

CITY CENTER DEVELOPMENT, LLC

December 10, 2016

Members of Council
City of Richmond Virginia
900 E. Broad Street
Richmond, VA

RE: Proposed Ordinance 2016-270 - Sale of Surplus Property
101 N. 6th St.; 603, 609, 611, 615, 619 E. Grace St.; 612 E, Franklin St.; and 112, 114, and 116
N. 7th St.

Ladies and Gentlemen:

CathFord Consulting, LLC, together with **Price Studios** (architect) and **Taylor & Parrish – Construction** (general contractor) are excited to present a new, transformative development for our City as well as our Arts District in Richmond, Virginia. The people and entities that comprise our team above are all home grown, Richmond based and Richmond centric companies.

We know that the Developer of the failed CDA believes he has certain development rights on this and other sites because of certain rights in the original Master Development Agreement that he believes survived the City absorption of the failed CDA obligations. We and our attorneys reviewed all available documents to assess the risk of those alleged rights in moving forward with a development on the site. To protect the City from any potential litigation that might arise from an RFP by the City, we made an unsolicited offer for developing the property and have included a hold harmless clause in the Contract.

We firmly believe this development will be an iconic linchpin connecting all critical components of our great City. This proposed Purchase and Development Agreement prepared by our local development team members in concert with the City's Economic Development and Legal departments will help build an active bridge and location between our Business and Banking Center to the South with the Cultural, City/State Governmental Centers, Medical/Research and Education Centers to the North, East & West.

With your affirmative vote to move this Ordinance forward, all of this will occur within the growing Arts and Restaurant district to help shore up and increase more Retail, Housing, Lodging, and Cultural Activities. Thus, our goal is to enhance a more seamless, as well as more synergistic Urban Core in Downtown Richmond.

This project will also create a domino effect in terms of more economic activity and viability for some of the 'vacant' storefronts areas along East Grace Street to serve as a stronger spine down Grace Street towards Belvidere. The mixed-use development encompasses 1.6 acres of surplus city property bounded by Grace, 6th, 7th, and Franklin Streets.

The total project, as proposed, provides many BENEFITS to the City as follows:

1. Our purchase of this property indemnifies the City from any aspects of the failed or collapsed CDA.
2. NO SPECIAL SUBSIDIES from the City of Richmond, NO ADDED DEBT or RISKS to our City.
3. The City of Richmond will benefit with over One Million Dollars (\$ 1,000,000) per year just in ANNUAL Real Estate Tax Payments. Thus, if you consider the next 30 years this would equate to over \$ 30 million dollars of consistent revenue for the City to use at its' discretion.
4. PLUS, additional revenue from Sales Taxes, BPOL Taxes, Meals Taxes, Income Taxes, as well as Lodging Taxes.
5. Increased revenue from water, sewer, and gas use with little infrastructure expense.
6. Transforming a \$3,950,000 piece of NON-TAXABLE and NON-INCOME PRODUCING city owned surplus property from a failed CDA into an approximately \$86,000,000 taxable gem in our urban core.
7. An opportunity to build upon and reinforce the recent infrastructure investments that are being made in our City such as: Bus Rapid Transit System, Main Street Station, as well as other recent and planned private developments in our Urban Core. Success and progress creates opportunities for more people.

Since we do not have control of the land, this development is still in Schematic Design stage.

As our commitment to our City, we have contractually agreed to developed the following program that we feel meets or exceeds the current City Master Plan for the Arts District:

- The development is proposed to be a contemporary/modern building including, metal, glass, and masonry design elements while being sensitive to the historic Carpenter Theater to the north.
- Constructing a new multi-level parking structure containing a minimum of 800 parking spaces; approximately 10,800 s.f. of new retail along the Grace Street frontage, opposite the Carpenter Theater and 17,200 – 30,000 s.f. of new retail along the street frontage of 6th and East Franklin Streets.
- Creating a 30,000 +/- s.f. urban park on the roof of the new parking structure.
- Building approximately 372,000 s.f. of mixed-use hotel and residential development in a 10-12 story, mid-rise tower(s) floating above the “elevated park”.
- The development can easily be phased with the initial stage being the parking facility (with wrapped retail along Grace and 6th Streets) which, by Contract is required to be

