

INTRODUCED: September 12, 2016

AN ORDINANCE No. 2016-234

To conditionally rezone the properties known as 111 Hull Street and a portion of 1 Hull Street from the RF-1 Riverfront District to the B-4C Central Business District (Conditional).

Patron – Mayor Jones (By Request)

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 10 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That, as shown on the plat entitled “Compiled Exhibit Showing South Canal Development, City of Richmond, Virginia,” prepared by Balzer and Associates, dated June 1, 2016, and last revised August 16, 2016, a copy of which is attached to, incorporated into, and made a part of this ordinance, the following properties, with tax parcel numbers as shown in the 2016 records of the City Assessor, are excluded from RF-1 Riverfront District and shall no longer be subject to the provisions of sections 30-447.1 through 30-447.9 of the Code of the City of Richmond (2015), as amended, and that the same are included in the B-4C Central Business District (Conditional) and shall be subject to the provisions of sections 30-440.1 through 30-

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: NOV 14 2016 REJECTED: _____ STRICKEN: _____

440.7 and all other applicable provisions of Chapter 30 of the Code of the City of Richmond (2015), as amended:

111 Hull Street	Tax Parcel No.	S000-0052/017
a portion of 1 Hull Street identified as “Sub-Parcel A-2” on the plat referred to above	Tax Parcel No.	S000-0052/006

§ 2. That this rezoning shall be conditioned upon the compliance by the owner or owners with all of the proffered conditions contained in the agreement entitled “South Canal Rezoning, Revised Proffered Conditions” and dated August 15, 2016, a copy of which is attached to, incorporated into, and made a part of this ordinance. These conditions, having been proffered by the owner or owners and accepted by the City, shall continue in full force and effect until a subsequent amendment to the City’s zoning ordinance changes the zoning of the parcels rezoned by this ordinance and specifically repeals such conditions.

§ 3. This ordinance shall be in force and effect upon adoption.

City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.richmondgov.com

Item Request File Number: PRE. 2016-213

O & R REQUEST

O & R Request

AUG 18 2016

4-5539

Chief Administration Office
City of Richmond

RECEIVED

SEP 02 2016

OFFICE OF CITY ATTORNEY

DATE: August 16, 2016 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor (by request) *[Signature]*
(This in no way reflects a recommendation on behalf of the Mayor)

THROUGH: Selena Cuffee Glenn, Chief Administrative Officer *[Signature]*

THROUGH: Peter L. Downey, Jr., Deputy Chief Administrative Officer for Economic Development and Planning *[Signature]*

FROM: *[Signature]* Mark A. Olinger, Director, Dept. of Planning and Development Review *[Signature]*

RE: To rezone the properties known as 111 Hull Street and a portion of 1 Hull Street from the RF-1 Riverfront District to the B-4C Central Business District (conditional).

ORD. OR RES. No. ____

PURPOSE: To rezone the properties known as 111 Hull Street and a portion of 1 Hull Street from the RF-1 Riverfront District to the B-4C Central Business District (conditional).

REASON: The current zoning of the subject property limits building height to six stories. The applicant has requested a rezoning to the B-4C Central Business District (conditional) in order to accommodate a development with a maximum building height of 16 stories (185 feet).

RECOMMENDATION: In accordance with the requirements of the City Charter and the Zoning Ordinance, the City Planning Commission will review this request and make a recommendation to City Council. This item will be scheduled for consideration by the Commission at its October 3, 2016, meeting. A letter outlining the Commission's recommendation will be forwarded to City Council following that meeting.

BACKGROUND: The subject property consists of a 1.71 acre (74,488 SF) parcel 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 of the City of Richmond,

and to the south by the Manchester Canal, in the Old Town Manchester neighborhood of the Old South planning district. A second parcel, a 1.10 acre (47,916 SF) portion of the city-owned adjacent property (1 Hull Street), is intended to be conveyed to the applicant and rezoned as well.

The subject property falls within a Natural Area of the Manchester district, as established by the Richmond Downtown Plan. Such areas are characterized by “a wilderness landscape that is untouched by development, and whose ecological features are preserved. The uninhabited islands in the James River are an example of a wilderness condition in Downtown Richmond. These islands remain unsettled due to periodic flooding of the river, and are preserved in their natural condition. Buildings are typically not located in Natural Areas, except in special cases.” (p. 3.20). The Downtown Plan’s illustrative plan suggests that the subject property should be included in a linear park (p. 4.33).

