

### Application for REZONING/CONDITIONAL REZONING

## RECEIVED

SEP 4 2015

Department of Planning and Development Review Land Use Administration Division 900 E. Broad Street, Room 511 Richmond, Virginia 23219 (804) 646-6304 http://www.richmondgov.com/

Project Name/Location LAND USE ADMINISTRA	TION	
Project Name: SOUTH CANAL	Date: 6-18-15	
Property Address: 100-111 HM Small Fee: 1300 Total area of affected site in (See page 3 for fee schedule, please make check payar	Tax Map #: 500000 52017	
Zoning Current Zoning: RF-)  Existing Use: VACAUT LABOUSTRUM Is this property subject to any previous land use cases?  Yes No	Proposed Zoning/Conditional Zoning (Please include a detailed description of the proposed use and proffers in the required applicant's report)  2010 - 48 - 58	
If Yes, please list the Ordinance Number:		
Applicant/Contact Person: Chrs Dilw  Company: Fountment Development  Mailing Address: 7 E. 2 <sup>rd</sup> Smart  City: Riemmond, State: VA Zip Code: 23224  Telephone: (804) 513.4990 Fax: ( ) M/A  Email: Colillon & Fountmentcoloux. Com  Property Owner: Swith Caul, UC		
If Business Entity, name and title of authorized signee: _	Richard W. Glegusy MANKEr	
Telephone: _()	State: Zip Code:	
Email:		
Property Owner Signature: X 89!	m gana, dec	
(The names, addresses, telephone numbers and signatures of all owne needed. If a legal representative signs for a property owner, please attures will not be accepted.)	ers of the property are required. Please attach additional sheets as ach an executed power of attorney. Faxed or photocopied signa-	



# Application for REZONING/CONDITIONAL REZONING Department of Planning and Development Review Land Use Administration Division 200 5 Proof Street Room 511

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Project Name/Location	
Project Name: SOUTH CANAL	Date: 7-14-16
Property Address: 1 HULL STREET (Portion)	Tax Map #: 50000052006
Fee: Total area of affected site in (See page 3 for fee schedule, please make check payab	
Zoning Current Zoning: RF-1	Proposed Zoning/Conditional Zoning (Please include a detailed description of the proposed use and
Existing Use: Vacant, unimproved	proffers in the required applicant's report)
Is this property subject to any previous land use cases?  ▼ Yes □ No	B-4C
If Yes, please list the Ordinance Number:	
2010-48-58	
Annilia and Oantard Danie	
Applicant/Contact Person:	
Company:	
Mailing Address:	
City:	
Telephone: _()	
Email:	<del>_</del>
Property Owner:City of Richmond	
If Business Entity, name and title of authorized signee:	
(The person or persons executing or attesting the execution of this App	
been duly authorized and empowered to so execute or attest.)	
Mailing Address:	
City:	State: Zip Code:
Telephone: _()	Fax: _()
Email:	<u> </u>
Property Owner Signature:	luffulle
(The names, addresses, telephone numbers and signatures of all owne needed. If a legal representative signs for a property owner, please att will not be accepted.)	ers of the property are required. Please attach additional sheets as ach an executed power of attorney. Faxed or photocopied signature

