

INTRODUCED: September 13, 2021

AN ORDINANCE No. 2021-267

To declare surplus and to direct the sale of a 0.176 acre portion of City-owned real estate located at 2400 Hermitage Road for \$110,250.00 to Breeden Investment Properties, Inc., for the purpose of the construction of a mixed-use development including office and residential space.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 11 2021 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That a 0.176 acre portion of real estate owned by the City of Richmond located at 2400 Hermitage Road and identified as Tax Parcel No. N000-1292/004 in the 2021 records of the City Assessor hereby is declared surplus real estate and is directed to be sold for the purchase price of \$110,250.00 to Breeden Investment Properties, Inc., for the purpose of the construction of a mixed-use development, including office and residential space, notwithstanding the requirements of sections 8-58, 8-61, and 8-62 of the Code of the City of Richmond (2020), as amended, but otherwise in accordance with the applicable provisions of Chapter 8 of the Code of the City of

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 11 2021 REJECTED: _____ STRICKEN: _____

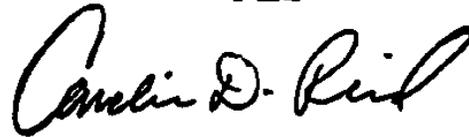
Richmond (2020), as amended, the Charter of the City of Richmond (2020), as amended, the Code of Virginia (1950), as amended, and the Constitution of Virginia.

§ 2. That, pursuant to section 8-65(b) of the Code of the City of Richmond (2020), as amended, the Chief Administrative Officer is hereby directed to execute, on behalf of the City, the deed or deeds and such other documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the sale of such property.

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

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Amelia D. Reil". The signature is written in a cursive, flowing style.

City Clerk

O & R Request



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: August 16, 2020

EDITION: 1

TO: THE HONORABLE MEMBERS OF CITY COUNCIL

THROUGH: THE HONORABLE LEVAR M. STONEY, MAYOR

THROUGH: J. E. LINCOLN SAUNDERS, ACTING CHIEF ADMINISTRATIVE OFFICER

THROUGH: BOBBY VINCENT, DIRECTOR OF PUBLIC WORKS

THROUGH: SHARON L. EBERT, DEPUTY CHIEF ADMINISTRATIVE OFFICER FOR ECONOMIC DEVELOPMENT AND PLANNING

THROUGH: LEONARD L. SLEDGE, DIRECTOR OF ECONOMIC DEVELOPMENT

FROM: PAUL A. MCCLELLAN, COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATOR
ECONOMIC DEVELOPMENT AND PLANNING

RE: TO AUTHORIZE THE ACTING CHIEF ADMINISTRATIVE OFFICER TO CONVEY A 0.176 ACRE PORTION OF CITY-OWNED PROPERTY LOCATED AT 2400 HERMITAGE ROAD (RICHMOND TAX PARCEL #N0001292004)

ORD. OR RES.

No. _____

PURPOSE: To authorize the Acting Chief Administrative Officer to accept \$110,250 in sales proceeds to the City and convey a 0.176 acre portion of City-owned property located at 2400 Hermitage Road (Tax Parcel #N0001292004) (the Property) to Breeden Investment Properties, Inc. (the Offeror) for a proposed mixed-use development consisting of 153 apartment units and 24,000 sf of office space on the adjoining property at 2300 Hermitage Road, the former Cobb Lumber site. The Offeror had also requested that the City grant an emergency vehicle ingress/egress easement and a pedestrian emergency egress easement along the southern boundary of 2400 Hermitage Road but the City administration does not wish to proceed with those easements.

REASON: On March 2, 2021 the City received an unsolicited offer letter dated March 1, 2021 from the R. Robert Benaicha with Hirschler Fleischer (the Offeror's Attorney) to acquire the Property and establish the proposed emergency vehicle ingress/egress easement and a pedestrian emergency egress easement along the southern boundary and the existing parking lot drive aisle of 2400 Hermitage Road for \$110,250. The City-owned property at 2400 Hermitage Road totals 4.96 acres and the building and improvements are

O & R Request

occupied by the Richmond Ambulance Authority. The 0.176 acre Property that the Offeror wishes to acquire is undeveloped.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND:

The Offeror is proposing a mixed-use development consisting of 153 apartment units and 24,000 sf of office space on the adjoining property at 2300 Hermitage Road (former Cobb Lumber site) and the proposed office building is shown to be located on the Property. The Offeror is proposing to invest \$53 million to redevelop that site. They are also projecting that their development will generate annual real property tax of \$660,000 and annual personal property tax of \$100,000. The Offeror estimates that their development will generate 289 construction jobs and 129 on-site fulltime jobs. By acquiring the Property the Offeror will return the Property to the City's tax rolls. The 4.96 acre City-owned parcel at 2400 Hermitage Road has a 2021 assessed land value of \$1,296,000. The pro rata share of the 2021 assessed land value for the 0.176 acre Property that the Offeror wishes to acquire is \$45,987.10. The Offeror requested that the City grant an emergency vehicle ingress/egress easement and a pedestrian emergency egress easement along the southern boundary of 2400 Hermitage Road but the City administration does not wish to proceed with those easements. However the Offeror has met with the Director of the Richmond Ambulance Authority and the parties have agreed that the Offeror will provide 1.) a security fence at the City's southern property line including a vehicular gate and a Knox Box for emergency vehicular ingress/egress only into the 2300 Hermitage Road site, 2.) pedestrian gates in the proposed security fence that will be limited to emergency pedestrian egress only and 3.) the Offeror and Richmond Ambulance Authority will work cooperatively to resolve any parking issues that may arise, with the understanding that the Offeror's tenants will be instructed not to park on the adjoining Richmond Ambulance Authority site.

In accordance with City Code Section 8-58 (which was amended by Ordinance No. 2017-069 on November 13, 2017) the Department of Economic Development is required to solicit competitive bids for the property prior to making a recommendation to sell the property and submitting an Ordinance to City Council requesting authorization for the CAO to sell a property. Since this offer to purchase City-owned property is considered an Unsolicited Offer it is therefore subject to the City Code Section 8-58 requirements. However City Council may override the Code Section 8-58 requirements by ordinance if it wishes to proceed with the sale of the Property to the Offeror. Therefore we are requesting that City Council waive the competitive solicitation requirements of City Code Section 8-58 and authorize the CAO to execute a deed and any other documents necessary to complete the sale of the Property to the Offeror, provided that all such deed and documents first must be approved as to form by the City Attorney or their designee.

FISCAL IMPACT/COST TO CITY: The conveyance of this property will result in \$110,250 in sales proceeds to the City.

FISCAL IMPLICATIONS: None other than the City will no longer need to expend funds to maintain the property.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: The City will receive \$110,250 upon the closing on the sale of the property and the City will receive annual real estate tax revenue from the Property.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: September 13, 2021

O & R Request

CITY COUNCIL PUBLIC HEARING DATE: September 27, 2021

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: City Planning Commission; September 20, 2021

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Chief Administrative Officer, Budget, Public Works, Economic Development and Planning and Economic Development.

RELATIONSHIP TO EXISTING ORD. OR RES.:

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS:

STAFF:

Sharon L. Ebert, Economic Development and Planning 646-7646
Leonard L. Sledge, Economic Development 646-7576
Paul A. McClellan, Economic Development and Planning 646-3061