



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** MAY 3, 2022

**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 a License Agreement Between the City and Virtue Feed & Grain, LLC for Use of City Right of Way for Outdoor Dining Space Located at 106 South Union Street.

**ISSUE:** Consideration of an agreement for Virtue Feed & Grain, LLC to license Wales Alley located at 106 South Union Street for use of City right of way for outdoor dining space.

**RECOMMENDATION:** That City Council:

- (1) Receive this report and set the Agreement to license Wales Alley for outdoor dining for public hearing on May 14, 2022, and after the public hearing approve the proposed five-year license agreement; and
- (2) Authorize the City Manager to execute the proposed License Agreement with Virtue Feed & Grain, LLC.

**BACKGROUND:** In 2016, the owner of the Virtue Feed & Grain Restaurant entered into a 5-year license agreement with the City to utilize 1,379 square feet of Wales Alley public right of way (the "Alley") to accommodate an outdoor dining seating area adjacent to the restaurant.

In 2018, the owner of the restaurant Virtue Feed & Grain, LLC submitted notice to the City to extend the existing license agreement for additional five (5) years with three (3) additional renewals as of March 2021. Due to COVID-19 changes and restrictions, the license for outdoor dining for Virtue Feed & Grain has been covered under the Zoning Text Amendment #2022-00001 - Extension of Temporary Program for Business Relief and to Address Public Need Related to COVID-19. The new license fee, based on the current fair market value of the land at 106 South Union Street is \$34,461 with annual increases based on the CPI-U of the

Washington DC Metropolitan Area of no less than 3 percent and no greater than 5 percent.

**DISCUSSION:** The proposed license agreement provides for an additional three (3) 5-year renewals to the existing license subject to City Council approval with a new expiration of FY 2027 at a new license fee of \$34,461 based on the fair market value of the land at 106 South Union Street.

The license agreement also includes a credit to Virtue Feed & Grain, LLC, in the amount of \$3,675 per year to recapture eight years of remaining life of improvements made to portions of Wales Alley as part of the Special Use Permit (SUP) that are not subject to the License Agreement.

The proposed license agreement will provide Virtue Feed & Grain LLC a continued presence near the Alexandria Waterfront to provide an outdoor dining option for residents and customers.

**FISCAL IMPACT:** The license rate for the outdoor dining space in Wales Alley is \$34,461. This new rate reflects an increase of \$6,373 compared to the previous license fee and is partially offset by a credit of \$3,675 annually for net annual revenue of \$30,786.

**ATTACHMENT:** License Agreement

**STAFF:**

Laura B. Triggs, Deputy City Manager

Jeremy McPike, Director, General Services

Alfred Coleman, Deputy Director, General Services

Dominique de' la Bay, Real Estate Specialist, General Services