

2. Schedule a public hearing for Saturday, March 18, 2023, and after the public hearing is concluded authorize the City Manager to execute the License Agreement substantially in the form attached between the City of Alexandria and ARP Waterfront, LLC.

BACKGROUND: City Council approved SUP #2013-0009 in May 2013 to operate a 150-seat restaurant and accessory market in the two retail bays at 7 King Street known as the Waterfront Market. At the same hearing, City Council approved SUP #2013-0002 which granted approval for accessory outdoor dining under Section 9.06 of the City Charter for a change of use for a portion of the City Marina, permitting the applicant's outdoor seating area.

In March 2015, City Council approved SUP #2014-0128 which permitted the expansion of the restaurant from a 3,950 square foot restaurant and market to an approximately 4,530 square foot full-service establishment. An additional 222 total seats (135 indoor seats and 67 outdoor seats at the City Marina) were also approved. The Waterfront Market operated until the winter of 2015 when it briefly closed for the introduction of its current restaurant concept, which was renamed as Vola's Dockside Grill and Hi-Tide Lounge.

In March 2017, the Planning Commission and City Council approved Special Use Permit #2017-0002 to add 47 additional outdoor seats and expand its existing City Marina outdoor dining area and approved the request to change the ownership of the restaurant at 7 King Street.

DISCUSSION: Under the terms of the agreement, the City retains ownership of the land, but the applicant has permission to use it consistent with the SUP approval for five years. After the five years, the applicant would need to request a new License Agreement at which time the City may reconsider the terms of the license.

The attached five-year license agreement is the implementation of the concept for the use of the Plaza that the Planning Commission and City Council approved with the Special Use Permit #2017-0002 and gives the opportunity for City Council to approve the terms of the license agreement.

FISCAL IMPACT: The City will receive a guaranteed payment of \$292,329.05 over the five-year period. The annual fee is calculated with reference to the market value of the restaurant's commercial floor space adjusted 15% for nonuse because the space is outdoors. The annual fee shall be based on the License rate per square foot of the indoor restaurant space at 101 North Union Street.

ATTACHMENT: ARP Waterfront, LLC License Agreement

STAFF:

Emily A. Baker, Deputy City Manager

Jack Browand, Deputy Director, Recreation, Parks & Cultural Activities

Faye Maslaki, Division Chief, Recreation, Parks & Cultural Activities

Karen Snow, Senior Assistant City Attorney