


*City of Alexandria, Virginia*

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MEMORANDUM

DATE: NOVEMBER 21, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF ALLOCATION OF FUNDS FOR ALEXANDRIA'S NATIONAL HARBOR INITIATIVE

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**ISSUE:** Consideration of allocation of funds for Alexandria's National Harbor Initiative.

**RECOMMENDATION:** That Council:

- (1) Approve \$1,303,716 for the priority (Tiers I, II, and III) National Harbor related activities as identified and as displayed in the attached docket item from Council's November 19, 2007 legislative meeting, and to fund these activities:
- (2) Allocate \$700,000 from the General Fund fund balance designation set-aside as part of the FY 2008 budget adoption for National Harbor readiness purposes;
- (3) Utilize \$40,000 of Alexandria Economic Development Partnership IDA funds for facade and exterior improvements identified in Tier I;
- (4) Allocate \$141,000 from Northern Virginia Transportation Authority (NVTa) new transportation revenues to fund the net new costs of the King Street rubber tired trolley; and
- (5) Allocate \$422,716 from the FY 2008 General Fund Contingent Reserve.

**BACKGROUND:** At its November 19, 2007 legislative meeting, Council received the recommendations report (attached) from the National Harbor Collaborative, discussed the report and tentatively decided to fund all three proposal tiers of initiatives at a total cost of \$1,303,716 in FY 2008. Council then requested that this set of initiatives be brought back to Council at its November 27 legislative meeting for formal allocation of funding.

The attached report along with its project list and cost table details each of the proposed capital or operating initiatives.

**FISCAL IMPACT:** The total impact of these recommendations in FY would be:

Tier I	\$ 794,000
Tier II	305,766
Tier III	<u>203,950</u>
Total	\$1,303,716

The proposed sources of funding include the \$700,000 which Council set aside during the FY 2008 budget process as designated General Fund balance to be used for National Harbor related items, \$40,000 of AEDP façade improvement funds (which AEDP funds from IDA fees), \$141,000 from the new transportation revenues (to fund three months of King Street trolley operating costs) from the Northern Virginia Transportation Authority, and \$422,716 from the FY 2008 General Fund Contingent Reserve. Based upon the Council discussions on November 20, the use of \$54,000 from the City's Marketing Fund is not now recommended, but the use of General Fund Contingent Reserve funds is recommended. The FY 2008 budget prior to Council's November 27 legislative meeting had a Contingent Reserve balance of \$329,400. The Supplemental Appropriations ordinance, before Council for action at its November 27 legislative meeting, recommends adding \$400,000 to the Contingent Reserve from FY 2007 year-end funds. This then creates a \$729,400 total General Fund Contingent Reserve from which the \$422,716 can be allocated from. The allocation for National Harbor-related purposes from Contingent Reserves would be contingent upon Council adding the \$400,000 to the Contingent Reserves.

The operating budget impact of funding all three tiers in FY 2009 is \$890,012. Of this amount, \$565,000 of estimated King Street trolley operating expenses could be paid for by the new NVRTA transportation revenues, thereby leaving a General Fund operating budget impact of \$325,012 for FY 2009.

**ATTACHMENT:** National Harbor Collaborative Work Group Recommendations Report from the November 19, 2007 Council legislative meeting

**STAFF:**

Mark Jinks, Deputy City Manager  
Kathleen Beeton, Division Chief, Planning & Zoning  
Stephanie Brown, President and CEO, ACVA  
Stephanie Landrum, Vice-President, AEDP  
Rich Baier, Director, T&ES  
Lance Mallamo, Director, OHA  
Jan Day Gravel, Collaborative Coordinator


EXHIBIT NO. 118*City of Alexandria, Virginia*11-19-07

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MEMORANDUM

DATE: NOVEMBER 15, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF THE REPORT FROM THE ALEXANDRIA  
NATIONAL HARBOR COLLABORATIVE

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**ISSUE:** Consideration of funding City initiatives related to National Harbor.

**RECOMMENDATION:** That Council:

- (1) Approve \$794,000 for the priority (Tier I) National Harbor related activities as identified in this report and as displayed on Attachment 1;
- (2) Allocate \$700,000 from the General Fund fund balance designation set-aside as part of the FY 2008 budget adoption for National Harbor readiness purposes;
- (3) Reallocate \$54,000 from the City's Marketing Fund for ACVA marketing activities identified in Tier I;
- (4) Utilize \$40,000 of Alexandria Economic Development Partnership IDA funds for facade and exterior improvements identified in Tier I; and
- (5) Consider funding for the items listed in Tier II (\$305,766) and Tier III (\$203,950) from either the FY 2008 General Fund Contingent Reserve, and/or consider funding the net new trolley costs for FY 2008 (\$141,000) from the new transportation revenues to be received from the Northern Virginia Transportation Authority.

