

INTRODUCED: September 8, 2014

AN ORDINANCE No. 2014-186-183

To declare a public necessity for and to authorize the acquisition of the parcels of real property owned by the Richmond Redevelopment and Housing Authority and known as 601 East Leigh Street, 406 North 7<sup>th</sup> Street and 408 A North 7<sup>th</sup> Street for the purpose of a sports complex and a convention center.

\_\_\_\_\_  
Patron – Mayor Jones

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: OCT 13 2014 AT 6 P.M.

WHEREAS, in the opinion of the Council of the City of Richmond, a public necessity exists for the acquisition of the parcels of real property owned by the Richmond Redevelopment and Housing Authority and known as 601 East Leigh Street, 406 North 7<sup>th</sup> Street and 408 A North 7<sup>th</sup> Street for the purpose of a sports complex and a convention center;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That a public necessity exists for the acquisition of the parcels of real property owned by the Richmond Redevelopment and Housing Authority, known as 601 East Leigh Street, 406 North 7<sup>th</sup> Street and 408 A North 7<sup>th</sup> Street and identified as Tax Parcel Nos. N000-

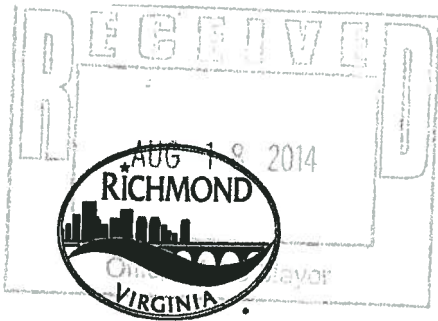
AYES: 8 NOES: 0 ABSTAIN: \_\_\_\_\_

ADOPTED: OCT 13 2014 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

0007/001, N000-0006/004 and N000-0006/025, respectively, in the 2014 records of the City Assessor for the purpose of a sports complex and a convention center.

§ 2. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to acquire such parcels of real property from the Richmond Redevelopment and Housing Authority and to execute a deed or deeds and such other documents as may be necessary to complete the acquisition and acceptance of such parcels of real property, provided that all such deeds and other documents must first be approved as to form by the City Attorney or the designee thereof.

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



CITY OF RICHMOND
INTRACITY CORRESPONDENCE



O&R REQUEST

DATE: August 11, 2014



TO: The Honorable Members of City Council

OFFICE OF CITY ATTORNEY

THRU: Dwight C. Jones, Mayor

THRU: Byron C. Marshall, Chief Administrative Officer

THRU: Norman Butts, Deputy Chief Administrative Officer for Finance & Administration

THRU: Peter H. Chapman, Deputy Chief Administrative Officer for Economic Development and Planning

THRU: Jay A. Brown, Interim Director, Budget and Strategic Planning

THRU: Peter L. Downey, Director, Economic & Community Development

THRU: Jane Ferrara, Deputy Director, Economic & Community Development

FROM: Keith Rogers Jr., Senior Assistant to the Chief Administrative Officer

RE: Acquisition of Property located at 601 E. Leigh Street, 518 E. Clay Street, 500 N. 6th Street, 600 E. Clay Street, 550 E. Clay Street, 515 N. 5th Street, known as Richmond Coliseum

ORD. OR RES. No. \_\_\_\_\_

PURPOSE: To declare a public necessity for and to authorize the Chief Administrative Officer on behalf of the City of Richmond, to acquire approximately 7.36 acres of property and improvements from the Richmond Redevelopment and Housing Authority (RRHA) located at 601 E. Leigh Street, 518 E. Clay Street, 500 N. 6th Street, 600 E. Clay Street, 550 E. Clay Street, 515 N. 5th Street (Tax Parcel # N0000007001), known as Richmond Coliseum, to serve as a sports complex/ convention center.

REASON: Title to the Richmond Coliseum was transferred to the RRHA in the early 1990's and was pledged as security to support the financing by RRHA of the Old Manchester Project, a City sponsored economic development project. All debt associated with this

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project has now been repaid and the asset can now be transferred back from the RRHA into the City's name.

**RECOMMENDATION:** Approval is recommended by the City Administration.

**BACKGROUND:** In the early 1990's, Crestar Bank (now SunTrust) made known its plans to build a new facility to house its rapidly growing Mortgage business and its longer range plans to do a significant expansion to its existing operations center in Henrico County. To retain this business in the City of Richmond, the City negotiated a series of economic development cash incentives, and with the City's financial support the bank ultimately built two significant buildings on Semmes Avenue, which became a catalyst for further economic development in the Manchester area. To facilitate its contributions to the project, the City had RRHA issue several series of bonds secured by a moral obligation of the City, as well as providing the lenders liens on several City owned properties.

In December 1994, under Phase I of the Old Manchester Cooperation Agreement between the City and the RRHA, \$7,750,000 of Project Revenue Bonds – Series 1994 Old Manchester Project were issued by RRHA for the purpose of financing a portion of the costs of acquiring and constructing what is today SunTrust Mortgage Corporation's headquarters at 901 Semmes Avenue. The building was completed in October 1995 and subsequent bond documents indicate that the total cost of the project was \$17,430,000, with RRHA's contribution having been \$6,566,200 (38%) and Crestar's contribution having been \$10,863,800 (62%) of the cash put toward the project.

On June 18, 1995, under the Old Manchester Redevelopment Area Phase II Agreement, the City, RRHA and Crestar Bank (SunTrust) agreed to terms of what would become the second much larger 400,000+ sq ft bank office building on the adjacent site at 1001 Semmes Ave. RRHA issued revenue bonds to be paid by the City and made contributions to the project in amounts of approximately \$20.6 million to fund its share of Phase II construction.

To facilitate these RRHA Old Manchester Project bond issues in the mid 1990's, the City transferred the property titles of the Richmond Coliseum and the Main Branch Library to RRHA, which in turn pledged these properties to secure the bonds being issued. On September 1, 2012 the City repaid in full all RRHA debt associated with the Old Manchester Projects. City Administration is now seeking to have title to the Coliseum and the Main Branch Library properties transferred from RRHA back to the City.

**FISCAL IMPACT /COST TO CITY:** No additional cost beyond title insurance and transfer filing costs.

**FISCAL IMPLICATIONS:** None

**REVENUE TO CITY:** None

**DESIRED EFFECTIVE DATE:** Upon Adoption

**REQUESTED INTRODUCTION DATE:** September 8, 2014

**CITY COUNCIL PUBLIC HEARING DATE:** October 13, 2014

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Governmental Operations

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** RRHA Board Approval Anticipated by 9/17

**AFFECTED AGENCIES:** All City agencies

**RELATIONSHIP TO EXISTING ORD. OR RES.:** None

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:** None

**STAFF:** Keith Rogers Jr., Senior Assistant to the Chief Administrative Officer