



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** JUNE 13, 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:**

Public Hearing and Consideration of a Lease Agreement Between the City and Sheikh Mohammad Arshad to Use City-owned Property at 206 Strand Street.

**ISSUE:** Consideration of a lease agreement with Sheikh Mohammad Arshad to use City-owned property at 206 Strand Street for the operation of a commercial parking lot.

**RECOMMENDATION:** That City Council:

- (1) Receive this report and schedule the Agreement to lease City-owned property for public hearing on Saturday, June 18, 2022, and after the public hearing approve the proposed one (1) year lease agreement; and
- (2) Authorize the City Manager to execute the proposed Lease Agreement with Sheikh Mohammad Arshad.

**BACKGROUND:** As part of the property acquisition and exchange agreement with the Old Dominion Boat Club in 2014, the City acquired land at 204 and 208 Strand Streets from private property owners with the intent to use these properties to expand Point Lumley Park and to accommodate the continuous Waterfront walkway and expansion of the pedestrian walkway area on Strand Street. These lots had been used as a commercial parking lot on Strand Street since 1972.

In 2015, following the acquisition of the Strand Street properties, the City entered into a one-month lease agreement that continued on a 14 day to 14 day basis with parking lot operator, Sheikh Mohammad Arshad,

owner of Strand Parking Company to continue to operate the commercial parking lot, providing public parking while the development of the Old Dominion Boat Club site and building at 0 Prince Street and 200 Strand Street was being planned and executed.

Shortly after this lease was executed, City staff determined that based on the projected Point Lumley Park project schedule and the ongoing need for public parking at the waterfront that the optimal interim use of the property was to maintain a public parking lot at this location until these waterfront projects were initiated. Staff analyzed the best and most efficient means of keeping this lot open and available to the public, including adding this lot to the City's parking management contract, converting the lot to an automated metered parking lot, or leasing the lot to the existing operator. Based on the analysis it was determined to be most cost effective to lease the lot to the existing parking lot operator rather than have the City operate and maintain the parking lot.

Based on the results of the analysis, the City entered into a month-to-month lease agreement in 2015 with Mr. Arshad that would continue to offer parking options to the public while providing the City with the flexibility it required to continue planned waterfront projects and improvements.

**DISCUSSION:** Mr. Arshad has been the operator of this parking lot for almost 30 years and he and his parking lot operation have provided daily and monthly parking to customers seven days per week.

The proposed lease agreement provides for a one-year term at a rate of \$6,000 per month, or \$72,000 per year that will continue on a month-to-month basis following the first year of the lease and may be terminated by either party with thirty (30) days' notice. This term reflects no change in the lease rate of \$6,000 per month compared to the existing lease and is consistent with the City's waterfront project schedule and the one-year term including the month-to-month extension will continue to provide public parking at the waterfront, lease revenue for the City and provide the flexibility to terminate the lease to accommodate the Point Lumley Park and other waterfront projects when they are scheduled to begin.

**FISCAL IMPACT:** The proposed lease for the use of City-owned property at 206 Strand Street provides for a term of one-year at a rate is \$6,000 per month, or \$72,000 per year that will continue month-to-month with the right to terminate by either party with thirty (30) days' notice.

**ATTACHMENT:** Lease 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