**BACKGROUND:** In December, 2006, the Mayor asked the Chamber of Commerce to convene a group of business, governmental, non-profit and civic stakeholders (The National Harbor Collaborative Work Group or "Collaborative") in order to take advantage of the opportunity, as well as to be prepared for the challenge, being presented by the new National Harbor development across the Potomac in Prince George's County, Maryland. National Harbor, which will open in April 2008, is a 300-acre, mixed-use development that will include five hotels, as well as the Gaylord National Resort and Convention Center, the largest non-gaming convention

hotel on the east coast of the United States. The 4,000 hotel rooms at National Harbor, along with eventually up to 1.0 million square feet of retail and restaurant space, 0.5 million square feet of office space, condos and the Gaylord convention center, have the potential to generate tens of thousands of new visitors to Alexandria annually. National Harbor will also compete with Alexandria for both existing and new retail and restaurant customers. It will also compete with Alexandria for tourists and for group meetings. As a result of this new opportunity to gain tourism business, as well as given the risk of losing existing business, it became clear that the City needed to undertake some activities to get ready for National Harbor's potential impacts. In particular, with the water taxi service to be offered, thousands of new visitors will be arriving at the City's Marina, and therefore the Collaborative's efforts focused substantially on improving the area around the City Marina.

As part of the FY 2008 budget consideration and adoption process, Council designated \$700,000 in the General Fund fund balance for possible initiatives associated with getting ready for National Harbor. With the input of stakeholder forums and various citizen organizations this past winter and spring, the Collaborative and the various working subgroups have been working continuously to address and distill the numerous issues identified over the last ten months. Issues include:

- Marketing Initiatives
- Land and water transportation
- Historical interpretation
- Enhancing the visitor experience in Alexandria sites and attractions
- Marina improvements and amenities
- Marina area lighting
- Wayfinding and visitor signage
- Visitor Center at Ramsay House hours
- Visitor parking
- Tour bus management
- Preparing Alexandria businesses
- Marina security

The recommendations being made by the Collaborative are designed to attract visitors to Alexandria, orient them once they arrive, and disburse them along the King Street corridor to experience and provide economic benefit to Alexandria businesses, restaurants, and retailers. Other issues not involving the allocation of funds, such as tour coach management and parking, will continue to be addressed by the Collaborative over the next six months.

While the National Harbor has been a catalyst in the focus of these recommendations, the improvements being suggested will enhance the visitor experience for tourists already coming to Alexandria, as well as for those who work or live in Alexandria.

The members of the Collaborative had the challenge of having more project ideas than there were funds. With the \$700,000 set-side by Council, there was a substantial amount to work from, but less than the total \$1.3 million in needs identified by the Collaborative. This then required prioritization. The guiding principles in the identification of projects, and then the

prioritization of them, used by the Collaborative were to: **Attract, Welcome, Orient, and Disperse**. Three Tiers of priorities were developed. Tier I represents the highest priority projects, and totals \$794,000 (helped by \$40,000 from AEDP and a \$54,000 proposed reallocation from the Marketing Fund). Tier II projects total \$305,766, and Tier III projects total \$203,950.

#### **A. Marketing Initiatives**

Rarely does a completely new market emerge to bring a significant number of new visitors to a region, and at the same time compete for a destination's existing visitors. Whether or not National Harbor impacts the City will depend in part upon how the City of Alexandria prepares for what will certainly become a monumental shift in the tourism dynamic of this region. National Harbor's website proclaims, "This changes everything." From a destination marketing perspective, that is clear. National Harbor represents a new "city" being built across the river from Alexandria.

The City of Alexandria offers a rich connection to American history in a unique environment of 18th- and 19th-Century architecture with an unusual connection to entertainment and fun. These brand assets will be complimentary to the new environment of National Harbor, especially for guests traveling to the nation's capital. On the other hand, Alexandria's regional visitors will have an additional choice for shopping and dining.

