



Legislation Details (With Text)

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On agenda: 3/10/2020 **Final action:**
Title: Consideration of a License Agreement with ARP Waterfront, LLC for the use of a Portion of the City Marina Plaza for Outdoor Dining associated with Special Use Permit #2017-0002 for Public Hearing on March 14, 2020.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 20-0536_License of Marina Area 2020 March, 2. 20-0536_License of Marina Area Exhibit A - revised

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 4, 2020
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a License Agreement with ARP Waterfront, LLC for the use of a Portion of the City Marina Plaza for Outdoor Dining associated with Special Use Permit #2017-0002 for Public Hearing on March 14, 2020.

ISSUE: Consideration of a License Agreement for the use of a portion of the City Marina Plaza for outdoor dining.

RECOMMENDATION: That City Council (1) schedule the proposed License Agreement to authorize the City Manager to execute the attached 3-year License agreement (Attachment 1) with ARP Waterfront, LLC for public hearing on March 14, 2020, and (2) after the public hearing approve this proposed License Agreement.

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 the current restaurant concept, which was named as "Vola's Dockside Grill and Hi-Tide Lounge".

With the license for the October space expiring, Council needs to take action to renew the license agreement.

DISCUSSION: On March 7, 2017, the Planning Commission 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.

The restaurant proposal continued to include and expand an area for outdoor dining that would utilize a portion of the right of way known as Torpedo Plaza and City Marina (Plaza). The expanded area increased the outdoor dining space from 883 square feet to 1,225 square feet with added area to the west. The applicant had originally requested a larger outdoor dining area of 142 seats; however, it revised its proposal to 114 seats to accommodate staff concerns that the larger dining area would impact pedestrian flow. This plan appropriately maintains the balance of space for circulation with expanded outdoor dining activity.

Under the terms of the agreement, the City retains ownership of the property, but the applicant has permission to use it consistent with the SUP approval for three years. After the three 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 license agreement is the implementation of the concept for the use of the Plaza that the Planning Commission approved with the Special Use Permit and gives the opportunity for City Council to approve the terms of the License agreement.

FISCAL IMPACT: An annual fee calculated with reference to the market value of the restaurant's commercial floor space adjusted downward 15% for seasonal weather-related 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 \$48.39 per s.f Year 1; \$49.84 per s.f Year 2; and \$51.34 per s.f Year 3, discounted by 15% annually.

The annual License Fee, discounted by 15% annually, is therefore as follows: \$50,386 (year 1); \$51,8956 (year 2); and \$53,458 (year 3) to be paid in quarterly installments (April 1, July 1, October 1 and January 1) with the first fee due on April 1, 2020. The current lease amount is \$40,873 per year.

ATTACHMENT: ARP Waterfront, LLC License Agreement

STAFF:

Debra Collins, Deputy City Manager

James Spengler, Director, Recreation, Parks and Cultural Activities

Jack Browand, Division Chief, Recreation, Parks and Cultural Activities

Karen Snow, Senior Assistant City Attorney