



## Legislation Text

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### City of Alexandria, Virginia

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#### MEMORANDUM

**DATE:** JUNE 8, 2016

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

**DOCKET TITLE:**

Public Hearing on the Consideration of a Lease with the Northern Virginia Regional Park Authority for Cameron Run Regional Park.

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**ISSUE:** Consideration of a twenty-year lease with the Northern Virginia Regional Park Authority for the Cameron Run Regional Park.

**RECOMMENDATION:** That City Council hold a public hearing and authorize the City Manager to execute a twenty-year lease (Attachment 1) with the Northern Virginia Regional Park Authority (NOVA Parks) for the use of the Cameron Run Regional Park.

**BACKGROUND:** NOVA Parks currently operates the Cameron Run Regional Park as one of its regional recreational facilities. NOVA Parks is operating the facility on 26 acres of City-owned property under a 40-year lease that expires in 2021. NOVA Parks would like to make capital improvements to the park including a major investment in a new larger water slide and has requested an extension of its current lease.

At the same time, NOVA Parks expressed interest in acquiring the historic property at 517 Prince Street. This property, referred to as Murray's Livery, was built in 1772 and is considered to be one of the most original 18<sup>th</sup> century homes in Alexandria. An August 18, 2015 memo to City Council outlining the property and NOVA Parks' initial proposal is attached (Attachment 2). NOVA Parks initially requested a 30-year lease extension for the Cameron Run Park property in order to use the revenue from that property to finance a 30-year mortgage necessary to acquire 517 Prince Street. NOVA Parks owns and operates the historic Carlyle House property in Alexandria, as well as a number of other historic properties in Northern Virginia.

**DISCUSSION:** Staff has been in discussions with NOVA Parks and community stakeholders, including the Park and Recreation Commission, about the future use of this property. The amenities provided by NOVA Parks at the Cameron Run Regional Park are very popular assets to the Alexandria community. However, given the

size of this property and the continued need for additional City-owned facilities and recreational needs, staff believes that a 20-year lease (which adds 15 years to the remaining five years on the current lease) will allow the park to operate in the future with reasonable investments in improvements. It will also allow the community to consider appropriate uses for the property as the surrounding areas of the City continue to develop.

Because the recommended term of the lease extension is 20 years (not the 30 years originally requested by NOVA Parks), staff is recommending that the City commit (subject to future Council appropriation) to pay off the outstanding principal balance on the 30-year mortgage for the 517 Prince Street property if the lease for the Cameron Run Park is not renewed beyond 2036.

In addition to the purchase of Murray's Livery, NOVA Parks has also agreed to provide free admission for up to 2,000 children per year to visit the Great Waves Waterpark at Cameron Run Regional Park, organized through City programming. NOVA Parks has also agreed to the protection of natural areas in the Cameron Run Regional Park property, as identified in an exhibit to the proposed lease. Areas on the park property surrounding Lake Cook will be protected according to the City's Resource Protection Area regulations.

NOVA Parks has expressed its commitment to preserving the historic integrity of Murray's Livery, as well as appropriately preserving the furnishings. The exterior of the property will be subject to the requirements of the Old and Historic District Zoning Ordinance. NOVA Parks has indicated a willingness to partner with the City's Office of Historic Alexandria on programming opportunities to interpret property's 18<sup>th</sup> century history to the Alexandria community. Discussion of these commitments is outlined in the attached letter from Paul Gilbert, Executive Director of NOVA Parks (Attachment 3).

**FISCAL IMPACT:** With the execution of this lease, NOVA Parks will purchase the property at 517 Prince Street for \$1.5 million. If the City does not extend the lease beyond this 20-year period and were to pay off the principal balance remaining on the loan at the end of 20 years, the remaining balance would be approximately \$750,000, due in 2036. The 2,000 park admissions have a value of approximately \$27,000 per year.

**ATTACHMENTS:**

1. Proposed 20-Year Lease
2. August 18, 2015 Memo to City Council
3. June 8, 2016 Letter from NOVA Parks Executive Director
4. June 9, 2016 Letter to NOVA Parks from the City Manager

**STAFF:**

Emily A. Baker, Deputy City Manager

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James Spengler, Director, Recreation, Parks and Cultural Activities

Lance Mallamo, Director, Office of Historic Alexandria

Yon Lambert, Director, Transportation and Environmental Services