#### **Laying the Groundwork**

ACVA's outreach to the sales staff of National Harbor began in the spring of 2006 with an emphasis on educating convention sales staff about Alexandria's visitor experience and the venues available for off-property convention events. Throughout 2006 and 2007, ACVA has met with a variety of representatives of the Peterson Company, National Harbor, and Gaylord. Activities have included:

- A reception aboard the Miss Mallory for Gaylord's sales staff and the account managers of CSI, the official in-house Destination Management Company for Gaylord National. Immediately following the event, we received a request for an overflow hotel room block for 2011.
- Coordinating the "Old Town Collection," a group of hotels formed to accommodate overflow room blocks for Gaylord (and other groups). ACVA attended a pre-convention meeting with the National Council of Foundations and will assist with a dine-around and a hospitality desk at their meeting in May 2008.
- New tour programs are in development to be featured in a brochure that promotes off-property events and post-convention trips.
- ACVA's Fun Side Forums have helped to educate the community that "Company is Coming." To date, four meetings highlighted National Harbor-related topics including: "A Look at National Harbor" October 2006; "The Plan for the

Waterfront” January 2007; “What’s New Including the Water Taxi” March 2007; “Update on National Harbor” with a boat ride May 2007.

### **Marketing Initiatives: Funding Requested**

The Collaborative recommends allocating \$118,865 (all in Tier I) for marketing initiatives targeting National Harbor guests. The Alexandria Convention and Visitors Association (ACVA) will be responsible for implementing the marketing plan as presented below. The funds requested are in addition to the City’s FY 2008 allocation to ACVA, recognizing the importance of markets targeted in ACVA’s existing marketing plan. As detailed on Attachment 1, the proposed marketing initiatives in Tier I would include:

- **Brochures:** A large volume of rack brochures (\$28,000) to distribute at National Harbor, on the water taxi and at other locations.
- **Video:** A video commercial about Alexandria for use on the water taxi (\$45,000), and a video commercial to be advertised on Gaylord’s internal guest television system (\$12,000).
- **Advertising:** In the in-room Gaylord publication (\$18,665) as well as the Where Magazine travel guide (\$8,700).
- **Visitors Center Hours:** Hours of the Alexandria Visitors Center at Ramsay House would be extended so the Center is open an additional 3 hours until 8 p.m. every night. Currently, the Center closes at 5 p.m. (\$6,500).
- **Survey Research:** Funding in order to conduct formal surveys of tourists is proposed so that the effectiveness of the City’s efforts in relation to the trolley and National Harbor tourism could be measured and changes made as a result of receiving survey feedback (no \$ in FY 2008, but \$10,000 in FY 2009).

Since marketing the City is key to the success of attracting and retaining tourists, all of the proposed marketing initiatives are contained and funded within Tier I.

### **B. City Marina Area Improvements**

The intent of the design plan is to provide interim, high quality improvements to the Marina area that can be installed prior to the April 2008 inauguration of water taxi service between Alexandria and National Harbor, and to improve the appearance and enjoyment of the Marina area for the first-time visitor, as well as area residents and businesses. Longer term, more permanent improvements will be developed as part of the upcoming waterfront study. While inspired by, and targeted to, guests from National Harbor, these investments will create a more attractive experience in Alexandria with appeal for residents and visitors alike. Historically, the City Marina has had a spartan, utilitarian appearance and in effect has served much as a “backdoor” entrance to the City. These proposed Marina improvements are intended to change the Marina into a more “front door” entrance to the City.

To prepare the design plan, the Planning and Zoning staff has conducted a series of working meetings and waterfront walks continuously since June and met with marina stakeholders including the Alexandria Waterfront Association which owns the Food Court, the Chart House restaurant, and representatives from the Torpedo Factory Art Center to gain their insight and learn of their plans for improvements to their respective users. The team also met regularly with the National Harbor Collaborative to identify issues and opportunities, provide updates on the preparation of the plan, and gain their input on the proposed recommended interim improvements. An outside firm with landscape architecture experience also assisted in this effort.

In addition to the specific design recommendations, the design plan incorporates a unified concept for lighting (see Marina lighting section of this report below), kiosks and other signage to help orient and guide visitors (in conjunction with the City-wide wayfinding program which the signage and kiosks will be coordinated), interpretative sign panels to be prepared under the auspices of the Office of Historic Alexandria, additional seating in the form of benches and movable seats and tables, new bollards to replace existing walkway barriers, and the incorporation of plan materials, banners, and other ideas to animate and enhance the visitor's experience of the City Marina area.

#### **Interim Improvements: Funding Requested:**

Many other improvements were discussed and considered, but ultimately the following improvements were agreed upon by the team as being the highest priority items to have in place by April 2008. The Collaborative recommends allocating funds for interim improvements to the City marina as listed below.