#### SOUTH CANAL, LLC

## REVISED APPLICANT'S REPORT FOR REZONING APPLICATION

#### 1 and 111 HULL STREET, RICHMOND, VIRGINIA RF-1 TO B-4

**DATE: August 15, 2016** 



Virginia State Capitol © Venable St

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Brown's Island Park

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MANCHESTER

Figure 1: Arial View of the Subject Property

Figure 2: Arial View of the Subject Property

#### I. SUMMARY

South Canal, LLC, an affiliate of Fountainhead Real Estate Development, LLC (the "Developer") requests the rezoning of the following: (1) the parcel owned by the Developer known as 111 Hull Street (city tax map parcel S0000052017 (the "Development Parcel"); and (2) a portion of the parcel currently owned by the City of Richmond (the "City") known as 1 Hull Street (city tax map parcel S0000052006) which portion is shown on the plat of survey prepared by Balzer and Associates, dated June 1, 2016 entitled "Compiled Exhibit Showing South Canal Development" and attached hereto as Exhibit "A" (the "Survey") as Sub-Parcel A-2 (the "City Land Parcel") which is adjacent to the Development Parcel and which the Developer desires to own to facilitate feasible development of the Proposed Project, as defined below (collectively, the Development Parcel and City Land Parcel are referred to herein as the "Subject Property").

The Development Parcel consists of 1.71 acres of land (111 Hull Street) improved with an abandoned industrial facility. The property is bound to the north by the James River Flood Wall, to the east by Diversity Park, to the west by other property owned by the City of Richmond and to the south by the Manchester Canal, in the Old Town Manchester neighborhood. The portion of the adjacent City-owned property (1 Hull Street), the City Land Parcel, is intended to be rezoned as well.

The City's Riverfront Plan designates the Subject Property (referred to as "South Canal Lofts – Formerly Federal Paperboard Co.") for future development, stating: "The Plan anticipates incremental redevelopment of under-utilized parcels and languishing former industrial sites. Development strategies should favor mixed-use, with an emphasis on street level retail, where appropriate. The fundamental emphasis of redevelopment along the Riverfront is to intensify pedestrian activity at street level through infill development with sufficient density to be an attractor and destination of activity." The Subject Property is a part of a larger RF-1 zoning district that encompasses much of the land along the southern bank of the James River in the vicinity. A mix of industrial, public-open space, multi-family residential, commercial, office, and government land uses are present in the vicinity.

The Developer intends to remove the existing dangerous, dilapidated building and improve the Subject Property as a mixed-use project consisting of residential apartments (possibly residential condominiums), commercial space and related parking (the "Proposed Project"). It is anticipated that the Proposed Project will be built in multiple phases, including two (2) or more mid-rise towers, with up to sixteen (16) floors (which may include 2-4 layers of structured parking) positioned on the Manchester side of the James River at the southern end of the Mayo Bridge, where Hull Street provides a major artery to the City proper. The Proposed Project will serve as an appealing wayfinding focal point to the City's central business district.

Consistent with the objectives of the City's Riverfront Plan, the Proposed Project will bring significant population density to the area and increased pedestrian activity. In addition, the Subject Property has significant river frontage, albeit behind the 40-foot tall flood protection wall, and significant frontage along the Manchester Canal and the adjacent jogging path. Development will not interfere with the recreational use of these areas and will create the density and resulting pedestrian activity which will further encourage public enjoyment of these recreational opportunities on City property.

Contemporaneous with submittal of this Application, the Developer and the City are working to finalize an agreement (the "Development Agreement"), which will (i) settle a dispute regarding access to the Subject Property; (ii) provide for the construction of a replacement vehicular and pedestrian bridge over the Manchester Canal (the "Replacement Bridge"); (iii) provide for the dedication of public right-of-way from Hull Street to the Subject Property; and (iv) approve the conveyance of the City Land Parcel by the City to the Developer to become part of the Subject Property.

In sum, the Subject Property is uniquely situated at a primary gateway to the City and its highest and best use requires a structure which is big enough to command attention from both sides of the river. It must contain enough market rate residential units (and related parking) to create the density of population in the area which will further the transformation of this former industrial area to a new vibrant residential neighborhood bringing residents back to the City. Both private and public enjoyment of the surrounding recreational activities will be enhanced by such improvements.

The Subject Property is currently zoned RF-1 which, among other things, limits the height of new structures to six (6) stories. The problem is that the first four (4) floors of any structure would, potentially, have views blocked by the Flood Wall. In the Developer's view, rezoning to B-4, with appropriate proffers, is necessary to allow the construction of a project which accomplishes both private and City aspirations for this area.

