



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 18, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: JEREMY MCPIKE, DIRECTOR, GENERAL SERVICES

DOCKET TITLE:

Status of the Solicitation for the Sale and Redevelopment of a Portion of City-owned Property at 2 King Street

ISSUE: Provide City Council with the status of the Request for Proposals (RFP) for the sale and redevelopment of a portion of City-owned property located at 2 King Street issued on May 1, 2023, and staff recommendations.

RECOMMENDATION: That City Council receive this update from staff.

BACKGROUND: At the Legislative Meeting on June 28, 2022, City Council declared an 1,825 SF portion of City-owned property located at 2 King Street surplus and requested that staff seek input and recommendations from the community to help determine the future use of the property before a solicitation was issued for its sale and redevelopment.

Staff participated in five (5) neighborhood commission meetings over a period of two years including two Waterfront Commission meetings, two Parks and Recreation Commission meetings and one joint meeting to solicit input and recommendations for the potential future uses of the property to help inform the RFP. Both commissions developed and submitted a joint list of requirements for potential uses of the property to be included in any solicitation for the sale and redevelopment of the property which was then divided into tiers based on importance. At the October 18, 2022, Waterfront Commission meeting and at the October 20, 2022, Parks and Recreation meeting, each commission unanimously endorsed the City's proposal to surplus this portion of 2 King Street and explore interest in the sale and redevelopment of the property through the issuance of a Request for Proposals (RFP).

At the Legislative Meeting on February 28, 2023, the City Council authorized the City Manager to issue an RFP for the sale and redevelopment of this property. The docket memo provided a summary of the community and City recommendations for the future use of this property that were incorporated into the RFP.

DISCUSSION: The RFP for the sale and redevelopment of a portion of City-owned property at 2 King Street was issued on May 1, 2023, for a period of 90 days. On July 31, 2023, the submission deadline was extended for another 30 days. At the revised deadline of August 31, 2023, two responses to the RFP were received.

The City's multi-agency Real Estate Committee reviewed, evaluated, and discussed the responses to the RFP. Following the evaluation process, subsequent discussions were had with both the City Manager's Office and members of the Real Estate Committee regarding the disposition and redevelopment of this property. These discussions included the planned waterfront flood mitigation project, the desire to possibly retain ownership of the property, and possible other uses of the property. Based on the results of those discussions, the Real Estate Committee recommended that the City cancel the solicitation and retain ownership of the property until the conclusion of the planned waterfront flood mitigation project when the status of the property will be revisited.

Issuance of the RFP does not obligate the City to sell the property and per the terms of the RFP, the City reserves the right to reject any and all proposals and to cancel the sale at any time prior to closing.

With the construction related to the waterfront mitigation project scheduled to begin in fall 2025 and reach substantial completion in summer 2028, and based on the responses to the RFP, it is recommended that the City not sell and initiate the redevelopment of the 2 King Street parcel at this time. In addition, once the waterfront flood mitigation project is completed the City will have a better understanding of site and community needs at the waterfront. A sale of the parcel at this time would eliminate the City's ability to revisit the use of the site uninformed by the waterfront flood mitigation project design or following completion of the flood mitigation project and would restrict any redevelopment of the site to the concept proposed by the developer.

During and upon completion of the flood mitigation project staff will contemplate possible long-term uses of the site which may include a possible long-term lease of the site so that the site may be redeveloped for a new community use while the City retains ownership of this prominent waterfront parcel.

In the interim, staff proposes that the City temporarily activate the site which may include the extension of the City's Outdoor Dining permit program to include use of the 2 King St property for outdoor dining until such time that the City has determined another interim or permanent use for the property. This interim use would allow for the activation of the space; will provide the City with additional revenue; will reduce the City's cost to maintain the space; and will provide flexibility on use of the site during the flood mitigation project.

FISCAL IMPACT: None.

ATTACHMENT:

1. Aerial of 2 King Street Parcel

STAFF:

Julian Gonsalves, Assistant City Manager
Karl Moritz, Director, Planning and Zoning
Jack Browand, Deputy Director, RCPA
Kevin Greenlief, Assistant Director, Finance
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