

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 19, 2007
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO #11: BUDGET QUESTIONS & ANSWERS #4-6

Please find attached Budget Questions and Answers #4-6. These Questions and Answers are in response to questions that arose at the City Council worksession on the FY 2008 – FY 2013 Capital Improvement Program (CIP).

Attachment: FY 2008 Budget Questions & Answers #4-6

**FY 2008 Proposed Budget
Questions & Answers**

Q&A: Councilwoman Pepper asked: What is the size and worth of the old Health Department land (509 N. St. Asaph St)?

The lot size of the old Health Department property is 28,261 square feet or 0.65 acres. The value of this land would depend on its potential use and is likely more than the \$4.0 million that is listed in the 2007 assessment records.

Q&A: Mayor Euille and Councilman Smedberg asked: What is the planned use for the old Health Department building (509 N. St Asaph St)?

The plans for the old Health Department building have been to use it largely for swing space over the next few years, if not longer. As office shifts and changes are made within City Hall and at the Business Center Drive building, some offices and staff will need to be temporarily located at in the old Health Department building. We also use the building as an air monitoring location, and temporarily, for cataloging the large Apothecary Museum collection recently donated to the City. In addition, some of the office-type uses in the building would in the future need to be housed in leased space, if not in this facility. Also a large portion of the parking lot is leased to City employees who park at that site and then walk to the City Hall area where they work.

An economic analysis of a sale of the building versus lease private office space done in 2004 determined that keeping the building was cheaper than leasing private space. However, the run up in residential property values (which would produce the most economic value if the building was sold) since the time of the last analysis, might change the outcome of the analysis if undertaken today. Staff will add this analysis to its work plan for the upcoming year.

In the mean time no major capital improvements will be made to the building, other than what is necessary to keep it a habitable and reasonable place for City employees to work.

Q&A: Councilman Smedberg asked: What is the status of the former City sign shop property (1505 Powhatan)?

The property was the subject of an RFP and contract sale award a number of years ago, but the seller backed out of his contract with the City because he did not pre-lease the largely retail building. Since then the City and the Northeast neighborhood have discussed the City selling that property for residential development (both market and affordable housing). Staff met with the neighborhood and developed criteria to be used in an RFP. That RFP is nearly completed but was delayed in its issuance. The Mayor has recently asked the City Housing staff to undertake a feasibility study to determine if a combination of affordable/workforce housing could be financed and constructed in lieu of an RFP sale process. That study will get underway in the near future.