

City of Alexandria, Virginia

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2-13-07

MEMORANDUM

DATE: FEBRUARY 9, 2007  
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
FROM: JAMES K. HARTMANN, CITY MANAGER   
SUBJECT: RECOMMENDED INTERIM LOCATION AND LICENSE REVISIONS FOR THE WATER SHUTTLE SERVICE TO NATIONAL HARBOR

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**ISSUE:** Recommended interim location and license revisions for a water shuttle service between National Harbor and Alexandria.

**RECOMMENDATION:** That City Council:

- (1) Receive this report concerning approving a revised license agreement (Attachment I - The terms of the license agreement are still being negotiated and will be provided prior to Tuesday night's Council meeting.) between the Potomac Riverboat Company (PRBC) and the City, and schedule it for public hearing and consideration on Saturday, February 24, 2007; and
- (2) After the public hearing on February 24:
  - (a) approve the berth "Commercial 1 Berth 7, Torpedo Factory North Pier" as the interim location for the water shuttle service,
  - (b) authorize the City Manager to sign the proposed license agreement between the City and the PRBC in substantially the form as attached, and
  - (c) authorize the City Manager, if he determines it feasible, to file a grant application for potential federal grant funding to finance a portion of the acquisition cost of the water shuttle vessels.

**BACKGROUND:** National Harbor, the new 300 acre, 7 million square foot mixed-use community located on the Maryland side of the Potomac River across from Alexandria, is planned to be a major, new urban-waterfront community. It is currently under construction with an opening date of April 1, 2008 planned. This development combines 1 million square feet of retail, dining, entertainment space, office space, residential units, 4,000 hotel rooms, including what is stated to be the largest combined hotel and convention center on the Eastern seaboard.

With the majority of development anticipated to be open beginning on April 1, 2008, the City has an unprecedented opportunity to tap into the tourism and visitor potential for Alexandria through a water shuttle service from the National Harbor pier to the Alexandria Marina. In addition, we expect that the City will experience unprecedented competition in the hotel, retail and restaurant business sectors, as National Harbor will likely become a major new regional destination, different, but in many ways similar to the commercial areas of Old Town Alexandria in providing varied dining experiences, retail shopping, as well as entertainment venues designed to draw in residents of the Washington Metropolitan area. As a result, the City needs to be prepared to meet this challenge, and at the same time take advantage of this opportunity by offering, among many initiatives, a water shuttle.

The City leases slips at the City Marina to commercial vessels including the Potomac Riverboat Company (PRBC), the Seaport Foundation, private companies who operate watercraft, as well as privately-owned pleasure boats. PRBC's commercial vessels currently provide Potomac River service from Alexandria to Georgetown, and to Mt. Vernon, as well as charter service for special events, such as corporate and association parties, weddings and other similar events. When dock space for the water shuttle was analyzed over the last few months, it was determined that the current limited capacity of the City Marina, combined with the strong demand and existing berthing contracts resulted in no unused berth within close distance to the King Street corridor that could be used for a water shuttle service berth. In the future, after the Waterfront Plan is undertaken, completed and implemented, there likely will be dedicated berthing space for a water shuttle to dock and load and unload its passengers. However, in the intervening years prior to the creation of additional berths, an interim location will be needed to accommodate the water shuttle.

The interim location identified for the proposed water shuttle is recommended to be at the northern end of the pier bulkhead in the berth (Commercial 1 Berth 7, Torpedo Factory North Pier) currently designated and licensed for the PRBC's Miss Mallory sightseeing and charter boat. This berth (see Attachment II) is near the northeast corner of the Chart House. PRBC intends on acquiring two 99 passenger vessels which would provide service every thirty minutes between National Harbor and Old Town. The hours of operation are currently planned for 12 hours per day, and likely to be between the hours of 11:00 a.m. and 11:00 p.m. While the shuttle service could potentially run year-round, cold weather and ice in the National Harbor cove is likely to limit the operations to about 270 days per year.

While passenger demand for the water shuttle is difficult to project, it is projected that as many as 500 (roundtrip) passengers per day would use the service. This equates to about a 20-25 passenger average per trip. It is likely that peak demand will be experienced late in the day (dinner traffic) and on weekends. This is due to the fact that the Gaylord is a convention hotel where those attending will have day meetings, with free time available later in the day and on weekends. It is likely that the vast majority of passenger trips would originate at National Harbor, with far fewer trips originating from Alexandria. Over time the 500 passenger per day total is likely to increase.

