

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

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O & R REQUEST

4-6565

MAY 19 2017



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

Office of the
Chief Administrative Officer

O&R REQUEST

DATE: May 19, 2017

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

JS 5/30/17
EL

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

THROUGH: Lenora Reid, Deputy Chief Administrative Officer – Finance & Administration

Len 5/19/17
HL
5-19-17

FROM: Peter L. Downey, Deputy Chief Administrative Officer - Economic Development

RE: First Amendment to the grant contract by and between the City of Richmond and the Richmond Redevelopment and Housing Authority (RRHA) for the purpose of developing a full-service grocery store

ORD. or RES No.

PURPOSE: To authorize the Chief Administrative Officer, on behalf of the City of Richmond, to execute the First Amendment (to the Grant Contract by and between the City of Richmond and the Richmond Redevelopment and Housing Authority for the purpose of developing a full-service grocery store at the intersection of 25th Street and Nine Mile Road in the City's East End.

REASON: The original Grant Contract listed December 31, 2017 as the completion date for the project. The First Amendment will change the completion date from December 31, 2017, to "two (2) years after the date a final approved building permit has been issued, but no later than December 31, 2021." This amendment is necessary to ensure the terms of this Grant Contract are consistent with the terms of the MOU between RRHA and the project developer.

RECOMMENDATION: The Administration recommends approval.

BACKGROUND: The acquisition of the property and development of the project by the developer is subject to an MOU dated May 31, 2016, between RRHA and Church Hill North Retail Center, Inc., an affiliate of the developer which previously assigned its interests in the MOU to the developer. Per Section 5(a)(iv) of the MOU, the developer is to cause the completion of construction of the grocery store component of the project within two (2) years after the date a final approved building permit for the same has been issued by the City. Because this timeline is inconsistent with the terms of the Grant Contract approved by City

Council, the Grant Contract needs to be amended in order to conform with the developer's timeline in the previously agreed upon MOU.

The United States Department of Agriculture's Economic Research Service has identified the north Church Hill area in Richmond's East End as a low income/low food access food desert in its Food Access Research Atlas. The area is marked by high unemployment and severe poverty rates. The City, in partnership with the Richmond Redevelopment and Housing Authority and private investors, is working to develop the property at the center of this area, located on the north side of Fairmount Avenue and Nine Mile Road, and bisected by North 25th Street, as a mixed-use development anchored by a full-service grocery store, in order to mitigate the food access, unemployment, and poverty issues of the East End area. The mixed-use development would also include other retail space and 25 residential units.

The proposed mixed-use development will incorporate approximately \$26 million in private investment, and when in full operation, will create approximately 30 full-time employees and 30 to 50 part-time employees. The grocery store component of the development will account for no less than \$10,000,000 of the overall project.

FISCAL IMPACT/COST: The Grant Contract transfers \$500,000 to RRHA. These funds were transferred in FY17.

FISCAL IMPLICATIONS: N/A.

BUDGET AMENDMENT NECESSARY: No.

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: June 12, 2017

CITY COUNCIL PUBLIC HEARING DATE: June 26, 2017

REQUESTED AGENDA: Consent Agenda.

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A.

AFFECTED AGENCIES: Economic & Community Development; Budget & Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2016-207

REQUIRED CHANGES TO WORK PROGRAM(S): None.

ATTACHMENTS: Draft Amended Grant Contract

STAFF: Peter L. Downey, Deputy Chief Administrative Officer – Economic Development

FIRST AMENDMENT TO GRANT CONTRACT

This First Amendment to the Grant Contract between the City of Richmond, Virginia and the Richmond Redevelopment and Housing Authority is entered into by the City of Richmond, Virginia, a municipal corporation of the Commonwealth of Virginia ("the City"), and the Richmond Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia ("the Recipient") (collectively "the Parties"). The Parties, intending to be legally bound and for valuable consideration, agree as follows:

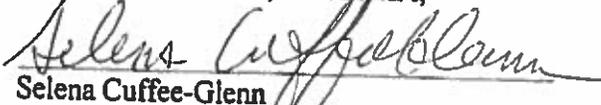
1. The Parties desire to amend section 3.B. of the Grant Contract as follows:
 - B. Ensure that the grant made by Recipient requires the developer:
 - i. to complete the full-service grocery store component of the development no later than two (2) years after the date a final approved building permit has been issued for the grocery store, which deadline shall be reasonably extended upon request by Recipient;
 - ii. to make a total investment of not less than \$10,000,000 in the grocery store component of the Development.

2. The Parties desire to amend section 4.B. of the Grant Contract as follows:
 - B. Whether the Recipient ensured that the grant made by Recipient required the developer:
 - i. to complete the full-service grocery store component of the development no later than two (2) years after the date a final approved building permit has been issued for the grocery store, unless such deadline is extended pursuant to section 3(B)(i) herein;
 - ii. to make a total investment of not less than \$10,000,000 in the grocery store component of the Development.

3. Except as specifically modified in this First Amendment, all other provisions of the Grant Contract remain the same. If any of the terms of this Amendment conflict with the Grant Contract, the terms of this Amendment control.

The duly authorized representatives of the parties have executed this Amendment to be effective on the date indicated below.

THE CITY OF RICHMOND, VIRGINIA,

By: 
Name: Selena Cuffee-Glenn
Title: Chief Administrative Officer

Date: 8/23/17

APPROVED AS TO FORM

By: Barbara M. Amey
Deputy City Attorney

RICHMOND REDEVELOPMENT AND
HOUSING AUTHORITY

By: D. Roman

Name:

Title:

Date:

CEO.
8/24/17