- **Directional/Orientation:** Four kiosks would be acquired and installed. Four would be at the Marina and one at the King Street Metrorail Station. Their design information on them would be coordinated, and as such they would serve a wayfinding function. Funding in Tier I (\$62,699) would pay for four kiosks and the development/design of the information on them. The fifth Kiosk (\$15,600) is listed in Tier II, as is a wayfinding panel (\$960).
- **Comfort:** Six additional benches at the Marina are proposed in Tier I (\$10,410), and four benches (\$6,830) in Tier II. Also in Tier II are moveable seats and tables which would be placed around the Marina gazebo. To provide a shelter for water taxi passengers a buildout of a waiting area with seating underneath the Chart House is proposed in Tier I (\$30,000). The Food Court bathrooms will be the primary public bathrooms at the Marina, and these bathrooms need to be refurbished. Funding constraints allowed \$16,866 of the renovation to be funded in Tier I, but \$53,134 was placed in Tier II.
- **Aesthetics:** Planters and four seasons of plantings would help improve the appearance of the Marina area. Tier I has \$17,460 in funding for 10 planters, with 20 more planters/plantings at a cost of \$34,920 listed in Tier III. Landscaping

around the unsightly area of the Chart House service dock is needed. Tier I contains \$3,600 of funding with Tier II listing \$1,200. Bollards (\$7,200) would also be desirable. Banners would add a lively visual affect at a cost of \$17,250 and are funded in Tier I. Finally, awnings added to the east side of the Chart House (in front of the doors to the waiting area) and new Food Court awnings (\$11,520) are not funded, and are listed in Tier II.

- **Water Taxi Dock:** The Potomac Riverboat Company will be constructing this dock at no cost to the City.

### C. Marina Lighting

With the new water taxi service to start in April, the City Marina will become the gateway to thousands of new visitors. The water taxi will dock in front of the Chart House just South of the Seaport Foundation office facility, and passengers will be guided by signage southward along the waterfront and through the Marina behind the Torpedo Factory to the Unit Block King Street. This gets these visitors to the foot of the City's King Street retail corridor and also to the location where they can board the King Street trolley. The City should make this walkway as pleasant and safe as possible. One need identified has been to review the lighting levels from both a safety and aesthetic perspective. Specific existing ambient lighting levels were reviewed to ensure that national standards are achieved for parks and outdoor meeting places. Desired standards are:

- 2.2 foot-candles for high volume specialty areas,
- 1.1 foot-candles for entranceways to streets, and
- 0.6 foot-candles for walkways not close to streets and roadways.

Given the increased foot traffic and the recommended standards, a photometric light review indicated the following areas as in need of light level increases:

- The stairway area in front of the marina restrooms beneath the Chart House.
- The pier end adjacent to the Cherry Blossom ship.
- The brick walkway along the outside Chart House seating area.
- The gazebo area.
- The walkway behind the Torpedo Factory office building.
- The walkway between the rear Old Dominion Boat Club and the Torpedo Factory Office Building.

In order to address the lighting deficiencies as described above, the following set of projects are proposed as part of the Tier I priority projects. The cost of these Tier I improvements is estimated at \$295,492. The proposed improvements are:

- **Base Line Lighting Improvements:** The addition of Marina style pole lights at the areas described above mounted on the marina deck surface and within the Chart House restaurant planters. The replacement of all electrical conduit wiring

and restoration of deck/sidewalk surfaces are included. This would include the necessary electrical panel upgrade and conduit/cable to panel box to comply with current electrical codes (\$293,042).

- **Relamping:** This element includes the repair and restoration of existing globe fixtures/marina fixtures which are either not working or need to be replaced to increase light levels (\$2,450).

With regard to more aesthetic lighting elements, the following projects are desirable, but are not critical to the provision of basic lighting. These projects which would cost a total of \$188,602 are not in the base recommended funding, but are listed in Tier II and Tier III in the attached list:

- **Torpedo Factory Façade Lighting:** This element involves the installation of exterior “wash” lights on the east façade of the Torpedo Factory building at a cost of \$28,800.
- **Marina Blue Lights:** This element will replace the existing blue pile lights/electrical conduit and wiring as well as extend the lights to perimeter marina piles that are currently not lighted. It would provide a decorative feature to the Marina. The cost of the blue lights including conduit and installation would be \$50,802.
- **Lighting for Arcade Area:** This element includes the installation of new fixtures to replace the mercury vapor fixture within the Torpedo Factory office building walkway to Union Street. The replacement of these existing lights would reduce glare within the arcade and safety issues associated with these fixtures. The cost of this lighting change would be \$14,000.
- **Emergency Lighting:** An element for emergency backup lights was added to install nine exterior wall-mounted battery lights along the Marina waterfront. These would be used in the case of a major power failure in the Marina area. The cost of the emergency lighting would be \$14,000.
- **King Street Tree Lights:** Currently, the City lights the trees along King Street with strings of small lights. These lights are turned on from December through March. If the lights were kept on the remaining 8 months of the year the cost would be \$64,000 (or \$8,000 for each additional month).

