



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2020

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Consideration of a Purchase and Sales Agreement to Purchase Property at 1315 Duke Street and 225A S. Payne Street.

ISSUE: Consideration of a purchase and sales agreement to purchase property located at 1315 Duke Street and 225A S. Payne Street.

RECOMMENDATION: That City Council (1) ratify the attached purchase and sales agreement with the Northern Virginia Urban League (NVUL) to purchase property located at 1315 Duke Street and 225A S. Payne Street for \$1,800,000, and (2) authorize the City Manager to establish a fundraising account at the ACT for Alexandria Community Foundation.

BACKGROUND: The historic Freedom House at 1315 Duke Street, constructed initially around 1812 served as the headquarters and slave pen of the largest slave trading firm in the United States in the first half of the 19th Century and has local and national significance to slavery. The property was designated a National Historic Landmark in 1978, a designation reserved for resources that represent an outstanding aspect of American history and culture. The property was purchased by the Northern Virginia Urban League in 1997 and has served as office and program space for the organization, as well as contained a small lower level museum.

In 2018, in order to generate interest in the museum/building, the Office of Historic Alexandria (OHA) in collaboration with the League implemented expanded access to the site by the public including Saturday hours supported by City staffing. In addition, the City entered into a Loan and Preservation Partnership Agreement with the League of up to \$63,000 to fund nine (9) months of monthly \$6,000 mortgage payments on 1315 Duke Street as well as pay up to \$1,000 per month in utility expenses. The intent of these City funded mortgage and utility payments was to allow the League time to stabilize its finances, fundraise and work with the City to establish a long-term plan for the future.

Over the last year, the League's financial situation has not sufficiently improved to keep ownership and operations of 1315 Duke viable and as a result, the League listed 1315 Duke Street and the adjacent six (6) parking spaces at 225A S. Payne Street for sale. Staff started working with the League in June 2019 to negotiate terms of a possible sale to the City, which was NVUL's preference.

In December 2019, NVUL and the City came to an agreement to sell 1315 Duke Street as well as the six (6) adjacent parking spaces located at 225A S. Payne Street to the City for \$1.8 million contingent upon the determination by the Planning Commission that the purchase is consistent with the City's Master Plan per Section 9.06 of the City Code and approval of the purchase by City Council.

At its meeting on February 5, 2020, the Planning Commission found that the proposed purchase of the property at 1315 Duke Street and 225A S. Payne Street is consistent with the City of Alexandria Master Plan pursuant to Sections 9.06 of the City Code.

DISCUSSION: Some of the highest priority items for the NVUL as part of the sale were price, retaining office space in the building at 1315 Duke Street for staff, resolving their mortgage default to avoid foreclosure and retaining the name "Freedom House". The terms of the Purchase and Sales Agreement with the NVUL include: (1) the repayment of the City's loan to NVUL, in the amount of \$63,000; (2) office space for NVUL on the first floor of the building for NVUL staff for a period of five (5) years at \$1.00 per year; (3) \$135,000 in tenant improvements; and (4) two (2) parking spaces. In addition, the City has agreed to maintain the "Freedom House" name as part of, or associated with the name of the museum (such as *museum name* followed by "at Freedom House") for a period of five (5) years following acquisition of the property. Any name change is subject to the City Council's Naming Policy and would include consultation with NVUL.

Prior to engaging in negotiations with the League for the purchase of the property, the City had a Facility Condition Assessment completed to determine the condition of the building and to quantify the work and systems that require replacement over the next five (5) years, the cost of which is estimated to be \$2.5 million or more.

In December, Governor Ralph Northam announced budget and legislative priorities for his historic justice and equity agenda which included \$2.4 million for the City of Alexandria to support making repairs and renovations to Freedom House as well as the expansion of the existing Freedom House Museum footprint within 1315 Duke Street. In addition, a private fundraising effort will occur to help finance parts of the facility restoration that the state funds will not cover, as well as help build-out the museum and its collection. ACT for Alexandria is proposed to serve as the conduit for donations at least in the early stages of fundraising.

Possible loss of this site to private ownership could deprive historians and those interested in slave history the understanding of an important aspect of our Nation's and City's heritage. This site should remain in the public trust and accessible to the public. Therefore, it is recommended that City Council authorize the City Manager to enter into an agreement with the Northern Virginia Urban League to purchase Freedom House, located at 1315 Duke Street and the adjacent parking spaces at 225A S. Payne Street to create a space under City ownership and management which would expand public access and education about the City and Nation's history.

It is proposed that ACT for Alexandria which is the community foundation that serves Alexandria and its residents serve as the entity where persons interested in giving to the museum could send their donations. Such donations would then be used by the City to assist with facility restoration, building out the museum and its collection, or for specific purposes for which donors may designate. The Office of Historic Alexandria is exploring for the long term the fundraising structure which may best serve as the fundraising arm for 1315

Duke Street, its museum and educational programs. Until a long-term structure is determined, ACT for Alexandria has agreed to serve in that role.

FISCAL IMPACT: The sales price (\$1,800,000), net of the repayment of the Loan and Preservation Partnership Agreement, in the amount of \$63,000 to the City would be \$1,737,000. Bond Interest Earnings will be used by the City to fund the purchase of the property. State funding, in the amount of \$2.4 million would be used to partially fund the capital replacement and work required to restore the facility with private fundraising to help finance the facility restoration not covered by State funds, as well as the build-out the museum and its collection.

ATTACHMENT: Purchase and Sale Agreement Between the City and Northern Virginia
Urban League

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