#### II. PROPOSED USE

The Developer intends to construct a mixed-use redevelopment project on the Subject Property. It is anticipated that the Proposed Project will be built in multiple phases, with construction of Phase 1 beginning in early 2017 and construction of Phases 2 and 3, depending on market conditions, beginning in early 2019. It is anticipated that Phase 1 will be a podium style mid-rise tower with up to 16 stories inclusive of 2-4 stories of structured parking deck and roof structures. In addition to residential apartments, it is anticipated that the Proposed Project will include commercial/retail space on the first floor above the Flood Wall for use as a restaurant with outdoor dining and related amenities and other uses which give the public and commercial tenants and their customers/guests opportunities for views of both the James River and City skyline.



Figure 3: View of the Downtown skyline from the Subject Property at an elevation of approximately forty feet.

This Proposed Project will have high visibility from the northern side of the James River and from the Mayo Bridge and I-95 Bridge. It will serve as an appealing focal point and will convey a sense of the size, strength and caliber of the revitalization efforts underway in this previously blighted area.

#### III. DEVELOPMENT AREA

The Manchester Industrial District has experienced a significant revival over the last ten (10) years. Once the site of plants, mills, and warehouses for large industrial companies, the Manchester Industrial District is quickly evolving into a diverse Richmond neighborhood. The City's Riverfront Plan identified the Manchester Industrial Area as "one of ten underutilized sections of the Riverfront that can be reconfigured as pivotal destinations along the Riverfront" (Riverfront Plan, pg. 13). The Proposed Project will not interfere with adjacent public recreational opportunities such as fishing, hiking, kayaking, bird watching, swimming and bicycling. In close proximity to the Subject Property are the following public amenities:

Diversity Park, built in 1988 with construction of the Flood Wall, is a public area, which provides open space, access to fishing in Manchester Canal, picnic tables and an observation

tower allowing the public to access a view, over the Flood Wall, of the James River and Downtown Skyline from an elevated position.



Figure 4: Diversity Park

The Flood Wall is a 5,550-foot long, 40-foot high concrete wall, built between 1988 and 1990 along the south side of the James River to provide flood protection for the Manchester Industrial District.

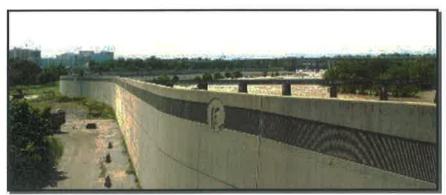


Figure 5: Floodwall

The Flood Wall Walkway is a public walkway, located along side and sometimes on top of the Flood Wall, which provides opportunities to view the James River and the downtown skyline.



Figure 6: Floodwall Walkway

Manchester Canal, lying south of the Flood Wall, is the remains of a system of canals built in the late 18<sup>th</sup> Century to power mills built along the south bank of the James River. The City owns the Manchester Canal and it is the water channel used by early water power dependent industries in past centuries. It was often referred to as "Mill Race".



Figure 7: Manchester Canal

#### IV. PROPERTY

The Subject Property (i.e., the property requested to be rezoned) and certain adjacent parcels or portions thereof owned by the Developer and the City, respectively, are generally shown on the Survey attached as **Exhibit A** and the color-coded parcel diagram labeled "**South Canal Development**" attached hereto as **Exhibit "B"** and more specifically defined below.