The more recently developed 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. Greater density reinforces urban character, provides for an increase in pedestrian activity, resulting in a safer and more vibrant city. Each redevelopment project will be subject to the existing public process and review to assess and enforce massing and detailing complementary to the Riverfront. The architectural expression of new infill development should reference the rich historic context of the Richmond Riverfront, speaking to the present without discarding the past, creating the next generation of landmark structures and neighborhood places” (p. 11).

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. B-5C, B-6, B-7, and RF-2 zoning districts are present south of the canal. A mix of industrial, public-open space, multi-family residential, commercial, office, and government land uses are present in the vicinity.

FISCAL IMPACT / COST: The Department Planning and Development Review does not anticipate any impact to the City’s budget for this or future fiscal years.

FISCAL IMPLICATIONS: Staff time for processing the request; preparation of draft ordinance; and publishing, mailing and posting of public notices.

BUDGET AMENDMENT NECESSARY: No.

REVENUE TO CITY: \$1,500.00

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: September 12, 2016

CITY COUNCIL PUBLIC HEARING DATE: October 10, 2016

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: None.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: City Planning Commission, October 3, 2016.

AFFECTED AGENCIES: Office of Chief Administrative Officer
Law Department (for review of draft ordinance)
City Assessor (for preparation of mailing labels for public notice)

RELATIONSHIP TO EXISTING ORD. OR RES.: None.

REQUIRED CHANGES TO WORK PROGRAM(S): None.

ATTACHMENTS: Draft Ordinance & Proffered Conditions, Application Form, Applicant's Report, Survey & Parcel Diagram, and Map

STAFF: Matthew J. Ebinger, AICP, Senior Planner
Land Use Administration (Room 511)
804-646-6308

O&R 16-23

South Canal Rezoning

Revised Proffered Conditions

Applicant: South Canal, LLC

Property: 111 Hull Street (S0000052017) and 1 Hull Street (S0000052006).
Collectively the parcels shall be hereinafter referred to as the “Subject Property”

Project Name: South Canal Development (the “Proposed Project”)

Rezoning Request: Conditional Rezoning from RF-1 to B-4.

City File No. 9810

Date: August 15, 2016

The property owners and applicants in this rezoning case, pursuant to the Code of Virginia (1950 as amended) and the Zoning Ordinance of the City of Richmond, for themselves and their successors or assigns, proffer that the property under consideration for rezoning (the “Subject Property”) will be developed according to the following proffers if, and only if, the rezoning request submitted herewith is granted with only those conditions agreed to by the owners and applicants. In the event this request is denied or approved with conditions not agreed to by the owners and applicants, the proffer shall immediately be null and void and of no further force or effect.

1. **Driveway Conveyance to City.** The Developer will, pursuant to the terms of the Development Agreement, dedicate to the City fee ownership of the Driveway Parcel. This proffer is needed in connection with the rezoning, has a reasonable relation to the rezoning, is in conformity with the City Master Plan and, as drafted in the Development Agreement, is clearly understandable and enforceable.
2. **Construction of Replacement Bridge.** The Developer will, pursuant to the terms of the Developer Agreement, construct a replacement bridge over the Manchester Canal to provide access for the Developer, the City and the general public to the Subject Property and to the Floodwall. This proffer is needed in connection with the rezoning, has a reasonable relation to the rezoning, is in conformity with the City Master Plan and, as drafted in the Development Agreement, is clearly understandable and enforceable.

3. **Height Restriction – 16 Stories.** The Developer will limit the overall height of any structures erected on the Subject Property to a maximum height of one hundred and eighty-five (185) feet, as measured from mean grade level in accordance with the Zoning Ordinance.
4. **Prohibited Uses.** The Developer agrees that the following uses which would otherwise be permitted by B-4 zoning shall not be permitted on the Subject Property: adult entertainment, adult book stores, adult motion picture theaters, funeral homes, furniture repair and upholstery shops, hospitals, janitorial and custodial service and supplies establishments, animal hospital including boarding clinics, flea markets, and shelters.
5. **Car Turnaround.** The Developer, prior to receiving a certificate of occupancy for any buildings located on the Subject Property, shall construct and perpetually maintain a passenger vehicle turnaround adjacent to the northern end of the Replacement Bridge to facilitate immediate reversal of direction by passenger cars which have crossed the bridge in error.
6. **Fire Truck Turn-Around.** The Developer, prior to receiving a certificate of occupancy for any buildings located on the Subject Property, shall construct and otherwise provide for a turn-around for the use of fire and safety vehicles, which turn-around shall be located on the Subject Property, designed in compliance with applicable regulations as set forth on **Exhibit “A”** attached hereto and approved by the City’s Department of Fire and Emergency Services.
7. **Second Fire/Safety Access.** The Developer, prior to receiving a certificate of occupancy for any buildings located on the Subject Property, shall construct and otherwise provide for a second means of access for fire and safety vehicles over and across Diversity Park in the location shown on the Survey attached hereto as **Exhibit C** and constructed substantially in compliance with the specifications attached hereto as **Exhibits “B-1”** and **“B-2”** and approved by the City’s Department of Fire and Emergency Services. This proffer is needed in connection with the rezoning, has a reasonable relation to the rezoning, is in conformity with the City Master Plan and, as drafted in the Development Agreement, is clearly understandable and enforceable.
8. **Screening of Diversity Park.** The Developer shall provide and perpetually maintain vegetative screening at the first floor level between structures built on the Subject Property and Diversity Park.
9. **Department of Public Utilities and Army Corps of Engineers Approvals.** The Developer shall obtain all required approvals from the City’s Department of Public Utilities and the Army Corps of Engineers for the plans, specifications and construction

