

RECOMMENDATION: That City Council:

1. Introduce and pass the proposed Franchise Ordinance for the Tall Ship Providence Foundation on first reading on November 9, 2022; and
2. Schedule the ordinance for second reading, public hearing and final passage on Saturday, November 12, 2022.

BACKGROUND: The Tall Ship Providence Foundation is a 501(c)(3) organization formed to purchase and preserve the historic Tall Ship Providence. The docking of a historic tall ship is consistent with the City Council approved Waterfront Small Area Plan. The restoration of the Tall Ship Providence was completed in 2019 and the vessel has been docked in the City Marina since its arrival in the City of Alexandria. The approved FY 2019 Capital Improvement Budget included funding for improvements to the Waterfront Park area to support the docking at the Waterfront Park bulkhead until such time as the planned City flood mitigation project requires relocation during this project construction.

DISCUSSION: On July 9, 2019, City Council adopted an ordinance to solicit proposals for a franchise to provide the docking of a historic or a replica historic tall ship in the City Marina area Pursuant to the ordinance, the City Clerk placed advertisements in local newspapers over the course of two consecutive weeks. The preferred deadline which was published and made known to prospective bidders for the receipt of proposals was August 23, 2019. The City received one proposal from the Tall Ship Providence Foundation by the posted deadline.

On March 14, 2020, the Tall Ship Providence Foundation received approval from City Council for Special Use Permit #2021-0001 to build a living history museum and tourist attraction open to the public for the scheduling of public cruises and private charters. Due to the COVID-19 pandemic, the Tall Ship Providence Foundation was delayed in raising the sufficient funding to begin the building of the docking facility.

Franchise Conditions

The franchise outlines conditions for the docking and operation of a living history museum and the docking of the replica tall ship. The Foundation will operate the Tall Ship Providence solely and exclusively as a living history museum and tourist attraction open to the public and may schedule public cruises and private charters. All business operations will occur from a docking facility consistent with Special Use Permit #2021-0001 for unimpeded access up and down the City's waterfront trail. The Foundation is not permitted to conduct any activity or business operation within Waterfront Park or from the shoreline adjacent to the park

FISCAL IMPACT: **Expenditure** - \$350,000 in FY 2019 Capital Improvement Funding. **Revenue** - Guaranteed revenue of \$182,433 over the 10-year franchise agreement, plus an additional fee equal to five percent (2.5%) of Net Revenue in excess of \$1,000,000. Guaranteed revenue of \$10,987 for COVID-19 fee repayments from January 1, 2023 through December 31, 2024.

ATTACHMENTS:

1. Cover Sheet
2. Proposed Ordinance to the Tall Ship Providence Foundation
3. Proposed Franchise Agreement

STAFF:

Debra Collins, Deputy City Manager
James Spengler, Director, Department of Recreation, Parks and Cultural Activities
Jack Browand, Deputy Director, Department of Recreation, Parks and Cultural Activities
Karen Snow, Senior Assistant City Attorney