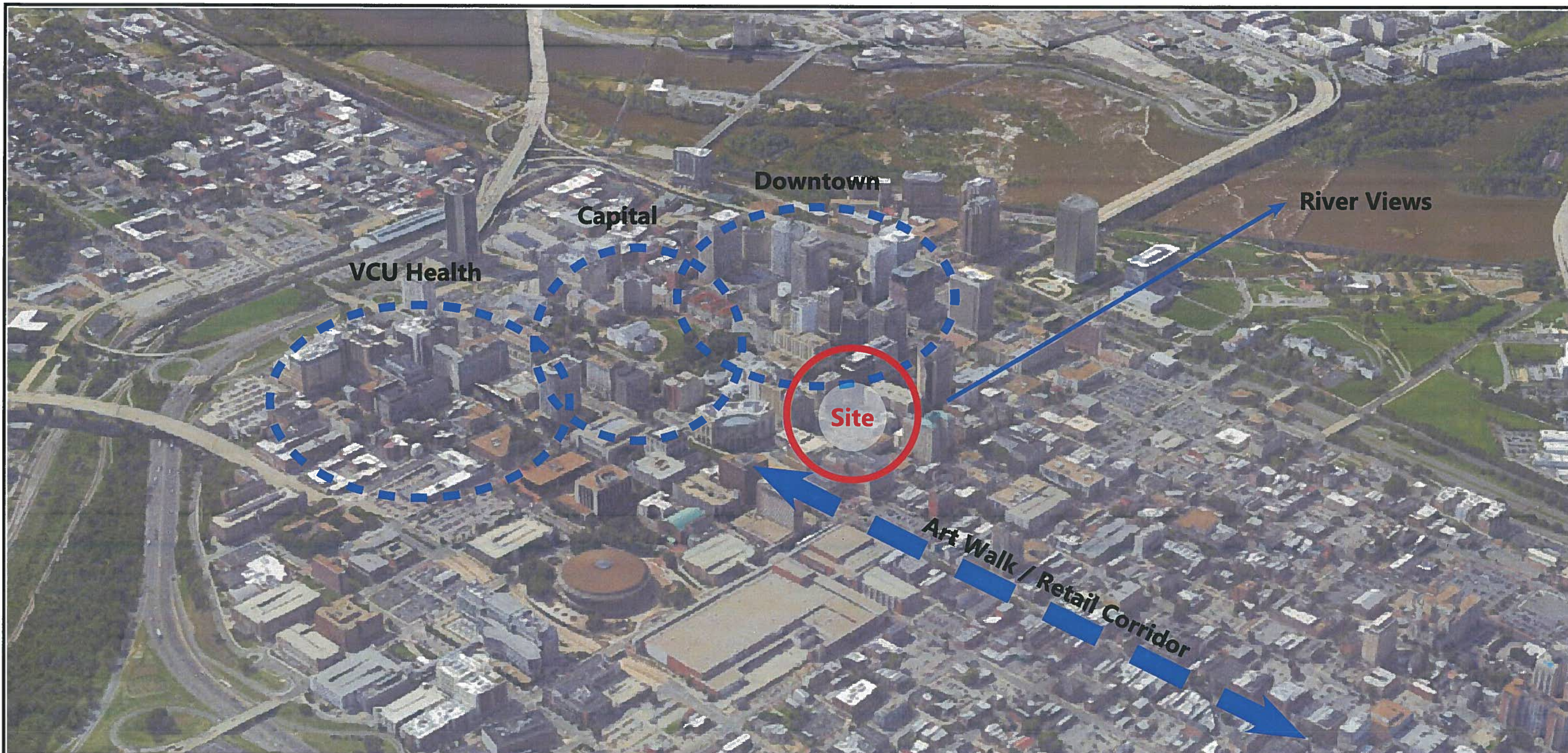
completed within 24-months of closing and the second phase consisting of the mixed-use Hotel and Residential tower(s) which we are contractually bound to complete within 60-months of closing.