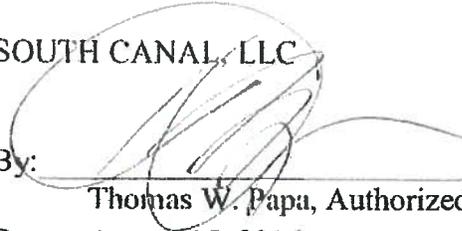
practices used for the development of the Subject Property and to erect the Replacement Bridge, including, but not limited to: (a) providing required before and after surveys of the condition of the adjacent portions of the flood wall; and (b) performing the work pursuant to National Permit Number 3.

10. **Pedestrian Path and Canal Recreation.** The Developer agrees that the design and location of all improvements constructed upon the Subject Property (the “Developer Improvements”), will be compatible with the City’s goal of establishing and maintaining the existing and future pedestrian path areas as a public amenity allowing recreation areas on the adjacent City property for walking, jogging, biking, fishing, kayaking and other similar purposes. Accordingly, the Developer agrees that Developer Improvements shall not encroach upon the adjacent City property, particularly along the flood wall pedestrian path and the Manchester Canal.

11. **Parking Garages/Areas.** The Developer acknowledges the City’s goal of limiting visibility of ground level parking garages/areas. Accordingly, the Developer agrees that the ground floor South-facing side of the buildings constructed on the Subject Property shall have residential units or commercial uses facing the Canal and to the extent any areas adjacent to such buildings are used for permanent parking spaces, such parking spaces shall be screened from pedestrian view at the ground level fronting the Canal.

Respectfully submitted,

SOUTH CANAL, LLC

By: 

Thomas W. Papa, Authorized Representative

Date: August 15, 2016

EXHIBIT "A"

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ICC publicACCESS

[Home](#) > [2012 VA Fire Prevention Code](#)

2012 VA Fire Prevention Code

[Chapter Selector](#) ↓[Table of Contents](#)

APPENDIX D FIRE APPARATUS ACCESS ROADS

DHCD Note: The provisions of this appendix are not part of this code and are provided only as a resource for local governments in consideration of the adoption of local fire prevention regulations.

SECTION D101 GENERAL

D101.1 Scope.

Fire apparatus access roads shall be in accordance with this appendix and all other applicable requirements of the *International Fire Code*.

SECTION D102 REQUIRED ACCESS

D102.1 Access and loading.

Facilities, buildings or portions of buildings hereafter constructed shall be accessible to fire department apparatus by way of an *approved* fire apparatus access road with an asphalt, concrete or other *approved* driving surface capable of supporting the imposed load of fire apparatus weighing at least 75,000 pounds (34 050 kg).

SECTION D103 MINIMUM SPECIFICATIONS

D103.1 Access road width with a hydrant.

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APPARATUS ACCESS ROADS

LENGTH (foot)	WIDTH (foot)	TURNAROUNDS REQUIRED
0-150	20	None required
151-500	20	120-foot Hammerhead, 60-foot "Y" or 96-foot diameter cul-de-sac in accordance with Figure D103.1
501-750	26	120-foot Hammerhead, 60-foot "Y" or 96-foot diameter cul-de-sac in accordance with Figure D103.1
Over 750		Special approval required

For SI: 1 foot = 304.8 mm.

D103.5 Fire apparatus access road gates.

