposing the extension of the current lease for a term of three (3) months, to September 30, 2024, which will allow time to negotiate the terms of a new lease with Mr. Yates. Following negotiations with Mr. Yates, staff will docket the new lease for City Council review and approval, Planning Commission review and approval and public hearing in September 2024.

FISCAL IMPACT: The current lease rate for use of 509 square feet of public right-of-way adjacent to 1050 N. Fayette Street is \$5,977 per year with an increase of three percent (3%) annually. The lease rate during the term of the three (3) month extension will be \$1,539, or \$513 per month to September 30, 2024.

ATTACHMENT:

Letter Extending the Lease Agreement Between City of Alexandria and Jeffrey L. Yates, TR

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