



## CITY OF RICHMOND

### Department of Planning & Development Review *Staff Report*

**Ord. 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.

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**To:** City Planning Commission  
**From:** Land Use Administration  
**Date:** October 4, 2021

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#### **PETITIONER**

Paul A. McClellan, Community and Economic Development Administrator, Economic Development and Planning

#### **LOCATION**

2400 Hermitage Road

#### **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.

#### **SUMMARY & RECOMMENDATION**

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 a portion of 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 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.

Staff finds that the proposed conveyance is in keeping with the Richmond 300 Master Plan.

Therefore, staff recommends approval of the request.

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## **FINDINGS OF FACT**

### **Site Description**

The City-owned property at 2400 Hermitage Road totals 4.96 acres and the building and improvements are occupied by the Richmond Ambulance Authority. The 0.176 acre Property that the Offeror wishes to acquire is undeveloped.

### **Proposed Use of the Property**

Mixed-Use Development

### **Richmond 300 Master Plan**

The *Richmond 300* Master Plan recommends a future land use as Public Open Space which is defined as "key gateways featuring prominent destinations, such as retail, sports venues, and large employers, as well as housing and open space. Located at the convergence of several modes of transportation, including Pulse BRT or other planned transit improvements." The development style includes higher density, transit-oriented development encouraged on vacant or underutilized sites. New development should be urban in form, may be of larger scale than existing context, and, where relevant, should pay special attention to the historic character of the existing context. Development should enhance the public realm and create a sense of place. Many buildings are vertically mixed-use. Developments continue or introduce a gridded street

pattern to increase connectivity. Ground floor uses engage with, and enliven, the street. Monolithic walls are discouraged, while windows, doors, storefronts, and other features that allow transparency and interaction between building and street are encouraged. Active commercial ground floor uses are required on street-oriented commercial frontages. Pedestrian, bicycle, and transit access are prioritized and accommodated. Bike parking is provided. Driveway entrances are required to be of alleys whenever possible; new driveways are prohibited on priority and principal street frontages. Surface parking is 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. Parking requirements are reduced to allow more market-based parking strategies, including shared parking. Buildings typically a minimum height of five stories.  
Primary Uses: Retail/office/personal service, multi-family residential, cultural, and open space.  
Secondary Uses: Institutional and government.

### **Zoning**

The current zoning for this property is B-7, Mixed-Use Business District.

### **Surrounding Area**

The property is located within a large area of mostly civic and light industrial uses.

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