- **Defining features of the residences will be large outdoor “living room” terraces, averaging 350-400 sq. ft. as well as 10’ ceilings, spacious rooms and glass walls.**

We look forward to continuing work with City Staff to move this Ordinance forward resulting in the development of this wonderful project for our community! If you have any questions relating to the sale of this property, please do not hesitate to call me at 804.405.8787

Best Regards,

City Center Development, LLC



City Center

Aerial View

12.05.2016



City Center

Aerial View

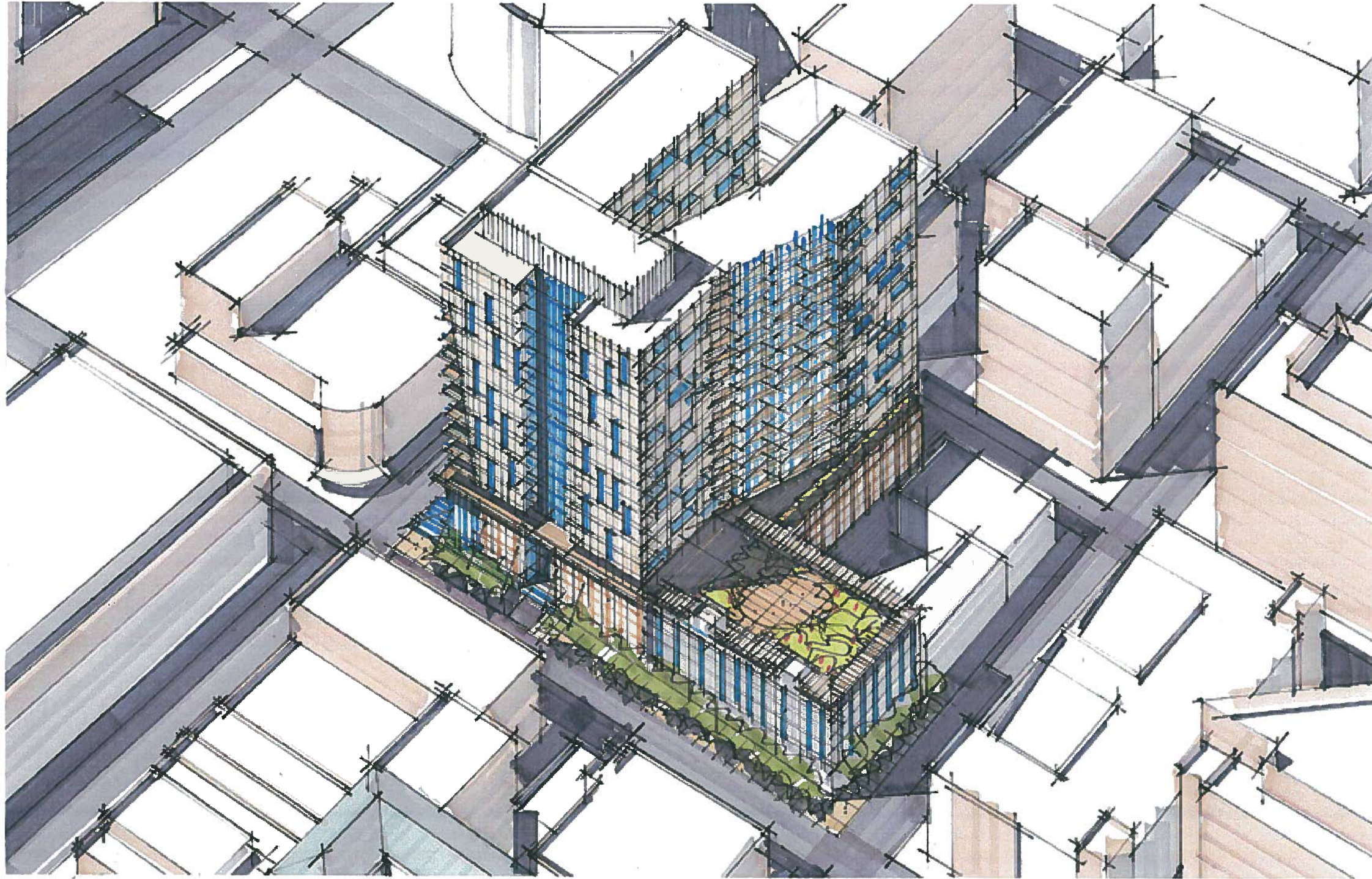
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Rendering - Aerial View