#### **D. City Marina Area Security**

One of the concerns that has been expressed by the Police Department and by other stakeholders in the Marina area is that with the additional water taxi passengers arriving and departing from the Marina area, there will be a need for a higher level of security. In addition, the added resources assigned to the Old Town business area on weekends is already stretched with calls and, therefore, Marina issues that arise are of a lesser priority.

- **Police coverage:** In order to address this, it is proposed that two officers on overtime be added on Friday and Saturday nights to provide added coverage at the estimated peak demand times. The cost of this added service would be \$20,834 in FY 2008 for the three months that the water taxi service will be provided in this fiscal year. This is funded in Tier I. The full year costs for FY 2009 would be \$81,536.
- **Dockmaster Staff Coverage:** Currently there are gaps in City dockmaster staff coverage at the Marina. It is proposed that about 40 hours of additional coverage be provided per week. This would cost \$10,000 in FY 2008 and \$40,000 in FY 2009. This is proposed as a Tier I priority. The additional dockmaster coverage will be valuable in the whole Marina effort, as this staff in effect manages the Marina space and serves as the City's eyes and ears at the Marina.

#### **E. Historical Interpretation**

The City, through the Office of Historic Alexandria (OHA), has a strong tradition of providing heritage services to both residents and visitors to Alexandria, through its archaeological and historical programs, historic preservation services, and the management of the City's Archives and comprehensive museum system.

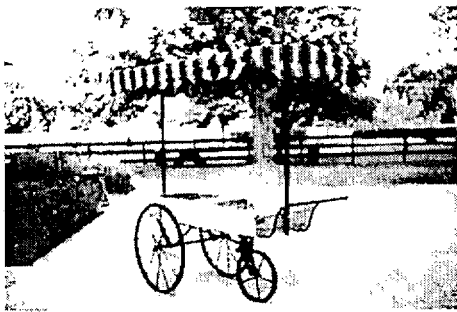
The opening of the National Harbor project in April 2008 provides the City with new and unusual opportunities to assist ongoing City efforts to develop sustainable heritage tourism and economic development, while increasing visitation, programs, services and revenues within its existing museum system. This new OHA tourism strategy will focus on creating interactive, educational and entertaining "on-the-street" museum programs, designed to increase the awareness and appreciation of the City's history, while promoting visitation to cultural facilities, historic sites and museums throughout the City.

This proposed strategy will be implemented through the following approach. The following three items are proposed within Tier I:

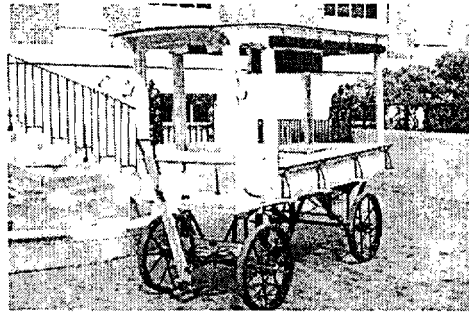
- **Signage and Interpretive Panels - Timeline, Map & Photo Panels.** In the vicinity of the Waterfront/Torpedo Factory, OHA will develop a linear "Timeline of Alexandria History" interpretive panel, tracing 13,000 years of City history, beginning with the "Clovis Point" recently discovered at the Freedmen's Cemetery. This timeline will be further enhanced by nearby panels featuring

historical maps and photographs, including images of famous Alexandria citizens and those personages selected for inclusion as part of the "Living History" program listed below (\$20,000).

- **Discovery" Carts and OHA Retail Wagons.** OHA proposes to develop a series of "story boxes" containing actual museum artifacts or appropriate reproductions from OHA museum facilities and collections. These changing boxes will be inserted into period-appropriate, turn-of-the-century style "Discovery" carts that will be wheeled out to different locations in the Waterfront/King Street corridor for first-hand interpretation during periods of high tourist visitation. Proposed OHA retail wagons will be outfitted with OHA merchandise, representing all museums within the OHA system, and placed in nearby locations to provide increased OHA retail/revenue opportunities, as well as contact points for tourist information and information on Torpedo Factory offerings while enhancing the vitality of the outdoor visitor experience. Funds are requested in FY 2008 to purchase five carts, three wagons, and fifteen sealed, archival quality story boxes. It is anticipated that this activity can be implemented by OHA museum staff and volunteers within the annual OHA operating budget. (\$23,000)



Proposed Discovery Cart (5)



Proposed OHA Retail Wagon (3)

