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Title: Consideration of a Form Lease for Renewing and Issuing Leases to Artists and Arts Organizations through March 31, 2022 at the Torpedo Factory Art Center located at 105 N. Union Street.

Sponsors:

Indexes:

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Attachments: 1. 20-1050_Attachment - TFAC Lease - through March 2022

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

MEMORANDUM

DATE: SEPTEMBER 2, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of a Form Lease for Renewing and Issuing Leases to Artists and Arts Organizations through March 31, 2022 at the Torpedo Factory Art Center located at 105 N. Union Street.

ISSUE: Consideration of a form lease for renewing and issuing leases to artists and arts organizations through March 31, 2022 at the Torpedo Factory Art Center ("Art Center") located at 105 N. Union Street, Alexandria, VA 22314.

RECOMMENDATION: That City Council schedule a public hearing on September 12 regarding the form, and content of the proposed lease to be used for renewals and new leases at the Torpedo Factory Art Center, and at the conclusion of the public hearing authorize the City Manager, using of the attached form lease, to renew current leases and issue new leases to artists and arts organizations.

BACKGROUND: The Torpedo Factory Art Center leases most of its space of 82 studios and galleries to approximately 110 artists and arts organizations. Rent and event rentals in the Art Center cover annual staffing

and operating costs. During the course of a year, the City may execute some up to 100 leases with artists most of whom lease for a year or more, with some 15 artists subleasing for much shorter periods of time. In addition, with many studios shared by multiple artists, the leases are also often amended as the artists within a studio change. Given that the presentation of that many leases for public hearing and Council approval would be burdensome and not add value to the public decision-making process. The practice the City has used is to use a standard form lease which did not have to be brought to Council each time the lease was executed. However, periodically it makes sense for the standard form lease to be brought to Council for approval.

Given that all the current leases for studios and galleries in the Art Center expire on September 30, 2020, a new lease form is being brought forward at this time for public hearing and then Council consideration and approval. There are no material changes in the proposed lease language compared to the language of the leases currently in place. All leases would be 18-month leases and run from October 1, 2020 to March 31, 2022.

As Council is aware the vibrancy of the Torpedo Factory Art Center has been an issue for some time which is one of the reasons the City took over the management of the Art Center in 2016 from the non-profit Torpedo Factory Art Board. Since then the City's management of the Art Center has brought stability, renewed public excitement, and (until the current COVID-19 pandemic) increased public attendance. City Council previously directed staff to develop a vibrancy and sustainability plan for the Art Center, and as a result the City contracted with two well-known consulting groups (SmithGroup and Chora) who work with industry leading arts institutions to review 14 prior stakeholder reports and prior studies and recommendations in order to develop an action plan to move the Arts Center forward. Beginning this fall, staff will gather artist and community feedback on a draft Action Plan and then bring an Action Plan to Council for approval. Given that there have been alternative ideas for increasing the Torpedo Factory vibrancy via alternative uses in portions of the Art Center (such as on portions of the first floor and on the roof space) raised by the private sector, this process will give those private sector entities the opportunity to present their concepts to stakeholders and to the community. It will be important for an Action Plan by Council to be adopted so that needed short-term and long-term capital improvements can be planned, scheduled and funded.

FISCAL IMPACT: The Art Center operates as an enterprise fund within the City government with approximately 75% of earned revenue coming from studio rent. In reflection of the current COVID-19 pandemic caused economic recession and major tourism decline with a likely multi-year period before full economic and tourism recovery occurs, the current lease rate of \$16.39 per square foot is not proposed to be increased. This lease rate is intended to cover nearly all the costs of staffing, marketing, programming, utilities and operational costs such as custodial services. It should be noted that the City, unlike some other art facilities and galleries, does not charge a commission fees to the artists for work sold at the Art Center.

ATTACHMENT: Torpedo Factory Art Center Studio Lease

STAFF:

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