Gates securing the fire apparatus access roads shall comply with all of the following criteria:

1. The minimum gate width shall be 20 feet (6096 mm).
2. Gates shall be of the swinging or sliding type.
3. Construction of gates shall be of materials that allow manual operation by one person.
4. Gate components shall be maintained in an operative condition at all times and replaced or repaired when defective.
5. Electric gates shall be equipped with a means of opening the gate by fire department personnel for emergency access. Emergency opening devices shall be *approved by the fire code official*.
6. Manual opening gates shall not be locked with a padlock or chain and padlock unless they are capable of being opened by means of forcible entry tools or when a key box containing the key(s) to the lock is installed at the gate location.
7. Locking device specifications shall be submitted for approval by the *fire code official*.
8. Electric gate operators, where provided, shall be *listed* in accordance with UL 325.
9. Gates intended for automatic operation shall be designed, constructed and installed to comply with the requirements of ASTM F

2200.

D103.6 Signs. Where required by the *fire code official*, fire apparatus access roads shall be marked with permanent NO PARKING—FIRE LANE signs complying with Figure D103.6. Signs shall have a minimum dimension of 12 inches (305 mm) wide by 18 inches (457 mm) high and have red letters on a white reflective background. Signs shall be posted on one or both sides of the fire apparatus road as required by Section D103.6.1 or D103.6.2.

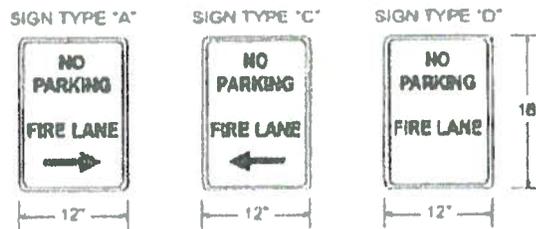


FIGURE D103.6 FIRE LANE SIGNS

D103.6.1 Roads 20 to 26 feet in width.

Fire lane signs as specified in Section D103.6 shall be posted on both sides of fire apparatus access roads that are 20 to 26 feet wide (6096 to 7925 mm).

D103.6.2 Roads more than 26 feet in width.

Fire lane signs as specified in Section D103.6 shall be posted on one side of fire apparatus access roads more than 26 feet wide (7925 mm) and less than 32 feet wide (9754 mm).

SECTION D104 COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

D104.1 Buildings exceeding three stories or 30 feet in height.

Buildings or facilities exceeding 30 feet (9144 mm) or three stories in height shall have at least two means of fire apparatus access for each structure.

D104.2 Buildings exceeding 62,000 square feet in area.

Buildings or facilities having a gross *building area* of more than 62,000 square feet (5760 m²) shall be provided with two separate and *approved* fire apparatus access roads.

Exception: Projects having a gross *building area* of up to 124,000 square feet (11 520 m²) that have a single *approved* fire apparatus access road when all buildings are equipped throughout with *approved automatic sprinkler systems*.

D104.3 Remoteness.

Where two fire apparatus access roads are required, they shall be placed a distance apart equal to not less than one half of the length of the maximum overall diagonal dimension of the lot or area to be served, measured in a straight line between accesses.

SECTION D105 AERIAL FIRE APPARATUS ACCESS ROADS

D105.1 Where required.

Where the vertical distance between the grade plane and the highest roof surface exceeds 30 feet (9144 mm), approved aerial fire apparatus access roads shall be provided. For purposes of this section, the highest roof surface shall be determined by measurement to the eave of a pitched roof, the intersection of the roof to the exterior wall, or the top of parapet walls, whichever is greater.

D105.2 Width.

Aerial fire apparatus access roads shall have a minimum unobstructed width of 26 feet (7925 mm), exclusive of shoulders, in the immediate vicinity of the building or portion thereof.

D105.3 Proximity to building.

At least one of the required access routes meeting this condition shall be located within a minimum of 15 feet (4572 mm) and a maximum of 30 feet (9144 mm) from the building, and shall be positioned parallel to one entire side of the building. The side of the building on which the aerial fire apparatus access road is positioned shall be approved by the *fire code official*.

D105.4 Obstructions.

Overhead utility and power lines shall not be located over the aerial fire apparatus access road or between the aerial fire apparatus road and the building. Other obstructions shall be permitted to be placed with the approval of the *fire code official*.

SECTION D106 MULTIPLE-FAMILY RESIDENTIAL DEVELOPMENTS

D106.1 Projects having more than 100 dwelling units.

Multiple-family residential projects having more than 100 *dwelling units* shall be equipped throughout with two separate and *approved* fire apparatus access roads.

Exception: Projects having up to 200 *dwelling units* may have a single *approved* fire apparatus access road when all buildings, including nonresidential occupancies, are equipped throughout with *approved automatic sprinkler systems* installed in accordance with Section 903.3.1.1 or 903.3.1.2.