- A. 1. The **Development Parcel** is owned by the Developer and further described as that certain parcel of real property, together with the improvements thereon and the appurtenances thereunto belonging, designated as Tax Map Parcel No. S0000052017, which it acquired from Fountainhead Acquisitions, LLC, by Deed, dated March 13, 2012, and recorded March 16, 2012, in the Clerk's Office, Circuit Court, City of Richmond, Virginia (the "Clerk's Office"), as Instrument Number 12-5010, which property is designated on the Survey as **Parcel C**.
- 2. The **City Land Parcel** is owned by the City and proposed to be conveyed to the Developer pursuant to the terms of the Development Agreement. The City Land Parcel is a portion of the city-owned Flood Wall Parcel (as hereinafter defined) and is designated on the Survey as **Sub-Parcel A-2**.
- B. 1. The **Driveway Parcel** is owned by the Developer and proposed to be dedicated to the City for use as public right-of way. The Driveway Parcel is more particularly described as that certain parcel of real property, together with the improvements thereon and the appurtenances thereunto belonging, designated as Tax Map Parcel No. S0000052009, which it acquired from Fountainhead Acquisitions, LLC, by Deed, dated March 13, 2012, and recorded March 16, 2012, in the Clerk's Office, as Instrument Number 12-5010, which property is designated on the Survey as **Parcel B**.

- 2. The **Flood Wall Parcel** is owned by the City and more particularly described as that certain parcel of real property, together with any and all improvements located thereon and the appurtenances thereunto belonging, including but not limited to, the Flood Wall, designated as Tax Map Parcel No. S0000052006. For the purposes of the rezoning and the Development Agreement, the Flood Wall Parcel is comprised of three (3) subparts as follows:
  - a. The "Flood Wall Area" is designated as Sub-Parcel A-3 on the Survey.
  - b. "Diversity Park" is designated as Sub-Parcel A-1 on the Survey.
  - c. "City Land Parcel" is also a portion of the Subject Property and described above.
- 3. The Manchester Canal is owned by the City and is more particularly described as that certain parcel of real property, together with any and all improvements located thereon and the appurtenances thereunto belonging, designated as Tax Map Parcel No. S0000101010, which it acquired from Virginia Electric and Power Company by that certain Special Warranty Deed, dated June 9, 1989, recorded June 16, 1989, in Deed Book 205, at page 212 in the Clerk's Office, which property is designated on the Survey as Parcel D.

#### V. DEVELOPMENT AGREEMENT

A dispute has arisen in connection to the respective rights of ingress and egress by the City and the Developer over the Flood Wall Parcel and the Driveway Parcel. As a compromise of this dispute, the City and the Developer are working towards a Development Agreement, subject to the approval of City Council, which as currently proposed would contain the following: The City would among other things, convey the City Land Parcel to the Developer. The Developer would, among other things, convey the Driveway Parcel to the City for use as public right-of-way and build a replacement bridge over the Manchester Canal. Development of the Proposed Project on the Subject Property will not be possible without both the approval and implementation of the Development Agreement on terms mutually acceptable to the Developer and to the City and the approval of this change in zoning classification for the Subject Property from RF-1 to B-4.

#### VI. CHARACTERISTICS OF THE SUBJECT PROPERTY

For more than 100 years, the Subject Property was home to an industrial paper plant. The plant closed in 2010, and the building is now vacant. Despite the Developer's persistent efforts, the building is unsafe and an attraction for graffiti artists, drug users, skate boarders, the homeless and curiosity seekers. The building is unsalvageable and the Developer intends to substantially demolish the existing building(s).

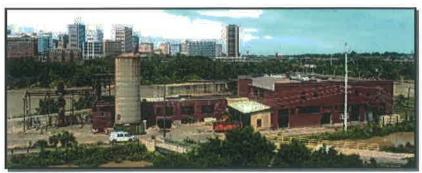


Figure 8: Vacant Land and the dilapidated Federal Paper Mill

Improvement of the Subject Property to its highest and best use will be challenging. It is essentially an island, lying between the James River to the north and the Manchester Canal to the south, making it a restricted width development site. Due to the 40-foot high Flood Wall, the views of the James River and downtown skyline are substantially blocked to structures permitted by current RF-1 zoning. Furthermore, pursuant to flood wall requirements and the proposed Development Agreement, the building site is limited by a 15 foot "no build" easement along the Flood Wall. Access to the Subject Property is via pedestrian bridge and a two-lane bridge, the latter of which is failing and not certified to support vehicles weighing over 22,000 pounds, including some fire apparatus. The Subject Property does not front a public street and legal vehicular access is disputed. That dispute will be resolved by the Development Agreement.

