

INTRODUCED: August 15, 2016

AN ORDINANCE No. 2016-207

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Contract between the City of Richmond, Virginia, and the Richmond Redevelopment and Housing Authority, to make a grant of \$500,000 to the Authority for the purpose of enabling the Authority to make a grant to a private developer as an incentive to construct a full-service grocery store at the intersection of North 25th Street and Nine Mile Road in the city of Richmond.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEPT 12, 2016 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, be and is hereby authorized to execute a Grant Contract between the City of Richmond, Virginia, and the Richmond Redevelopment and Housing Authority for the purpose of enabling the Authority to make a grant of \$500,000 to a private developer as an incentive to construct a full-service grocery store at the intersection of North 25th Street and Nine Mile Road in the city of

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEPT 12 2016 REJECTED: _____ STRICKEN: _____

Richmond. The Grant Contract shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

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

JUL 29 2016



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

Chief Administration Office
City of Richmond

4-5463

O&R REQUEST

DATE: July 29, 2016

EDITION: 1

TO: Members of City Council

RECEIVED

THROUGH: Mayor Dwight C. Jones

AUG 01 2016

THROUGH: Selena Cuffee-Glenn, CAO

OFFICE OF CITY ATTORNEY

THROUGH: Lenora Reid, Deputy CAO for Finance

FROM: Peter L. Downey Jr., Deputy CAO for Economic and Community Development

RE: To authorize the Chief Administrative Officer to enter into a grant agreement with the Richmond Redevelopment and Housing Authority (RRHA) to transfer \$500,000 to the RRHA for the purpose of developing a full-service grocery store at the intersection of 25th Street and Nine Mile Road in the City of Richmond's East End.

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer to enter into a grant agreement with the Richmond Redevelopment and Housing Authority to transfer \$500,000 to the RRHA for the purpose of developing a full-service grocery store at the intersection of 25th Street and Nine Mile Road in the City of Richmond's East End.

REASON: This paper would authorize the CAO to enter into a grant agreement with the RRHA per the attached agreement.

The funding will be used to support the development of a full-service grocery store at the intersection of 25th Street and Nine Mile Road in the City of Richmond's East End. This development represents an important component of the City's overall East End Redevelopment Strategy.

BACKGROUND: 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

O & R Request

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. A conceptual plan for the development is attached.

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.

The RRHA will use these funds, working with private investors, to assist in the development of the property. This development is a crucial component of the overall East End Revitalization plan and City efforts to deconcentrate poverty through the creation of a mixed-use, mixed-income community.

RECOMMENDATION: The City Administration recommends approval.

FISCAL IMPACT/COST TO CITY: \$500,000 transferred to RRHA

REVENUE TO CITY: Increased tax revenue from real estate, business property, sales and BPOL taxes. These taxes are not currently being received as the proposed development property is a vacant parcel.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: August 15, 2016

CITY COUNCIL PUBLIC HEARING DATE: September 12, 2016

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: n/a

AFFECTED AGENCIES: Budget & Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: This O&R request accompanies O&R requests for Re-zoning of the property upon which the development will occur and street closures necessary to accommodate the development.

REQUIRED CHANGES TO WORK PROGRAM(S): None

O & R Request

STAFF: Lee Downey, Deputy CAO for Economic and Community Development (804-646-4848)

GRANT CONTRACT

THIS GRANT CONTRACT (the "Contract") is made this ___ day of _____, 2016 between the City of Richmond, a municipal corporation and political subdivision of the Commonwealth of Virginia (the "City"), and the Richmond Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia (the "Recipient").