The proposed license agreement, while continuing PRBC's current exclusive rights to use the specific berth where the Miss Mallory is now docked, does not grant exclusive water shuttle rights to the PRBC. In the event that another operator, such as Gaylord, wishes to provide a water shuttle, or other water related service, then the City would see if there was a way to accommodate such services in the short term. In the long term, the City could decide to build additional piers and docks to accommodate increased boat traffic. The Waterfront Plan will address that possibility.

The proposed berth, when outfitted with a ramp and floating dock, benches on the adjacent pier and some type of protective canopy can provide adequate loading and unloading facilities. The area is close to the King Street corridor, and with wayfinding signing, is where disembarking shuttle passengers will be directed.

This water shuttle service will be managed and operated by the PRBC. As part of the service, PRBC will be responsible for paying for the construction of an accessible ramp to facilitate ADA accessibility via a floating dock onto the vessel, as well as the expansion of the existing PRBC ticket booth. At this time, the shuttle service will be permitted between National Harbor and Alexandria. Future expansion of the District of Columbia baseball stadium shuttle, and/or additional shuttles from other sources will not be permitted in the proposed license unless subsequently authorized by the City. This will ensure that in case such service is proposed that adequate transportation and parking requirements can be planned, and put in place, before such service is provided.

The plans for the proposed water shuttle were presented to the Old Town Civic Association, the Waterfront Committee, the Park and Recreation Commission, the Founders Park Civic Association, the Chamber of Commerce, and the Old Town Business and Professional Association. In general all of these groups were supportive of the water shuttle operation. Key comments or suggestions included the need for ground transportation to move shuttle passengers up and down King Street (Waterfront to the King Street Metrorail station), wayfinding signing, additional restrooms, and the consideration over the long term of a better water shuttle docking operation location at the foot of King Street. Also the need to improve the appearance (better cleaning, window displays, flowers, etc.) of the King Street retail area, as well as common retail store opening and closing hours were also mentioned as desirable.

All of these needs and ideas are being reviewed at this time, and proposals and plans will be developed and put in place prior to April 1, 2008. In addition to the work undertaken by City staff, as these types of efforts are best addressed through public private partnerships, the Alexandria Chamber of Commerce has convened a task force of business and civic groups, as well as the City's various economic development organizations to begin to develop plans. A March 13, 2007, community meeting of businesses is planned. Finally, public funding to undertake some of these initiatives will need to be addressed as part of Council's FY 2008 budget deliberations.

The key terms of the proposed amended Miss Mallory license agreement in order to provide for the water shuttle are:

**THE TERMS AND CONDITIONS OF THE PROPOSED LICENSE AGREEMENT ARE STILL UNDER NEGOTIATION AND WILL BE PROVIDED TO COUNCIL PRIOR TO TUESDAY NIGHT'S COUNCIL MEETING. AT THAT MEETING, COUNCIL ACTION WOULD BE TO SET THE LICENSE AGREEMENT FOR PUBLIC HEARING AND CONSIDERATION ON SATURDAY, FEBRUARY 24. SINCE THIS LICENSE INVOLVES THE LEASE OF CITY PROPERTY, STATE LAW REQUIRES A PUBLIC HEARING PRIOR TO COUNCIL APPROVAL OF THIS LICENSE.**

**FISCAL IMPACT:** The financial terms of the license agreement are still under negotiation.

In recent weeks the federal Department of Transportation has announced a competitive passenger or vehicle water boat capital grant process for federal Fiscal Year 2007. Previously, federal earmarks used all the appropriated funds, but with Congress not using the earmark process for FY 2007 appropriations, this has allowed a competitive grant process to be established. It is likely that the grant process will be very competitive, and it is not clear at this time if federal grant regulations would allow a grant for this type of water shuttle. Such as grant would cover only a portion of the cost of the boats. However, the grant process is worth exploring as it would write down the cost of the shuttles.

**ATTACHMENTS:**

Attachment I. Proposed License Agreement (to be completed and provided prior to Tuesday night's Council meeting)

Attachment II. Photograph of proposed Berth

**STAFF:**

Mark Jinks, Deputy City Manager

Kirk Kincannon, Director, RPCA

Roger Blakeley, Deputy Director, RPCA

Aimee Vosper, Landscape Architect Supervisor

Proposed Berth Location

