



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Introduction of a Deed of Lease with Amtrak to Operate a Transit System at Alexandria Union Station

ISSUE: Consideration of a Deed of Lease with Amtrak to fully operate a transit system and maintain portions of the premises at the City-owned Alexandria Union Station, located at 110 Callahan Drive.

RECOMMENDATION: That City Council:

1. Receive this report recommending a Lease Agreement between the City of Alexandria and Amtrak; and
2. Schedule a public hearing for June 23, 2018, and, after the public hearing is concluded, authorize the City Manager to execute the Lease Agreement (Attachment) substantially in the form attached between the City of Alexandria and Amtrak.

BACKGROUND: Alexandria Union Station opened on September 15, 1905 and served passenger trains of the C&O, Washington Southern Railway and Richmond, Frederick & Potomac (RF&P) Railroad. Following an \$840,000 grant funded renovation coordinated by the City of Alexandria and completed in 1997, the City Council accepted a gift of Alexandria Union Station on behalf of the City three years later in 2000 from Commonwealth Atlantic Properties (the corporation formed to serve as the real estate arm of RF&P Railroad Company).

Amtrak had been operating under a lease with the station's former owner which subsequently expired. Since the City assumed ownership of the station in 2000, Amtrak has been operating the station without a lease agreement with the City. The City has actively worked with Amtrak staff over a long period of time to come to detailed terms on a lease Final Agreement on all lease details occurred this month.

DISCUSSION: The draft lease agreement between the City and Amtrak includes an initial lease term of five

(5) years and two (2) additional five-year terms unless the agreement is terminated by either party. This lease is beneficial to the City and the public, preserving a valuable resource and providing continued access to passenger rail transit. This lease agreement also details the rights and responsibilities of both Amtrak and the City. As apparently the case with most Amtrak passenger station facilities, the arrangement is a partnership between the station owner and Amtrak. Amtrak in this lease will reimburse the City for operating expenses, including utilities while the City cover capital costs, including capital maintenance.

FISCAL IMPACT: The City will receive annual rent of \$1 per year and will be reimbursed for ninety-seven (97%) of station operating expenses by Amtrak. The amount will be calculated based on actual expenditures each fiscal year and will be billed ninety (90) days following the close of each fiscal year. It is estimated that the annual operating costs for which Amtrak will reimburse the City will be approximately \$20,000 per year.

ATTACHMENT: Lease Agreement Between Amtrak and the City of Alexandria

STAFF:

Laura Triggs, Deputy City Manager

Jeremy McPike, Director, General Services

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Donna Poillucci, Deputy Director, General Services