D106.2 Projects having more than 200 dwelling units.

Multiple-family residential projects having more than 200 *dwelling units* shall be provided with two separate and *approved* fire apparatus access roads regardless of whether they are equipped with an *approved automatic sprinkler system*.

SECTION D107 ONE- OR TWO-FAMILY RESIDENTIAL DEVELOPMENTS**D107.1 One- or two-family dwelling residential developments.**

Developments of one- or two-family *dwelling units* where the number of *dwelling units* exceeds 30 shall be provided with two separate and *approved* fire apparatus access roads, and shall meet the requirements of Section D104.3.

Exceptions:

1. Where there are more than 30 *dwelling units* on a single public or private fire apparatus access road and all *dwelling units* are equipped throughout with an *approved automatic sprinkler system* in accordance with Section 903.3.1.1, 903.3.1.2 or 903.3.1.3 of the *International Fire Code*, access from two directions shall not be required.
2. The number of *dwelling units* on a single fire apparatus access road shall not be increased unless fire apparatus access roads will connect with future development, as determined by the *fire code official*.

D108 REFERENCED STANDARDS

ASTM F 2200—05 Standard Specification for
Automated Vehicular Gate
Construction D103.5

4/27/2016

Codes and Standards | ICC publicACCESS

ICC	IFC—12	International Fire Code	D101.5, D107.1
UL	325—02	Door, Drapery, Gate, Louver, and Window Operators and Systems, with Revisions through February 2006	D103.5

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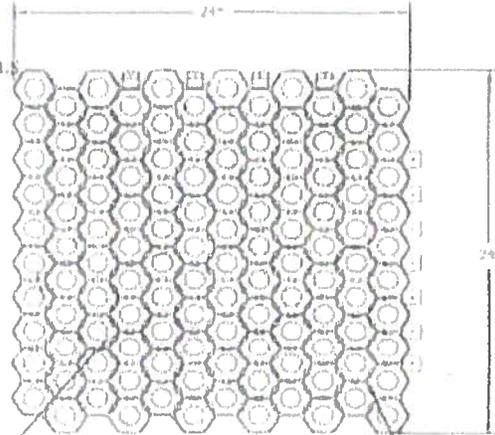
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EXHIBIT "B-1"

TUFFTRACK PRODUCT DESCRIPTION

PANEL SIZE - 24" x 24" x 1 1/2"
 CELLS PER PANEL - (120) - 2-1/2" HEXAGONAL CELLS

NESTED HONEYCOMB CELL LAYOUT
 COMPRESSIVE STRENGTH - 98,770 PSF
 685 PSI
 EXCEEDS H2O
 LOADING



TONGUE & GROOVE LATCHING SYSTEM

TUFFTRACK GRASS ROAD PAVER

"SOIL" PLANTING LEVELS INSIDE CELLS

ACTUAL FINISH GRADE

ADJOINING FINISH GRADE

SOIL FILL LEVEL INSIDE
 PAVER GRIDWORK AFTER
 HEAVY WATER DOWN.
 THIS IS THE ACTUAL SOD
 PLANTING LEVEL.



NOTE:

EXISTING SOILS SHOULD BE EVALUATED TO ENSURE
 PROPER STRUCTURAL AND PERMEABILITY PROPERTIES.



TYPICAL TUFFTRACK PAVER FIRELANE DETAIL

HEAVY VEHICLE RATED SUB-BASE

TUFFTRACK, INC.
 1-800-851-4816
 www.tufftrack.com

0.0.0.



Application for REZONING/CONDITIONAL REZONING

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

Project Name: SOUTH CANAL Date: 7-14-16

* Property Address: 1 HULL STREET (portion) Tax Map #: 50000052006

Fee: NA Total area of affected site in acres: 1.096
(See page 3 for fee schedule, please make check payable to the "City of Richmond")

Zoning Current Zoning: RF-1

Proposed Zoning/Conditional Zoning B-4C
(Please include a detailed description of the proposed use and proffers in the required applicant's report)

Existing Use: Vacant, unimproved

Is this property subject to any previous land use cases? B-4C
[X] Yes [] No

If Yes, please list the Ordinance Number:
2010-48-58

Applicant/Contact Person:

Company:

Mailing Address:

City: State: Zip Code:

Telephone: () Fax: ()

Email:

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 Application on behalf of the Company certifies that he or she has or have been duly authorized and empowered to so execute or attest.)

Mailing Address:

City: State: Zip Code:

Telephone: () Fax: ()

Email:

Property Owner Signature: [Handwritten Signature]

(The names, addresses, telephone numbers and signatures of all owners of the property are required. Please attach additional sheets as needed. If a legal representative signs for a property owner, please attach an executed power of attorney. Faxed or photocopied signatures will not be accepted.)