STATEMENT OF PURPOSE

- A. Section 36-7 of the Code of Virginia, 1950, as amended, authorizes the City to make loans and donations to the Recipient to enable the Recipient to carry out its purposes.
- B. Section 36-19(9) of the Code of Virginia, 1950, as amended, authorizes the Recipient, in its area of operation, to make grants for the development of commercial, residential, or other buildings.
- C. 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, the Recipient, and private investors are 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 residential units.
- D. By Ordinance No. 2016-_____, adopted August 15, 2016, funds in the amount of \$500,000 (the "Grant Funds") have been appropriated for a donation to the Recipient in the City's Fiscal Year 2017 Non-Departmental Budget.
- E. By Ordinance No. 2016-_____, the City Council of the City of Richmond authorized the City's Chief Administrative Officer to enter into this grant contract with the Recipient prior to the City's disbursement of the Grant Funds to the Recipient.

The City and the Recipient, intending to be legally bound, agree as follows:

1. **Contact Information.**

- A. The City's point of contact for purposes of this Contract is:

Douglas Dunlap
Interim Deputy Director
Economic and Community Development
City of Richmond
1500 East Main Street, Suite 400
Richmond, Virginia 23219

(804) 646-6822
douglas.dunlap@richmondgov.com

This point of contact is responsible for monitoring the Recipient's compliance with this Contract.

B. The Recipient's point of contact for purposes of this Contract is:

Marcia Davis
Chief Real Estate Officer
Richmond Redevelopment and Housing Authority
P.O. Box 26887
Richmond, Virginia 23261-6887
(804) 780-4193
marcia.davis@rrha.com

C. Either party may change the contact information set forth in this section by submitting a written statement that the party is making such a change and setting forth the contact information of the party's new point of contact to the other party's point of contact.

2. **Payment of Grant Funds.**

- A. The City shall pay the Grant Funds to the Recipient in a lump sum.
- B. The Recipient shall return to the City all of the Grant Funds received by the Recipient if the requirements set forth in section 3 below are not fulfilled.

3. **Scope of Services.** In consideration of the City's grant of the Grant Funds to the Recipient, the Recipient shall:

A. Make a grant of the Grant Funds to a private developer for the purpose of assisting with the development of the property 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 and including other retail space and residential units ("the Development").

- 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 December 31, 2017, 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.

4. **Performance Measures.** The City will use the following performance measures to evaluate whether the Recipient has performed the services required by this Contract in a manner that achieves the City's purpose in providing the Grant Funds to the Recipient:
 - A. Whether the Recipient made a grant of the Grant Funds to a private developer for the purpose of assisting with the development of the property 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 and including other retail space and residential units ("the Development").
 - 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 December 31, 2017, 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.
5. **Reporting.** The Recipient shall furnish the City's point of contact with a written report on upon its grant of the Grant Funds to a private developer, which report shall include evidence of a mechanism by which the developer ensures the use of the funds as required in section 3 of this Contract. Thereafter, the Recipient shall furnish the City's point of contact with a written report no less frequently than once per quarter detailing the progress of the Development.
6. **Compliance Monitoring.** The City's point of contact shall monitor the Recipient's compliance with this Contract. In addition to the reports required by section 5, the Recipient shall furnish the City's point of contact with any information reasonably requested by the City's point of contact in order to enable the City's point of contact to determine whether the Recipient is meeting or has met the performance measures set forth in this Contract.
7. **Recipient's Representations and Warranties.** The Recipient represents and warrants that the Recipient's signatory below is duly authorized by the Recipient to enter into this Contract and thereby bind the Recipient to this Contract's terms and conditions.
8. **Audit.** Pursuant to section 2-224 of the Code of the City of Richmond, the Recipient shall, as a condition of receiving monies from the City, be subject to periodic audits of its finances and expenditures of such City monies by the City Auditor on demand and without notice.
9. **Zoning.** Notwithstanding any provision to the contrary herein, Recipient's obligations under this Contract shall be contingent upon the City's granting of the zoning conditions

and approvals necessary, in Recipient's reasonable opinion, for the Development.

Effective as of the date first written above.

RECIPIENT:

CITY:

By: _____

T.K. Somanath
Chief Executive Officer

By: _____

Selena M. Cuffee-Glenn
Chief Administrative Officer

APPROVED AS TO FORM:

Deputy City Attorney Date