#### VII. THE REZONING

The Proposed Project substantially satisfies the intent and development principles of the RF-1 Riverfront District because it will:

- (i) create views of the James River from commercial spaces open to the public;
- (ii) create desired population density in the area;
- (iii) create significant additional pedestrian activity in the area; and
- (iv) not interfere with the use of adjacent recreational activities.

#### Unfeasible RF-1 requirements.

However, the contemplated feasible versions of the Proposed Project cannot meet all of the requirements specified by the RF-1 zoning classification; therefore, the Developer is pursuing a rezoning to B-4, which will allow the Developer most, but not all, of the latitude offered by B-4 zoning to successfully plan, finance and construct the Proposed Project. Specifically, the zoning change is necessary to provide relief from the following RF-1 requirements which would prevent the successful development of the Subject Property:

- (i) compliance with the requirement regarding setbacks contained in **Sec. 114-447.3. Yards and Setbacks**, is not feasible because of the irregular shape of the Subject Property and its location adjacent to the Flood Wall, Manchester Canal and Diversity Park.
- (ii) compliance with the requirements contained in Sec. 114-447.4. Land Area Coverage is not feasible because the height and width of a structure sufficient to allow views

over the 40' Flood Wall cannot be situated on the available site in such a manner as to allow the prescribed percentage of open space.

(iii) compliance with the requirements contained in Sec. 114-447.8. - Height, (1) Maximum Height, is not feasible because of the 40' Flood Wall.

Accordingly, the Developer is requesting that the Subject Property be changed to a B-4 Zoning Classification - with the appropriate proffers set forth herein so as to remove some latitude allowed by B-4 which is not needed or appropriate for this site.

#### VIII. JUSTIFICATION FOR THE REZONING

#### No Harmful Effects.

The development will not be detrimental to the neighborhood. In fact, it will be consistent with the gradual on-going conversion of the neighborhood from industrial to residential use. As a market rate multi-family residential project with related amenities, it will not generate activities which may be harmful to the health, safety, morals and general welfare of the area, and it will provide additional needed housing stock which is constructed in compliance with all applicable local, state and federal building codes and energy conservation requirements. In addition, the development will further reduce large truck traffic in the area and replace it with passenger vehicle traffic with likely periods of congestion limited to typical commuter rush hour times. Wear and tear on streets will be reduced overall and parking needs will be met on site. The building will be new construction in compliance with all applicable safety and fire prevention requirements and is not anticipated to place additional burdens on existing police, fire and safety personnel and equipment in the area. Finally, the development is likely to attract residents of diverse backgrounds and age groups so as not to adversely impact area schools, parks, playgrounds, water supplies, sewage and storm water systems, transportation or other governmental service. The development will add residential density and pedestrians in the area in a location with ample air, light and space components. It will be a highly visible symbol of the area's transformation and will thereby further the City's aspiration for this emerging neighborhood.

#### IX. WRITTEN PROFFERS

The Developer hereby proffers, as conditions of the rezoning, those proffers set forth on the attached document entitled "South Canal Rezoning Revised Proffered Conditions," dated August 15, 2016.

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CONTAINING 8,581 SQUARE FEET OR 0.197 ACRE MORE OR LESS.

www.balzer.cc

Chasterfield New River Valley Roanoke Shenandoah Valley

15871 City View Drive

Sulte 200 Midjothlan, VA 23113 804-794-0571 FAX 804-794-2635

DEVELOPMENT EXHIBI COMPILED CANAL

DRAWN BY DESIGNED BY CHECKED BY CMF DATE JUNE 1, 2015 SCALE

REVISIONS: 08/16/2016

LABEL REVISIONS

SHEET NO.

