



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2023

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 Request to Exercise the First Renewal Option to the Lease Agreement with Amtrak to operate a Transit System at the City-owned Alexandria Union Station located at 110 Callahan Drive.

ISSUE: Consideration of a request to exercise the first renewal option to extend the Lease Agreement with Amtrak to 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 and set the first renewal option to the Lease Agreement between the City and Amtrak for public hearing on June 17, 2023, and after the public hearing approve the proposed extension of the Lease Agreement for an additional five (5) years; and
- (2) Authorize the City Manager to execute the first renewal option to the Lease Agreement with 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 until 1971 when ownership of the station building was assumed by Amtrak and the rails of CSX Transportation. 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).

After operating without a lease agreement since the City assumed ownership of the station in 2000, the City entered into a five (5) year lease agreement with Amtrak in 2018 to operate a transit system and maintain a portion of the City-owned Alexandria Union Station. This lease expires June 30, 2023.

As required by the lease, Amtrak provided the City timely notice of their intent to exercise the first of two five (5) year renewal options under the same terms as the initial lease (a minimum sixty (60) days' notice prior to the expiration of the initial lease). The terms of the lease require that Amtrak clean and maintain facility entrances and exits, lobbies, corridors, breezeways, stairwells, offices, restrooms, storage areas, vending areas, platforms, sidewalks, and parking lots at least once per day. Staff will continue to inspect the facility on a bi-weekly basis to ensure that Amtrak maintains the station per the terms of the lease.

DISCUSSION: The first renewal option to the lease agreement between the City and Amtrak includes a lease extension of five (5) years with one (1) remaining five-year renewal option per the terms of the Lease Agreement unless terminated by either party. This renewal option is beneficial to the City and the public, preserving a valuable resource and providing continued access to rail transit. In addition, the lease agreement continues to detail the rights and responsibilities of both Amtrak and the City.

FISCAL IMPACT: The City will continue to receive annual rent of \$1 per year and will be reimbursed ninety-seven percent (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.

ATTACHMENT: Current Lease Agreement Between Amtrak and the City of Alexandria

STAFF:

Yon Lambert, Deputy City Manager

Alfred Coleman, Deputy Director, General Services

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