- **Audio Tours.** OHA proposes a new audio tour providing information on Alexandria's architecture, special events and visitor services. Using their cell phones, City residents and guests would dial one local phone number and when prompted, enter the specific codes for an unlimited number of "a la carte" sites or services of interest. The phone prompts would be researched, recorded and updated as needed by OHA staff, with downloads available for podcasts. Funds are requested for monthly Guide-By-Cell service based on 1,000 calls per month. (\$1,974)
- **Storefront Windows.** In order to diminish the impacts of vacant storefronts on the King Street/Washington Street streetscapes, OHA proposes to approach owners of vacant buildings in the two corridors for permission to install temporary photographic exhibits, focused on Alexandria's cultural and historic facilities, in empty storefronts during the period of vacancy. It is anticipated that this activity can be implemented at no cost through the use of existing OHA resources (no added costs).

The items in Tier II are:

- **Signage and Interpretive Panels - Photo Mural.** At the rear of the Old Dominion Boat Club, in the immediate vicinity of the trolley stop, OHA proposes installation of a large photomural to highlight the City's cultural facilities, historic sites, and museums, and guidance on directions/transportation options to access these resources (\$25,000). The Boat Club's approval will likely be required for this.
- **Living History/Museum Tours.** OHA proposes to research, develop and costume a wide variety of 18th- and 19th-Century street characters recreating historical personages, relating to Alexandria's rich heritage. These role players would lead special tours to nearby museums, and interact spontaneously with visitors to the Waterfront/King Street Corridor during periods of high visitor traffic. Among the many historical personages now being researched for consideration for this "Living History" program include former merchants, bakers, slaves and free Blacks, farmers, physicians, Revolutionary and Civil War soldiers, potters, metalsmiths, tavern keepers and "unsavory characters" associated with Alexandria's past. Museum tours at select times guided by the same costumed interpreters are also proposed to lead visitors to the Alexandria Black History Museum, Friendship Firehouse and The Lyceum, Alexandria's History Museum. These tours would highlight the historic sites, themes and collections associated with those facilities. (\$17,500)
- **Historical Performers.** OHA proposes a changing program of period entertainment at the Waterfront and in Market Square during periods of high visitor traffic, including 18<sup>th</sup>-Century acrobats, 18th-Century performance dancing, 18th-Century exhibition fencing, period musical performers, storytellers, magicians, and puppet shows. Short theatrical presentations and historical "vignettes" combining the efforts of several role players (such as a 19th-century Medicine Show) are also under consideration. (\$21,250)

The items in Tier III are:

- **Children's Activities.** OHA proposes to take certain museum children's programs, already in place within our museums, and relocate them to Market Square and the Waterfront Marina area during periods of high tourist visitation. Specifically, the Alexandria Archaeology Museum will move children's programs from its third floor site in the Torpedo Factory to the boardwalk side of that building, and Gadsby's Tavern Museum will hold a children's 18th-century games program in adjacent Market Square. Since moving these operations outside will increase participation, funding is requested to purchase additional tables, chairs, temporary fencing/barriers, period games and museum craft supplies. This will provide two centers for outdoor educational children's programs and a place of respite for the parents of small children. (\$2,000)

**F. King Street Trolley**

In September, Council approved the City going forward and providing a new rubber tire trolley service on King Street (from the Unit Block of King Street to the King Street Metrorail station). It was contemplated that this service would run twelve hours per day, seven days per week, twelve months of the year. The trolleys would replace the DASH About service in order to continually provide the same type of service and consistent vehicle visual appearance. If the service was bifurcated with different vehicle types, visually branding the service to tourists would be more difficult. Given the short-term experimental nature of this service, it was also decided to contract out for this service on a year-to-year basis. If at some point in the next few years, DASH has the capacity to operate this service, then the trolley service responsibility could be transferred to DASH. It was estimated that the cost of the trolley to be \$700,000 per year. After applying \$135,000 savings from the DASH About, the net new cost estimate was \$565,000 for a full year's cost. For FY 2008 when only three months of service would be necessary, the new cost was \$141,000. This was approved by Council in September and is listed as funded in Tier I.

Subsequent to the authorization by Council in September, the City issues an RFP for a trolley operator. The bidding deadline was this week, and it appears that the costs of the trolley will be higher than prior estimates. City staff is in the process of working through the details of the bid, and would seek to move the costs closer to the prior budget estimate, through negotiation with the vendor as well as looking at the service levels (months of year, hours of service and frequency of service). If costs for the core trolley service cannot fit within the budget, then other sources of funding the trolley will be considered, including the use of Northern Virginia Transportation Authority revenues which should start to be received by the City this fiscal year (assuming that the Virginia Supreme Court concurs with the regional taxing powers of the authority).

