

INTRODUCED: January 13, 2020

AN ORDINANCE No. 2020-004

To authorize the Chief Administrative Officer to accept grant funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership Authority, and to appropriate the funds received to the Fiscal Year 2019-2020 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Housing and Community Development’s Brownfields Special Fund by \$50,000.00 for the purpose of funding the assessment and evaluation of the potential redevelopment and reuse of the former Railroad Club located at 2908 P Street in the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 27 2020 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, is hereby authorized to accept funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership Authority for the purpose of funding the assessment and evaluation of the potential redevelopment and reuse of the former Railroad Club located at 2908 P Street and 1001 – 1007 North 29th Street in the city of Richmond.

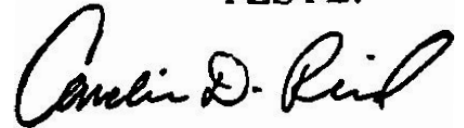
AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JAN 27 2020 REJECTED: _____ STRICKEN: _____

§ 2. That the funds received are hereby appropriated to the Special Fund Budget for the fiscal year commencing July 1, 2019, and ending June 30, 2020, by increasing estimated revenues by \$50,000.00, increasing the amount appropriated for expenditures by \$50,000.00, and allotting to the Department of Housing and Community Development's Brownfields Special Fund the sum of \$50,000.00 for the purpose of funding the assessment and evaluation of the potential redevelopment and reuse of the former Railroad Club located at 2908 P Street in the city of Richmond.

§ 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. Reed". The signature is written in a cursive style with a large initial 'A'.

City Clerk



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

O & R REQUEST
4-9524
DEC 18 2019

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: December 17, 2019 EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lenora G. Reid, Acting Chief Administrative Officer

THROUGH: John Wack, Director of Finance Department

THROUGH: Jay Brown, Director Department of Budget and Strategic Planning

THROUGH: Sharon Ebert, Deputy CAO for Planning and Economic Development

FROM: Douglas Dunlap, Director Department of Housing and Community Development

RE: Authorize the Chief Administrative Officer to accept and appropriate grant funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership (VEDP) and to execute a performance agreement.

ORD. OR RES. No.

PURPOSE: Authorize the Chief Administrative Officer to accept grant funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership and execute a performance agreement to appropriate the funds received to the Fiscal Year 2020 Special Fund Budget by increasing revenue and the amount appropriated to the Department of Housing and Community Development increasing Brownfields Special Fund Budget from \$600,000 to \$650,000. A separate project and award called "VEDP Performance Grant" would be established. The purpose of this grant is to complete a structural assessment, soil groundwater and deep soil gas sampling, sub-lab vapor sampling, ambient air sampling, and a limited risk assessment at the former Railroad Club building located at 2908 P Street and 1001-1007 North 29th Street. This, in turn, will facilitate the site's renovation and improvement.

REASON: The City is undertaking assessment activities on the Railroad Club site in accordance with the Virginia Department of Environmental Quality (DEQ) Voluntary Remediation Program (VRP) to address the Recognized Environmental Condition (RECs) and Historical

RECs (HRECs) and related to the past uses, including a forge, paint shop and machine shop (1895-1905), as well as a dry cleaner (1950-1979).

RECOMMENDATION: Administration recommends approval.

BACKGROUND: The Railroad Club property, located at 2908 P Street and 1001-1007 North 29th Street, consists of one (1) parcel, 0.364 acres in size. The property is located in the East End of Richmond.

The Railroad Club property has served a number of uses since it was put into service in 1895, including a forge, paint shop, machine shop, dry cleaner, five & dime, laundromat, restaurant, and night club. The property has been vacant approximately 10 years.

The Department of Housing and Community Development has contracted with an environmental services firm to complete Phase I and Phase II environmental assessments. Additionally, HCD contracted with a planning consultant to complete a conceptual plan for redeveloping the site into a community facility. The assessment and planning work were completed with funds from the EPA Brownfields Assessment grant.

FISCAL IMPACT / COST: The grant award of \$50,000 is match funding from the Commonwealth. The City's match contribution requirement has been fulfilled with prior year EPA funding spent on environmental assessments and planning work.

FISCAL IMPLICATIONS: The City is receiving this grant award to complete the last phase of immediate work for this site.

BUDGET AMENDMENT NECESSARY: Yes

REVENUE TO CITY: \$50,000.00 grant.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: January 13, 2020

CITY COUNCIL PUBLIC HEARING DATE: January 27, 2020

REQUESTED AGENDA: Consent Agenda.

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing Committee.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: Housing and Community Development, Department of Parks, Recreation, and Community Facilities.

AFFECTED AGENCIES: The Department of Finance, The Department of Budget and Strategic Planning, and the Department of Housing and Community Development.