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



Figure 1: Aerial View of the Subject Property

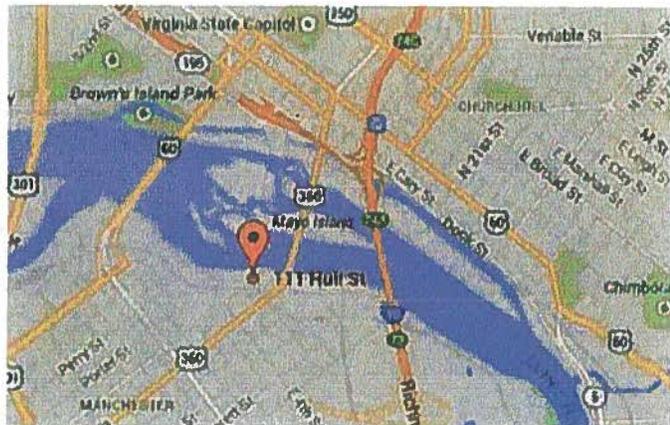


Figure 2: Aerial View of the Subject Property

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.

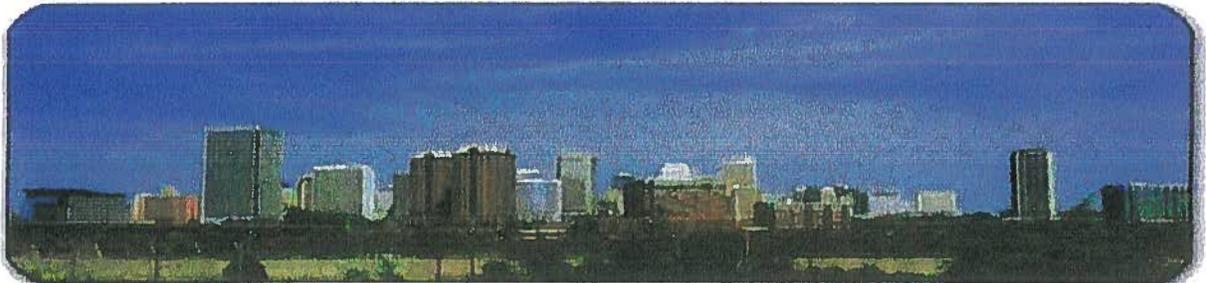


Figure 3: View of the Downtown skyline from the Subject Property at an elevation of approximately forty feet.

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.

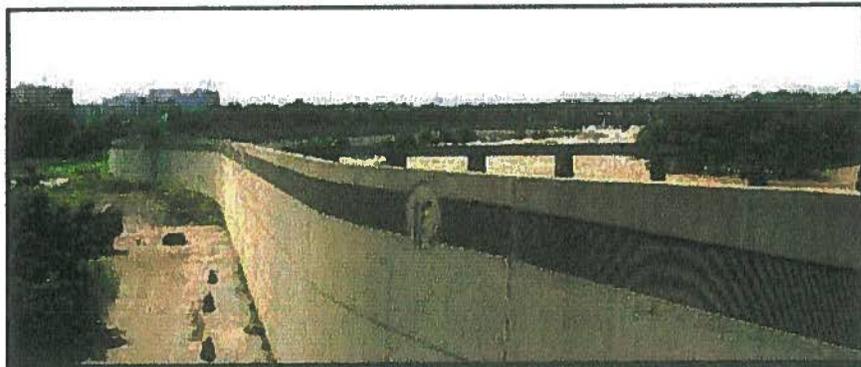


Figure 5: Floodwall

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 18th 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".

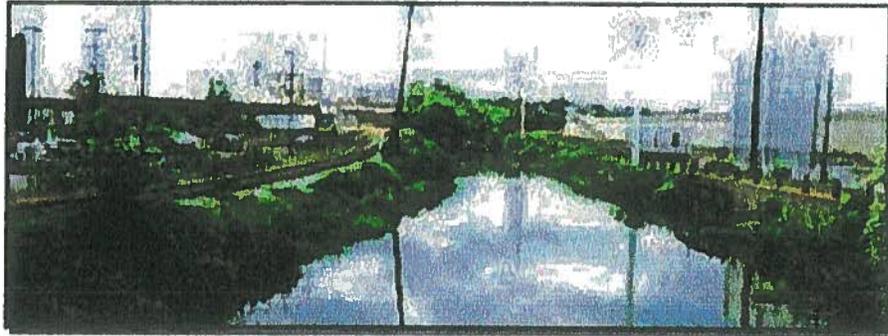


Figure 7: Manchester Canal

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).

