

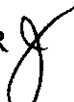
1-9-07

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 3, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMAN, CITY MANAGER 

SUBJECT: REPORT ON PROPOSED EXTENSION OF THE LEASE FOR THE WARWICK POOL AND THE LANDOVER PARK PROPERTY

ISSUE: Consideration of an extension of the lease for the Warwick Pool and the Landover Park Property.

RECOMMENDATION: That City Council:

- (1) Receive staff's recommendation to extend the existing lease for a period of 35 years, beginning on August 1, 2007, per the option guaranteed therein;
- (2) Schedule a public hearing on Saturday, January 20, 2007, on the extension of the lease for continued use of this property known as Warwick Pool and Landover Park; and
- (3) Following the public hearing, authorize the City Manager to execute all necessary documents that are required for the extension of this lease.

BACKGROUND:

In August of 1974 and October of 1978, the City of Alexandria entered into lease agreements with the owners of the properties at 3301 and 3315 Landover Street (know as the Warwick Pool and Landover Park). The lease periods ran for 33 and 29 years respectively and are set to expire in August of 2007. The lease terms state that each lease grants the lessee (the City of Alexandria) an option to extend the lease for an additional 35 years after the expiration of the original lease. For this to occur, the City must deliver written notice documenting the intention to extend the leases to the property owner at least six months prior to the termination of the original lease which is dated August, 2007. The City's deadline is therefore no later than February, 2007.

The locations of these two parcels are 3301 and 3315 Landover Street. The two parcels total 1.84 acres, and include a playground, parkland, a community meeting room, a pool, a tot lot, sitting area, exercise equipment and water fountain, and other amenities. The complex provides the City

with significant neighborhood benefits and is a valuable City-wide park resource. Staff recommends renewal of the lease.

The properties recently were deeded to the Virginia Theological Seminary (VTS) as residual beneficiary inherited assets from the previous owners. As the new owner of the leased property, VTS is required by the existing lease conditions to continue to provide the option for the City to extend the lease an additional 35 years, if notification is given to the new property owner (VTS) prior to expiration of this option.

Due to the proposed length of the lease, a public hearing is required. Following a public hearing on January 20, I recommend that Council approve the lease extension.

FISCAL IMPACT:

The lease agreements state that the term of rent is for the period of the lease. The current lease rates are \$3,000 per year for the Landover Park property and \$9,856 per year for the Warwick Pool. The lease agreement also states that the base rent shall be adjusted at five-year intervals by the percentage amount that the purchasing power of the United States dollar has increased or decreased as compared with the purchasing power of the dollar at the initiation of the lease. In the future, the City may consider future purchase of this property, if offered for sale by the current owner. With the financial terms of the current lease, however, it is more cost efficient to continue to lease the property as open space/parkland.

STAFF:

Mark Jinks, Deputy City Manager
Kirk Kincannon, Director, Recreation, Parks and Cultural Activities
Laura Durham, Open Space Coordinator