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2019-042

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: VEDP Grant Performance Agreement

STAFF: Rick Winston, Housing and Community Dev. Administrator (804) 646-5036
Keisha Birchett, Housing and Community Development (804) 646-3171
Carolyn McLane, Housing and Community Development (804) 646-7981

**VIRGINIA BROWNFIELDS RESTORATION AND ECONOMIC
REDEVELOPMENT ASSISTANCE FUND PROGRAM**

SITE ASSESSMENT AND PLANNING GRANT

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** made and entered as of September 13, 2019 (this "Agreement"), by and between the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** ("VEDP"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), and the **CITY OF RICHMOND, VIRGINIA** (the "Grantee"), a political subdivision of the Commonwealth, recites and provides as follows:

WITNESSETH:

WHEREAS, the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund (the "VBAF") was established pursuant to § 10.1-1237 of the Code of Virginia of 1950, as amended (the "Virginia Code"), to promote the restoration and redevelopment of brownfield sites in the Commonwealth and to address environmental problems or obstacles to reuse so that such sites can be effectively marketed to new economic development prospects;

WHEREAS, the VBAF is administered by the Virginia Resources Authority ("VRA"), and VEDP directs the distribution of grants from the VBAF;

WHEREAS, VEDP, in consultation with the Virginia Department of Environmental Quality ("DEQ"), has established guidelines for the awarding of Site Assessment and Planning Grants from the VBAF;

WHEREAS, VEDP, in consultation with DEQ, has approved the Grantee's application for a \$50,000 Site Assessment and Planning Grant (the "Grant") to undertake an assessment and evaluation (the "Project") of potential redevelopment and reuse of certain property referred to as the former Railroad Club, located at 2908 P Street and 1001-1007 North 29th Street, measuring approximately 0.364 acres (Parcel ID # E0000569023) (the "Site"), including performing a structural assessment of the existing structure, performing limited soil, groundwater, and deep soil gas sampling, performing additional sub-slab vapor sampling and ambient air sampling if the building is deemed safe following the structural assessment, and performing a limited risk assessment;

WHEREAS, VEDP, in consultation with DEQ and based upon the VBAF Program priorities, has awarded the Grant to the Grantee for the Project;

WHEREAS, VEDP and the Grantee desire to set forth their understanding and agreement as to the payout of the Grant, the use of the Grant proceeds, the obligations of the Grantee, and the repayment by the Grantee of all or part of the Grant under certain circumstances; and

WHEREAS, the restoration and redevelopment of brownfield sites and addressing environmental problems or obstacles to reuse constitutes a valid public purpose for the expenditure of public funds and is the animating purpose in making the Grant;

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

Section 1. Definitions

For the purposes of this Agreement, the following terms shall have the following definitions:

“Grant Report” means a written detailed report reasonably satisfactory to VEDP and DEQ indicating that the Project is complete, the Grant proceeds have been expended, and the Local Match has been made. The Grant Report shall include all information required under Section 4(a) of this Agreement.

“Investment” means expenditures by or on behalf of the Grantee associated with the Project, including the Grant proceeds and the Local Match, set forth on Exhibit A.

“Local Match” means the required one-to-one match by the Grantee of the amount of the Grant, from public and/or private sources in either cash or documented reasonable and necessary costs incurred and associated with the Project.

“Performance Date” means June 30, 2020, which is the date by which the Grantee expects to have completed the Project. If VEDP, in consultation with DEQ, deems that good faith and reasonable efforts have been made and are being made by the Grantee to complete the Project, the Performance Date may be extended by up to 15 months and the date to which the Performance Date has been extended shall be the “Performance Date” for the purposes of this Agreement.

Section 2. Disbursement of Grant; Use of Grant Proceeds.

(a) *Disbursement:* The Grant will be paid to the Grantee in one payment of \$50,000. Promptly upon the execution and delivery of this Agreement by the Grantee, VEDP will forward to VRA a copy of this Agreement, together with a direction to disburse \$50,000 to the Grantee.

(b) *Use of Grant Proceeds:* The Grantee will expend the proceeds of the Grant only as permitted by § 10.1-1237 of the Virginia Code and as part of the Investment in accordance with Exhibit A to this Agreement.

Section 3. Investment; Supplemental Grant.

(a) *Investment:* The Grantee is expected to make the Investment and to complete the Project on or before the Performance Date. As the Project is undertaken, adjustments to the Investment may be needed. Except for *de minimis* adjustments (adjustments impacting, in the aggregate, less than 10% of the Grant proceeds), adjustments to the Investment require the prior written approval of VEDP and must be reflected on a revised Exhibit A provided to VEDP.

(b) *Local Match:* Evidence provided by the Grantee to VEDP demonstrates that the Grantee has made or will make the required Local Match on or before the Performance Date.

(c) *Supplemental Grant:* If the Investment proves insufficient to allow the Grantee to complete the Project or other associated work identified through the results of the Project, a supplement grant in an amount of up to 20% of the Grant may be awarded if that additional amount, plus other identified funds, will be sufficient to allow completion and if monies are available from the VBAF. If such a supplemental grant is awarded, the Grantee must provide an additional Local Match.

Section 4. Reporting.

(a) *Grant Report:* The Grantee will provide a Grant Report no later than sixty (60) days after the Performance Date.