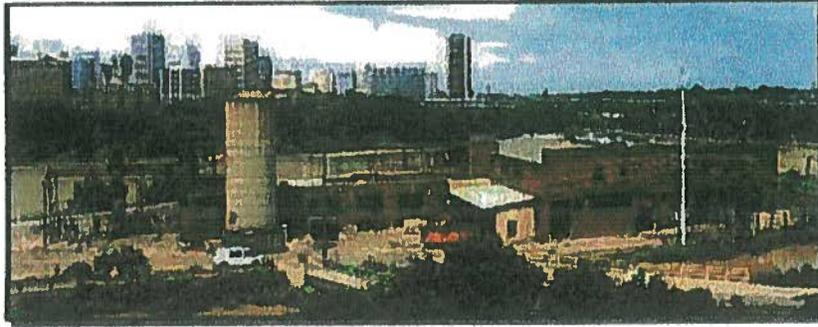


Figure 8: Vacant Land and the dilapidated Federal Paper Mill

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.

8031949-3 040583.00003

EXHIBIT A

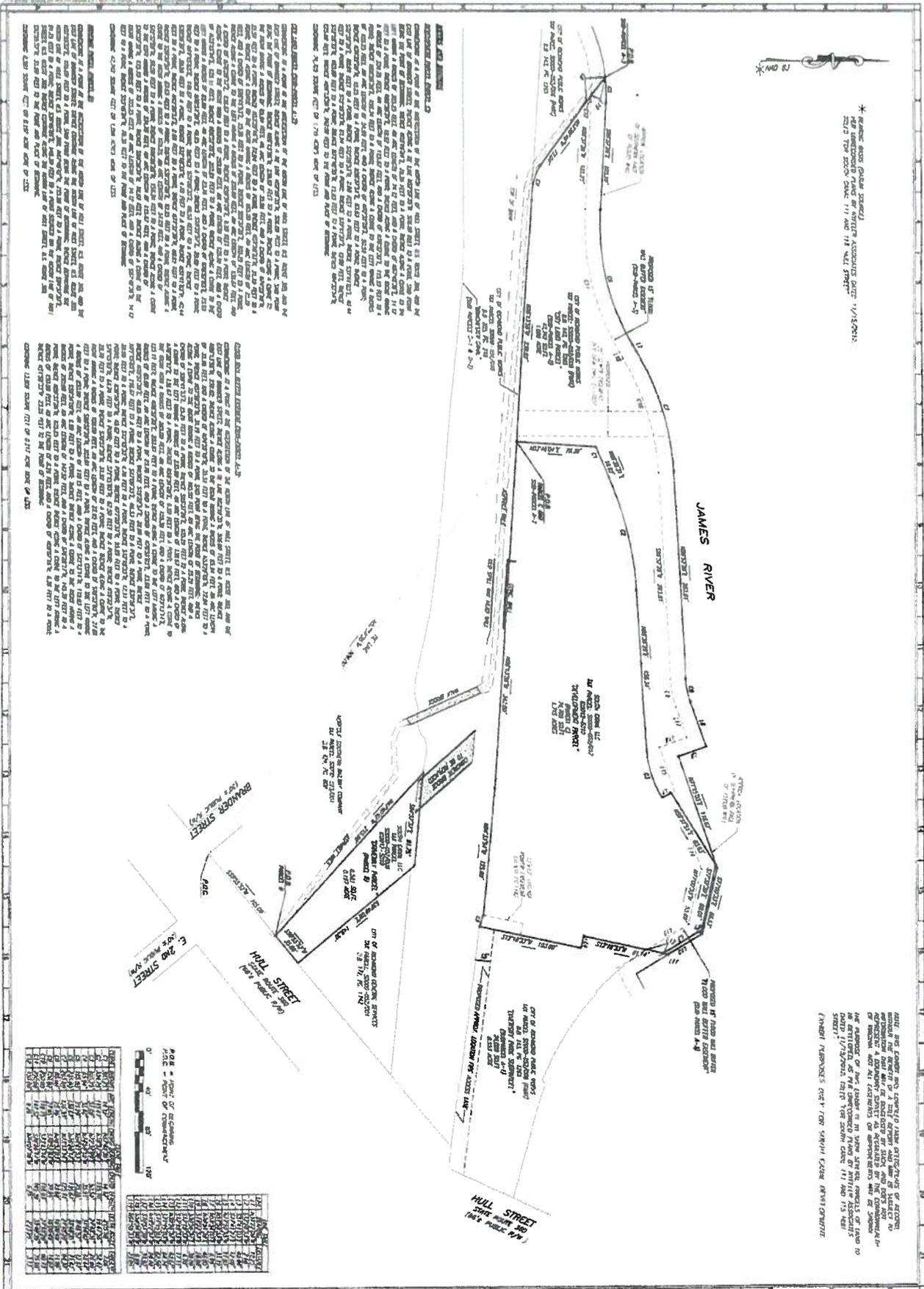


EXHIBIT B

EXHIBIT ONLY

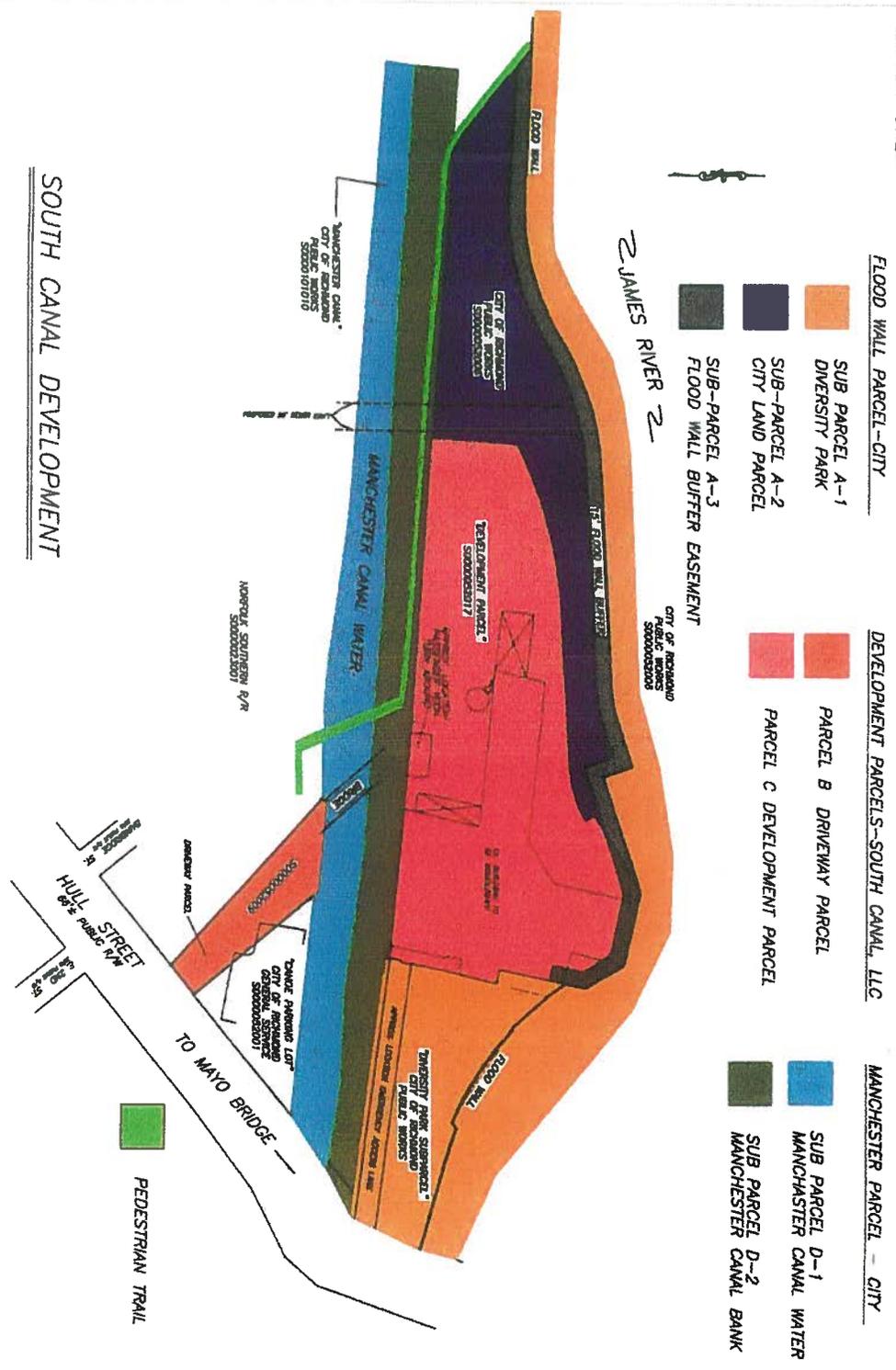


EXHIBIT ONLY