



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2020-212 - To declare a public necessity for and to authorize the acquisition of the parcel of real property owned by Advantage Richmond Corporation and known as 900 East Marshall Street for the purpose of a municipal office building.

To: City Planning Commission
From: Land Use Administration
Date: October 5, 2020

PETITIONER

Shunda Giles, Director of Social Services

LOCATION

900 E. Marshall Street ("Marshall Plaza")

PURPOSE

Acquisition of property located at 900 E. Marshall Street ("Marshall Plaza"), to serve as a municipal office building.

SUMMARY & RECOMMENDATION

On March 29, 2005, City Council adopted Ordinance No. 2005-45-31 to authorize the formation of Advantage Richmond Corporation to assist the City of Richmond, Virginia, when authorized by City Council, in acquiring, constructing, renovating, equipping, maintaining and operating public buildings and other public structures for or on behalf of the City through the issuance of lease revenue bonds. The purpose for which Advantage Richmond Corporation was formed is set to conclude on October 26, 2020, with the last payment of the bond, and therefore, Advantage Richmond Corporation is set to dissolve in accordance with its Articles of Incorporation. Article II ("Purposes"), Section 4 ("Dissolution") of the Articles of Incorporation provides that upon dissolution of Advantage Richmond Corporation, the board of directors shall dispose of all assets of the Corporation exclusively to the City. Advantage Richmond Corporation has generated excess funds in the amount of (up to) \$3,900,000 that must be transferred to the City.

On October 10, 2005, City Council adopted Ordinance No. 2005-219-214 to authorize the Chief Administrative Officer to (i) execute an Agreement for Purchase between the City and 900 East Marshall Street Associates for the property located at 900 East Marshall Street, (ii) assign the Agreement for Purchase and all of the City's rights to Advantage Richmond Corporation, and (iii) enter into a lease agreement between the City as lessee and Advantage Richmond Corporation as lessor for the use of 900 East Marshall Street for the purpose of housing administrative offices for various departments and agencies of the City.

On October 10, 2005, City Council adopted Ordinance No. 2005-258-216 to authorize Advantage Richmond Corporation to issue revenue bonds in the amount of \$12,100,000 to finance the acquisition cost, improvements, repairs, and maintenance for 900 East Marshall Street. As security for the revenue bonds, Advantage Richmond Corporation assigned its right to receive

rental payments from the City to the Bank. Pursuant to Section 5.1 (“Term of Lease”) of the Lease Agreement Between Advantage Richmond Corporation and the City of Richmond (the “Lease Agreement”), the term of the lease began on the date of issuance and delivery of the revenue bonds and shall terminate at the earlier of October 26, 2020, or payment of the revenue bonds. Pursuant to Section 5.10 (“Transfer Upon Termination”) of the Lease Agreement, upon termination of the lease, the interest in 900 East Marshall Street reverts back to the City. Pursuant to that same section, Advantage Richmond Corporation is required to execute and deliver to the City an appropriate instrument assigning, transferring, and conveying to the City all of Advantage Richmond Corporation’s interests free from any lien, encumbrance, or security.

Beginning in November 2020, the Department of Social Services will no longer pay rent to Advantage Richmond Corporation, which has been set at \$200,000 per month in recent years. Instead, Social Services will pay a third party for the expenses to operate Marshall Plaza, including utilities, custodial services, and other property management costs. After all transactions have been completed related to the Advantage Richmond Corporation ownership have been completed, the balance will be transferred to the Reserve Fund for Permanent Public Improvements. At this time, the projected available balance is approximately \$3,900,000. A future appropriation to the City’s Capital Improvement Program budget will be needed to provide for subsequent capital improvements to be made at Marshall Plaza.

The City Administration recommends adoption of this ordinance.

FINDINGS OF FACT

SITE DESCRIPTION

The subject property consists of a 71,438 SF (1.64 acre) improved parcel of land and is a part of the Capital District neighborhood, and the Downtown Planning District.

PROPOSED USE FOR THE PROPERTY

Municipal Office Building

MASTER PLAN

The City of Richmond’s adopted Pulse Corridor Plan designates a future land use for this property as Downtown Mixed-Use. This category is described as: “Central business district of the Richmond region features high-density development with office buildings, apartments, and a mix of complementary uses, including regional destinations. Higher-density pedestrian- and transit-oriented development encouraged on vacant or underutilized sites; new development should be urban in form and may be of larger scale than existing context. Active commercial ground floor uses required on street-oriented commercial frontages. Active ground floor uses and design required on priority street frontages. Driveway entrances required to be off alleys whenever possible; new driveways prohibited on street-oriented commercial and priority street frontages. Little to no setback of new development unless to create pedestrian-oriented amenities like plazas and outdoor dining. Surface parking prohibited as a principal use; when surface parking is provided as an accessory use, it should be located to the rear of buildings and screened by shade trees. Parking requirements are substantially less in these areas than other areas of the city and are largely eliminated. Potential future zoning districts: B-4, RF-2” (Richmond Pulse Corridor Plan)

ZONING

The current zoning for the property is B-4, Central Business District.

SURROUNDING AREA

All properties in the vicinity are zoned as B-4, Central Business District and contain primarily municipal or civic uses.

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