

Hotel Use Analysis: Including Hotels in the Waterfront Redevelopment Options

- The Waterfront Plan shows redevelopment taking place on just three sites: Robinson Terminal North, Robinson Terminal South, and the Cummings/Turner properties in the 200 block of South Union Street. These properties are already zoned for redevelopment that can include restaurants, retail, offices, housing and more.
- The redevelopment sites have had the current zoning since 1992 and have not redeveloped. Redevelopment is key to opening access to the river to the public and to financing desired improvements to parks and public spaces. The sites will be expensive to redevelop, in part because of their waterfront location and in part because of the high level of quality that is desired.
- The Waterfront Plan's redevelopment strategy is to add guidance so that redevelopment provides the maximum benefit to the City – through direct improvements to the Waterfront and through ongoing financial (tax) support – while ensuring compatibility with our historic identity and our existing neighborhoods.
- The Waterfront Plan allows a mix of uses, and a likely redevelopment scenario would see the predominant uses as residential and hotel, with about the same square footage for both (42% and 45% respectively), with about 13% other uses, including restaurant, retail, and cultural.
- The Waterfront Plan does not increase the potential for restaurants on any of the three sites. (The Waterfront Plan recommends exploring restoration of the Beachcomber as a restaurant if financially feasible, and recommends a restaurant along Waterfront Park to pay for relocating a parking lot and to link King Street with the Strand).
- Museums and cultural institutions can be built on the redevelopment sites today, and the Waterfront Plan would not change that. Establishing a world-class museum on one of the redevelopment sites has some issues, however.
 - Major museums are expensive to establish and to operate. A museum costs between \$50-100 million to build and would also require ongoing financial support.
 - To be successful, a major museum would have to attract at least 100,000 visitors a year, and many of these visitors would arrive by motorcoach.
- The Waterfront Plan does not *require* hotels. The Plan would *permit* hotels, and would *encourage* hotels in locations where the public should feel welcome.
 - The mixed use redevelopment scenario includes 625 hotel rooms spread over the three sites: 250 at Robinson Terminal South, 200 at Robinson North, and 175 in the Cummings/Turner block.
 - The actual number of hotel rooms constructed will depend on many factors, including market conditions, developer interest, and public participation in the development review process.
 - If built, the hotels could yield fewer rooms than anticipated or involve smaller hotels.

To help illustrate a potential hotel: a 250-room hotel on Robinson Terminal South could be similar to the Hotel Monaco near Market Square. The Hotel Monaco is a good neighbor: while there is cab activity at the entrance, King Street is not congested; hotel activity does not congest the nearby sidewalks; the hotel is quiet; and the hotel appears to accommodate the parking demand it generates.

- Hotel uses have reduced impacts on traffic and parking. Hotels generate fewer trips than many other non-residential uses (such as office and retail) and these trips are spread out over the day, rather than concentrated during rush hours. Hotels also demand fewer parking spaces, as a large share of guests arrive by means other than driving a car that needs to be parked.
- If 625 hotel rooms are built, it would increase the supply of hotels in eastern Alexandria by 22 percent. Although there are 2,780 hotel rooms in Alexandria east of the Metro rail lines (including Carlyle and Eisenhower East), there are no hotels directly on the water and one hotel within two blocks of the Potomac River.
- The hotel rooms, if any, will not be built all at once, or in the same location. There is a 6-block distance between Robinson North and Robinson South, and Robinson North is likely to move to redevelop much earlier than Robinson South.
- All redevelopment sites will have to go through the DSUP process for approval, so there will be opportunities for the public to shape specific development proposals.
- An option would be for the City to purchase the Robinson Terminal sites and create parks on those sites. The assessed value of the Robinson Terminal sites is \$30 million. To actually acquire these parcels for a park, the City would likely have to offer the current owners much more than that. In addition, these sites would require at least \$8-10 million each to create a park, and the loss of the tax revenue from these sites would mean that City would have to look elsewhere for the funds to improve and maintain the Waterfront in future years.

Attachment 1: The Alexandria Hotel Market

Figure 1: East Alexandria Hotels and Potential Future Sites



The current hotel market, identified in the W-ZHA Hotel Technical Memorandum as “East Alexandria” (see Figure 1, above) consists of the lodging submarket comprising the following fourteen properties located in or near Old Town:

Embassy Suites, Hampton Inn, Hilton Inn, Lorient Hotel and Spa, Hotel Monaco, Morrison House, Residence Inn, Crowne Plaza, Holiday Inn & Suites, Sheraton Suites, Westin, Residence Inn Carlyle, Holiday Inn, and Courtyard by Marriot.

Table 2: East Alexandria Hotels

<i>Name of Establishment</i>	<i>Rooms</i>
<i>Hampton Inn Alexandria Old Town King St</i>	<i>80</i>
<i>Hilton Alexandria Old Town</i>	<i>246</i>
<i>Holiday Inn & Suites Historic District</i>	<i>178</i>
<i>Residence Inn Alexandria Old Town</i>	<i>240</i>
<i>Kimpton Lorton Hotel & Spa</i>	<i>107</i>
<i>Residence Inn Alexandria @ Carlyle</i>	<i>181</i>
<i>Westin Alexandria Hotel</i>	<i>319</i>
<i>Crowne Plaza Old Town Alexandria</i>	<i>254</i>
<i>Kimpton Hotel Monaco Alexandria</i>	<i>241</i>
<i>Holiday Inn Alexandria SW Eisenhower Ave</i>	<i>196</i>
<i>Courtyard Alexandria</i>	<i>178</i>
<i>Embassy Suites Alexandria Old Town</i>	<i>268</i>
<i>Sheraton Hotel Suites Old Town Alexandria</i>	<i>247</i>
<i>Kimpton Morrison House</i>	<i>45</i>
<i>Total</i>	<i>2780</i>

This submarket currently totals 2,780 rooms according to Smith Travel Research . These properties maintained an effective 2009 occupancy of just over 70%, which is considered healthy by industry standards. It is important to note that the only hotel included in the study and in close proximity to the waterfront is Crowne Plaza. Due to current zoning restrictions on land use, there is no opportunity to create high quality lodging along the Potomac River in Alexandria. The Plan and subsequent rezoning will allow access to this yet untapped and highly desirable feature of Old Town. Redevelopments identified the plan will be afforded a geographic premium unavailable to any other property in the City.