City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: EMILY BAKER, DEPUTY CITY MANAGER

DOCKET TITLE:
Public Hearing, Second Reading, and Final Passage of an Ordinance to Initiate And Establish The Process To Grant An Agreement For The Lease, Management, And Operation Of The Torpedo Factory Arts Center ("TFAC"), Owned By The City Of Alexandria And Located At 105 Union Street.

ISSUE: Consideration of an Ordinance to establish the process to solicit and grant a Franchise to lease, manage and operate the Torpedo Factory Art Center (TFAC).

RECOMMENDATION: That City Council:

1. Introduce and adopt the proposed ordinance (Attachment 1) on first reading to initiate and establish the process to grant an agreement for the lease, management and operation of the Torpedo Factory Art Center (TFAC); and

2. Schedule the ordinance for second reading, public hearing, and final approval on February 21, 2026.

BACKGROUND: As part of the continued revitalization efforts of TFAC, the City established a stakeholder task force charged with helping develop a coherent approach to vibrancy and sustainability in alignment with the principles for TFAC adopted by City Council at their meeting on December 14, 2021. The TFAC stakeholder process, which concluded in 2023, provided recommendations for the long-term vibrancy and sustainability of TFAC, including the transition to an alternate governance structure. Following the conclusion of the task force, staff undertook market scan efforts to inform the parameters and approach to governance transition. The market scan comprised of (1) conducting comparable facility interviews in 2023 and early 2024, (2) facilitating focus group meetings among stakeholders in 2024, and (3) issuing a request for information (RFI) in 2025 to understand interest, capacity, and capability of potential operators to lease, manage, and

operate the Art Center. Following staff's update to City Council regarding the RFI at the June 10, 2025 meeting, and the review of the responses, staff prepared a solicitation to receive proposals to lease, manage, and operate TFAC. In order to satisfy the legal requirements associated with both the procurement of management and operations services and the long-term lease of the TFAC, the solicitation process includes multiple administrative and City Council actions. While these components are intended to be combined into a single agreement upon award, they are governed by different procedural requirements under state law and City policy.

The solicitation is structured to allow maximum flexibility in proposed management and operational approaches and does not assume a specific governance model for TFAC. Additionally, while the solicitation requires a submission for a 5-year lease period to allow for the successful entity to carry forward existing leases and for the transition from City operations, the proposers can additionally offer alternate term lengths to recoup any potential capital investment.

Because the contemplated lease term may exceed five years, state law requires the City to publicly advertise and adopt certain ordinances, and to formally authorize the solicitation and award of the lease. Following adoption of the ordinance, the City will issue a solicitation, receive bids, evaluate proposals, and intends to award a combined lease, management and operation agreement for TFAC. All materials associated with this solicitation will be posted to the City's website at <https://www.alexandriava.gov/torpedofactory>.

To ensure that the proposals align with City Council and community aspirations, the proposals will be evaluated on the following criteria:

- Organizational Qualifications, Experience and Capacity
- Staff Experience
- Operation and Management Approach
- Marketing Plan
- Maintenance, Tenant Improvements and Capital Improvement Strategy
- Stakeholder Engagement Plan
- Financial Bid

At the January 24, 2026 public hearing, City Council requested that the solicitation documents be amended to identify additional historical archaeology artifacts that could be considered for inclusion at the Torpedo Factory Art Center to understand respondent interest. These additional archaeology artifacts include the 18th century fifty-foot ship discovered at the Hotel Indigo site <https://www.alexandriava.gov/archaeology/archaeology-at-the-hotel-indigo-site>.

DISCUSSION: Following City Council's direction, staff amended the solicitation documents with the requested information and the updated solicitation timeline (Attachment 2):

- Clarifies that the marketing efforts with Office of Historic Alexandria include the Alexandria Archaeology Museum.
- Incorporates background describing additional historical archaeological artifacts including the 18th century fifty-foot ship in Attachment M. Additional Historical Archaeology Artifacts.
- Allows for respondents to express interest in incorporating additional historical archaeological artifacts into their approach and bid, and to identify any impact of the inclusion of such additional artifacts on their proposal.
- Amends ordinance to allow the agreement to provide for the addition or modification of programming elements, operations, services, and uses of the TFAC over the term of the franchise, as may be

negotiated by the parties, to respond to changing community needs, financial conditions, and best practices in arts, history, and cultural center management, provided that such changes are consistent with the overall purpose of the ordinance and the agreement.

FRANCHISE AWARD TIMETABLE:
To solicit proposals for a possible partner to lease, manage, and operate TFAC, the City must issue a request for proposals after approval of an initiating ordinance by the City Council. The request for proposals will be posted on the City's website for a minimum of 60 days. Once responses to the City's request for proposals are received, staff will evaluate each proposal based on the City's criteria. Staff will bring a proposed agreement with the recommended responsive bidder for City Council consideration. The City has the right to reject any and all bids. The proposed dates are:

February 10, 2026	Ordinance: First Reading
February 21, 2026	Ordinance: Second Reading, Public Hearing and Adoption
April 27, 2026	Proposals Due
May 12, 2026 or as soon thereafter as practicable	Receipt and Referral of Submitted Proposals to City Council
Q3 2026	Anticipated Recommendation of Award to City Council

This effort underscores the critical role TFAC plays in fostering a vibrant and thriving arts ecosystem in Alexandria. As the City moves forward, it remains committed to ensuring TFAC continues to serve as a vital hub for creativity and culture.

FISCAL IMPACT: City staff will provide oversight of the franchise. Previously approved and future budgets may be accessed for additional support and oversight as required. The inclusion of an expanded archaeology artifacts collection at the Torpedo Factory will likely result in an additional budget request. The City may receive revenue in the form of payment or realize cost savings in accordance with the lease terms, which shall be considered as a part of the proposal evaluations.

ATTACHMENTS:
Attachment 1: Franchise Ordinance
Attachment 2: Request for Proposals - Terms and Specifications for Bids for Franchise

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