



Legislation Details (With Text)

File #:	23-0634	Name:	
Type:	Written Report	Status:	Agenda Ready
File created:	1/2/2023	In control:	City Council Legislative Meeting
On agenda:	2/28/2023	Final action:	
Title:	Consideration of Future Use of a Portion of City-Owned Real Estate Located at 2 King Street.		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 23-0634_Attachment 1_2KingJointSubcommPRCWC_Letter_Dec2022v2, 2. 23-0634_Attachment 2_2KingStAerial, 3. 23-0634_Attachment 3_Photo of 2KingSt		

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

MEMORANDUM

DATE: FEBRUARY 21, 2023

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

FROM: JEREMY MCPIKE, DIRECTOR, GENERAL SERVICES

DOCKET TITLE:

Consideration of Future Use of a Portion of City-Owned Real Estate Located at 2 King Street.

ISSUE: Consideration of future use of 1,825 square feet of City-owned real estate located at 2 King Street.

RECOMMENDATION: That City Council authorize the City Manager to issue a Request for Proposals (RFP) for the sale and redevelopment of a portion of City-owned property at 2 King Street for no less than ninety (90) days following the process detailed in the City Real Estate Disposition Policy.

BACKGROUND: At its Legislative Meeting on June 28, 2022, City Council declared a 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 is issued for its sale and redevelopment. Although Council declared the property surplus, the City is not required to sell the property.

This 1,825 square foot portion of 2 King Street was acquired by the City in the property transfer agreement with the Old Dominion Boat Club (ODBC) in 2014. This agreement provided for the relocation of the ODBC clubhouse and parking lot from its former location at the foot of lower King Street to its current location on Strand Street providing space for the new Waterfront Park as part of the City's Waterfront Plan.

The City-owned property, which spans the width of the Fitzgerald Warehouse between King Street and Wales Alley and extends from the rear of the complex to Strand Street (24'x 74') was leased and utilized as eight (8) parking spaces for the businesses located in the Fitzgerald Warehouse complex prior to the closure of the unit block of King Street and the northern portion of Strand Street to vehicular traffic in May 2022. These month-to-month parking agreements originated with ODBC and were terminated as of May 2022 to correspond with the closure of Strand Street to vehicular traffic. Any future utilization of this 1,825 square foot property for surface parking is not envisioned in the adopted Waterfront Plan or a desirable use in this area.

DISCUSSION: In order to solicit input and recommendations from the community regarding the potential future uses of this property at 2 King Street, staff participated in a total of five (5) neighborhood commission meetings over a period of two years (CY 2021 and CY 2022), including two Waterfront Commission meetings, two Parks and Recreation Commission meetings, and one joint Waterfront and Parks and Recreation Commission meeting. At each of these meetings, City staff provided a presentation that included the history and current use of the property and discussed the City's intent and objectives for a potential sale of the Property. Members of both Commissions proposed potential uses of the site under both public and private ownership scenarios including restrooms, open/recreation space, meeting space, visitor information, arts and cultural uses and other amenities. Both commissions also recognized the need for flood mitigation in that area of lower King Street.

At the October 18, 2022 Waterfront Commission meeting and 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). The Commissions also proposed a joint list of requirements for potential uses of the property that they, as representatives of the impacted community, would prefer to be included in responses to any solicitation for the sale and redevelopment of the property. The list of recommendations was prioritized into two tiers based on importance:

Tier 1 (most important)

- Flood Mitigation - flood mitigation must be incorporated into any future development of the property and be coordinated with the goals of the City's Flood Mitigation Project and the Waterfront Small Area Plan.
- Publicly Available Restrooms - any development of the property must include publicly available restrooms on the site or monetarily provide for restrooms elsewhere on the waterfront near the foot of King Street.
- Acknowledgement of the waterfront - proposals must describe how any future development will highlight and provide access to the waterfront including water views.
- Rear of the Existing Buildings - any development would need to address how back of the house operations of the existing and future businesses located adjacent to 2 King Street such as trash removal and grease traps would be either incorporated or relocated.

- Street Level Activation - the site should be activated at the ground level, including public-facing uses such as restaurants and retail.
- Possible Residential Development - the vibrancy of the adjacent Waterfront Park and King Street Place is a priority. Therefore, use of 2 King Street to develop residential units is highly discouraged and inconsistent with the Waterfront Small Area Plan. If considered, any residential development proposal must address the issue of noise mitigation on residential units through building construction techniques.

Tier 2

- Public Meeting Space - Inclusion of public event or meeting space in a future development of the site would be desirable.

To ensure that any future redevelopment of the property is aligned with the goals of the Waterfront Small Area Plan and the City's Flood Mitigation Project, staff recommends that the following be taken into consideration when developing and submitting a response to an RFP:

- The inclusion of publicly available restrooms as part of any redevelopment is desired.
- Proposals must be in alignment and coordinated with the goals of the Waterfront Small Area Plan and the City's Flood Mitigation Project.
- Existing Historic Structures and any new facilities and structures must be protected and/or resilient against flooding. This could be accomplished with a passive and permanent approach or a program of deployable features, but either or both would be required to be operated and maintained by the owner.
- Proposals and any architectural improvements should consider and incorporate the permanent pedestrianization of Strand Street and any proposed/required changes in grade along Strand Street and King Street as part of the City's Flood Mitigation Project.
- All architectural improvements shall be subject to the Old and Historic District Board of Architectural Review.
- Proposals shall provide a City-standard sidewalk along Strand Street (along parcel frontage) connecting lower King Street to Wales Alley, as directed by the City.

The two commissions have submitted a joint letter (Attachment 1) endorsing the surplus of the property and the issuance of an RFP to explore interest in the sale of the property and solicit proposals on the future use of the property.

The City's Real Estate Disposition Policy requires an analysis of whether the property is "independently developable." When a parcel is not independently developable, the City can only accept offers from the adjacent landowners because the landowners would be the only entities capable of developing or using the land. In this case given a likely rezoning from WPR (Waterfront Park Recreation) to either KR (King Street Retail) or CD (Commercial Downtown), the City-owned land may be technically developable on its own. Staff recommends that City Council authorize the City Manager to issue a Request for Proposals for the sale and redevelopment of the property that will be issued for no less than ninety (90) days.

Staff will present to Council the highest rated and recommended proposal received during the RFP process for consideration. Issuance of an RFP does not obligate the City to sell the property. The City reserves the right to reject any and all proposals and to cancel the sale at any time prior to closing.

Final authorization to execute an agreement of purchase and sale is contingent upon review by the Planning Commission pursuant to Section 9.06 of the City Charter and passage of an ordinance to sell the property with a three-fourths majority vote of City Council.

FISCAL IMPACT: In accordance with the City's adopted City Real Estate Policy, if the property is sold, the proceeds will be designated as a source of funds in the City's Capital Improvement Program. If the land is retained and leased or licensed, any potential income would be deposited in the City's General Fund.

ATTACHMENTS:

1. Joint Letter from the Waterfront Commission and the Parks and Recreation Commission
2. Aerial of the City-owned Parcel at 2 King Street
3. Photo of the City-owned Property at 2 King Street

STAFF:

Yon Lambert, Deputy City Manager

Alfred Coleman, Deputy Director, Department of General Services