The Grant Report shall include:

- (i) a brief summary of the outcome of the Project;
- (ii) any adjustments made to the Investment;
- (iii) copies of studies performed as a part of the Project, which will be subject to review and request for further supporting documentation;
- (iv) a statement that data collected reflects certification by the Virginia Environmental Laboratory Accreditation Program;
- (v) if the Site was not enrolled in the Virginia Voluntary Remediation Program ("VRP"), certification that Project has met remediation and risk standards of care for reuse of the Site, and that the Grantee will maintain all records for facilitating potential future brownfields revitalization of the Site, to demonstrate appropriate care, and to facilitate potential future VRP enrollment if necessary;
- (vi) pre-and post-Grant assessed property value;
- (vii) any before and after photographs; and

(viii) whether or not the Site may be effectively marketed to new economic development prospects.

(b) *Status Report:* The Grantee must provide a written detailed report reasonably satisfactory to VEDP and DEQ providing an update on the Site including recent economic development activity at the Site and surrounding properties since the Grant was awarded, additional investment and job creation, and whether the Site was successfully marketed to an economic development prospect, at such other times as VEDP and DEQ may reasonably require.

(c) *Costs of Reporting:* The cost of reporting will be borne by the Grantee.

Section 5. Repayment Obligations.

(a) *If Investment is Less than Expected:* If the Grant Report indicates that the Grantee was able to complete the Project for less than the expected Investment, such that the amount of the Grant proceeds exceeds the Local Match or the Grantee will not need all of the Grant proceeds previously disbursed to the Grantee, the Grantee must repay to VEDP an amount equal to the excess amount or the amount of the Grant proceeds no longer required.

(b) *If Grant Proceeds are Misspent:* If the Grant Report indicates, or any evidence gathered by VEDP reveals, that any Grant proceeds have been expended on anything other than the expected Investment, the Grantee must repay to VEDP the amount so misspent.

(c) *Failure to Complete by Performance Date:* If it is determined that the Grantee is unable to complete the Project and expend the Grant proceeds by the Performance Date and the Performance Date is not extended, the Grantee must repay to VEDP the unspent proceeds of the Grant as of the Performance Date.

(d) *Repayments to Fund:* VEDP will provide written notification to the Grantee if any repayment is due from the Grantee to VEDP under this Agreement. Within 60 days of receiving such notification, the Grantee will make the repayment to VEDP, subject to appropriation. Any repayment received by VEDP will be promptly transferred by VEDP to the VRA for redeposit to the Fund.

Section 6. Notices.

Formal notices and communications among the Parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed as noted below. Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by email shall be deemed effective the next business

day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Grantee, to:

Department of Housing & Community Development
City of Richmond, Virginia
Main Street Station
1500 E. Main Street, Suite 400
Richmond, VA 23219
Email: christopher.yenson@richmondgov.com
Attention: Project Development Manager

if to VEDP, to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: jloftus@vedp.org
Attention: Sites and Buildings Manager

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: smcinch@vedp.org
Attention: General Counsel

Section 7. Miscellaneous.

(a) *Entire Agreement; Amendments:* This Agreement constitutes the entire agreement between the parties hereto as to the Grant, and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Grantee may not assign its rights and obligations under this Agreement without the prior written consent of VEDP.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced in accordance with the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court. In the event this Agreement is subject to litigation, each party shall be responsible for its own attorneys' fees.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**VIRGINIA ECONOMIC DEVELOPMENT
PARTNERSHIP AUTHORITY**

By _____
Name: Johan Salén
Title: Vice President, Incentives
Date: _____

CITY OF RICHMOND, VIRGINIA

By _____
Name: _____
Title: _____
Date: _____

SEEN AND ACKNOWLEDGED:

**VIRGINIA DEPARTMENT OF
ENVIRONMENTAL QUALITY**

By _____
Name: Jeffery A. Steers
Title: Director of Central Operations
Date: _____

VIRGINIA RESOURCES AUTHORITY

By _____
Name: _____
Title: _____
Date: _____

Exhibit A: Investment

EXHIBIT A
INVESTMENT

Task / Category	Task Total	Source		
		City Share	EPA Grant Share	VBAF Grant Share
Environmental Assessments & Redevelopment Planning				
Phase I and Limited Phase II ESAs & SAP	\$ 14,387	\$ -	\$ 14,387	\$ -
Limited ACM / LBP Survey	\$ 4,708	\$ -	\$ 4,708	\$ -
Limited Vapor Intrusion Study	\$ 5,520	\$ -	\$ 5,520	
Redevelopment & Conceptual Planning Study	\$ 25,000	\$ -	\$ 25,000	
Structural Assessment & Report	\$ 3,700	\$ -	\$ -	\$ 3,700
Soil, Groundwater, Deep Soil Gas Sampling & Report	\$ 39,500	\$ -	\$ -	\$ 39,500
Sub Slab Vapor, Ambient Air Sampling & Report	\$ 6,800	\$ -	\$ -	\$ 6,800
SUBTOTAL	\$ 99,615	\$ -	\$ 49,615	\$ 50,000
Administrative Costs (5%) - In Kind	\$ 2,500	\$ 2,500	\$ -	\$ -
TOTAL PROJECT BUDGET	\$ 102,115	\$ 2,500	\$ 49,615	\$ 50,000