**G, Supporting Business/Retail**

In order to assist retailers and restaurateurs be prepared for the increased visitors from National Harbor, the Small Business Development Center is proposing to conduct seminars to cover topics such as merchandising, marketing and customer service. Funding for this effort is split with \$5,000 in Tier I and \$5,000 in Tier II.

**FISCAL IMPACT:** The total impact of these recommendations in FY 2008 if entirely implemented would be:

Tier I	\$ 794,000
Tier II	305,766
Tier III	<u>203,950</u>
Total	\$1,303,716

The proposed sources of funding of Tier I include the \$700,000 which Council set aside during the FY 2008 budget process as designated General Fund balance to be used for National Harbor related items, \$40,000 of AEDP façade improvement funds (which AEDP funds from IDA fees), and a \$54,000 reallocation from the City's Marketing Fund. The Marketing Fund currently which currently has a balance of approximately \$157,000 has been in the process of restructuring for the last six months and has not made any grant awards to date. The restructuring process is ongoing and it will be a few months until the Marketing Fund process is ready to fully restart. Given that the Marketing Fund will have less than six months to make twelve months worth of grants in FY 2008, reallocating part of the funds towards National Harbor marketing is recommended. This leaves \$103,000 for Marketing Fund grants for the last six months of FY 2008.

In order to consider funding of Tier II and Tier III items, Council could consider utilizing part of the General Fund contingent reserve which with the proposed appropriation of \$400,000 of FY 2007 year end funds will total over \$700,000. Also, the Northern Virginia Transportation Authority decided last week to proceed to levy its new taxes and fees starting on January 1, 2008 which will then result in the City receiving new revenues starting this fiscal year. These revenues need to be dedicated for transportation operating or capital uses. Therefore Council could consider applying these funds to cover the net new King Street Trolley costs of at least \$141,000 in FY 2008 and at least \$565,000 in FY 2009.

Finally the FY 2009 net new operating costs for the National Harbor initiatives are estimated at between \$834,000 and \$890,000. The trolley comprises the bulk of the ongoing operating costs. The actual costs of the National Harbor initiatives for FY 2009 will be handled and determined in the development of the FY 2009 Proposed Budget.

**ATTACHMENT:** National Harbor Collaborative Work Group Recommendations

**STAFF:**

Mark Jinks, Deputy City Manager  
Kathleen Beeton, Division Chief, Planning & Zoning  
Stephanie Brown, President and CEO, ACVA  
Stephanie Landrum, Vice-President, AEDP  
Rich Baier, Director, T&ES  
Lance Mallamo, Director, OHA  
Jan Day Gravel, Collaborative Coordinator

## National Harbor Collaborative Work Group Recommendations

### Initiatives, Cost Estimates and Prioritization

Recommended Initiatives	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
<b>Marketing Initiatives (ACVA)</b>				
Rack Brochure (500K)				
• Design	\$15,000			
• Printing	\$13,000			
• Distribution/rack space				\$5,000
Video Commercials that will play on the Water Taxi and in-room at Gaylord Hotel				
• Production	\$45,000			
• Advertising on Gaylord TV	\$12,000			\$12,000
• Bonus on Williamsburg/Hampton Roads Vacation Channel (14,000 rooms)	\$0			
Advertising in "Worth It" in-room guide at Gaylord (spread – April and October)	\$18,665			\$37,330

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<b>Recommended Initiatives</b>	<b>FY 2008 Tier I Recommendations</b>	<b>FY 2008 Tier II Recommendations</b>	<b>FY 2008 Tier III Recommendations</b>	<b>FY 2009 Ongoing Estimated Costs</b>
Advertising in Where Magazine, non Gaylord NH hotels – DC Edition (Currently buy full page, with 2 pages co-op May-Sept.; recommend adding March, April, Oct-Dec)	\$8,700			\$21,750
Visitor Center at Ramsay House Extended Hours (from 9 a.m. – 5 p.m. to 9 a.m. – 8 p.m.)	\$6,500			\$26,000
Survey – Measuring the Success and Process Improvement				\$10,000
<b>Marketing Sub Total</b>	<b>\$118,865</b>	<b>-0-</b>	<b>-0-</b>	<b>\$112,080</b>

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	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
<b>Recommended Initiatives</b>				
<b>Marina Improvements</b> <b>Directional/Orientation (City)</b> <ul style="list-style-type: none"> <li>• 4 Kiosks at marina and 1 Kiosk at King Street Metro Station</li> <li>• Wayfinding Panel</li> </ul>	\$62,699 (4 kiosks and panels)	\$15,600 (1 kiosk) \$960		
<b>Comfort</b> <ul style="list-style-type: none"> <li>• Seating: <ul style="list-style-type: none"> <li>• Benches</li> <li>• Movable Seats and Tables</li> </ul> </li> <li>• Shade/Shelter/Facilities: <ul style="list-style-type: none"> <li>• Under the Chart House (CH)</li> <li>• Food Court (FC) Bathrooms</li> </ul> </li> </ul>	\$10,410 (6)		\$6,830 (4) \$9,000 (12)	\$3,000 (replacements)
<b>Aesthetics</b> <ul style="list-style-type: none"> <li>• Planters (includes plant material)</li> <li>• Landscaping in CH, FC Planters</li> <li>• Landscape screening for CH service area</li> <li>• Bollards (6)</li> <li>• Banners (bidg; light pole; gazebo)</li> <li>• CH and FC Awnings</li> </ul>	\$17,460 (10)  \$3,600	\$1,200	\$34,920 (20)  \$7,200	\$9,500 (four seasons of color)
<b>Marina Area Improvements</b> <b>Sub Total</b>	<b>\$158,285</b>	<b>\$82,414</b>	<b>\$57,950</b>	<b>\$12,500</b>

Recommended Initiatives	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
<b>Lighting</b>				
• Base line Lighting and Electrical Improvements including design costs and new lights	\$293,042			\$14,000
• Relamping	\$ 2,450			
• Torpedo Factory Façade		\$28,800		
• Marina Blue Lights		\$50,802		
• Emergency Back Up Lights (9)			\$14,000	
• Lighting for Arcade Area			\$31,000	
• King Street Tree Lighting (8 additional months)			\$64,000	
<b>Lighting Sub Total</b>	<b>\$295,492</b>	<b>\$79,602</b>	<b>\$109,000</b>	<b>\$14,000</b>

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Recommended Initiatives	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
<b>Security</b> <ul style="list-style-type: none"> <li>Two Police Officers for an additional 8 hours on Friday and Saturday nights</li> <li>Additional Marina Coverage</li> </ul>	\$20,384 \$10,000			\$81,536 \$40,000
<b>Security Sub Total</b>	<b>\$30,384</b>	<b>-0-</b>	<b>-0-</b>	<b>\$121,536</b>
<b>Historical Interpretation</b> <ul style="list-style-type: none"> <li>Signage and Interpretative Panels located in the arcade – Timeline, Map, &amp; Photo Panels</li> <li>Discovery Carts/Wagons</li> <li>Audio Cell Tour</li> <li>Signage/Interpretative Panel Mural</li> <li>Children's Activities</li> <li>Street Characters</li> <li>Historical Performers</li> </ul>	\$20,000 \$23,000 \$1,974	\$25,000 \$17,500 \$21,250	\$2,000	\$7,000 \$7,896 \$20,000 \$30,000
<b>Historical Sub Total</b>	<b>\$44,974</b>	<b>\$63,750</b>	<b>\$2,000</b>	<b>\$64,896</b>
<b>Transportation</b> <ul style="list-style-type: none"> <li>Trolley (Net costs reflect replacement of DASH About and transfer of funds)</li> </ul>	\$141,000			\$565,000
<b>Transportation Sub Total</b>	<b>\$141,000</b>	<b>-0-</b>	<b>-0-</b>	<b>\$565,000</b>

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Recommended Initiatives	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
Supporting Alexandria Business/Retail (ABDC)	\$5,000	\$5,000	-0-	-0-
Intersection Improvements for Pedestrians (King and Union)	-0-	\$45,000	-0-	-0-
Tree Well Improvements Demo Project on South Side of 100 block	-0-	-0-	\$35,000	-0-
<b>Torpedo Factory Signage and Neon</b> <ul style="list-style-type: none"> <li>New building signage and/or artistic neon complimentary to Art Deco style of the building and organization purpose</li> </ul> (Note: Using existing Capital Improvement funds in the amount of \$ 60,000, Torpedo Factory is replacing outside doors and renovating the back entrance to be more inviting for visitors is planned.)	-0-	\$30,000	-0-	-0-

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Recommended Initiatives	FY 2008 Tier I Recommendations	FY 2008 Tier II Recommendations	FY 2008 Tier III Recommendations	FY 2009 Ongoing Estimated Costs
Total of Recommendations	\$794,000	\$305,766	\$203,950	\$890,012
Less AEDP Facade Improvement Funds	(\$40,000)			
Less Transfer from the City's Marketing Fund	(\$54,000)			
Proposed Allocation from National Harbor Contingent	\$700,000			

**Total of All FY 2008 Recommendations \$1,303,716**

12/21/07