12.05.2016



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Rendering - Aerial View

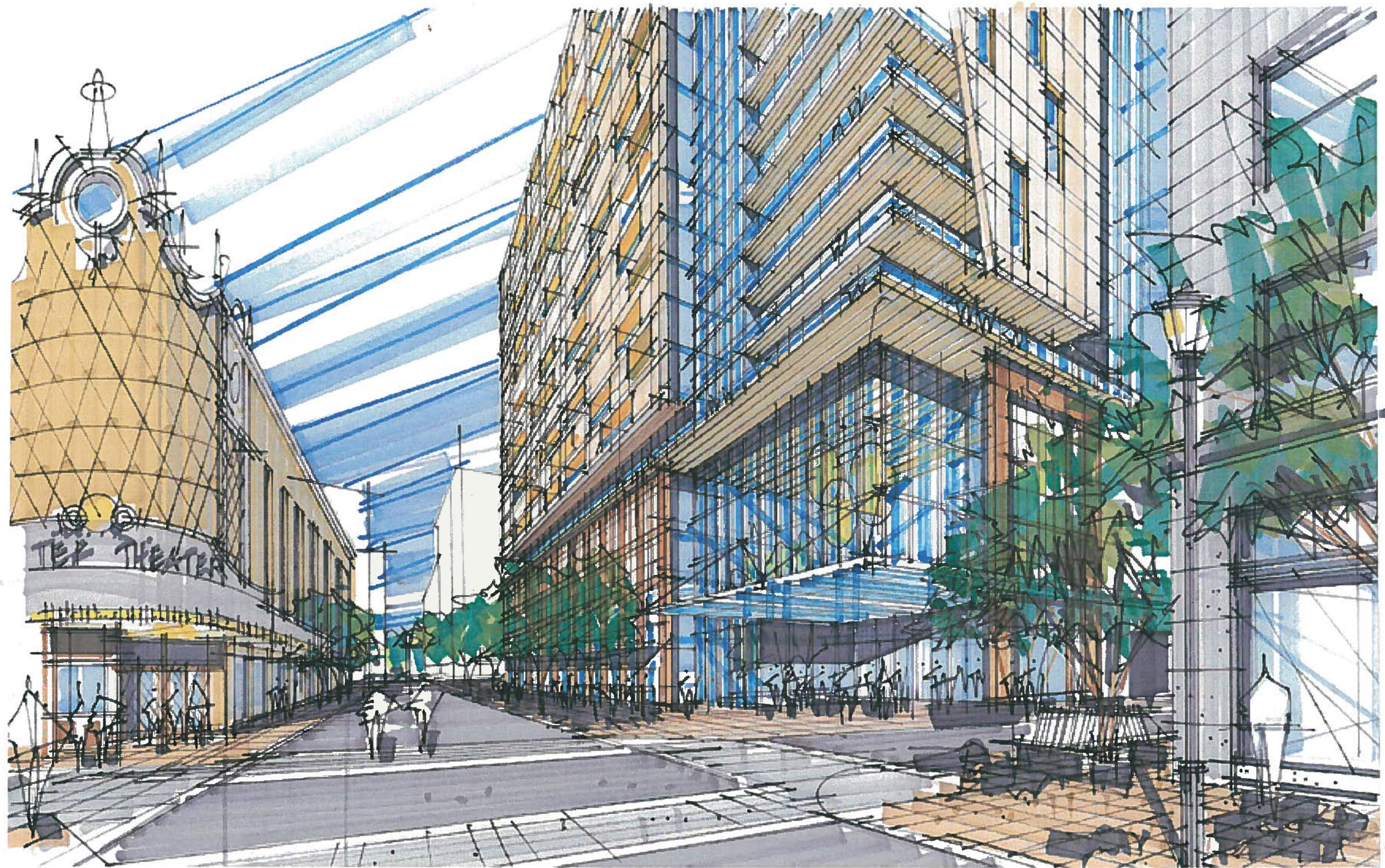
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Street View

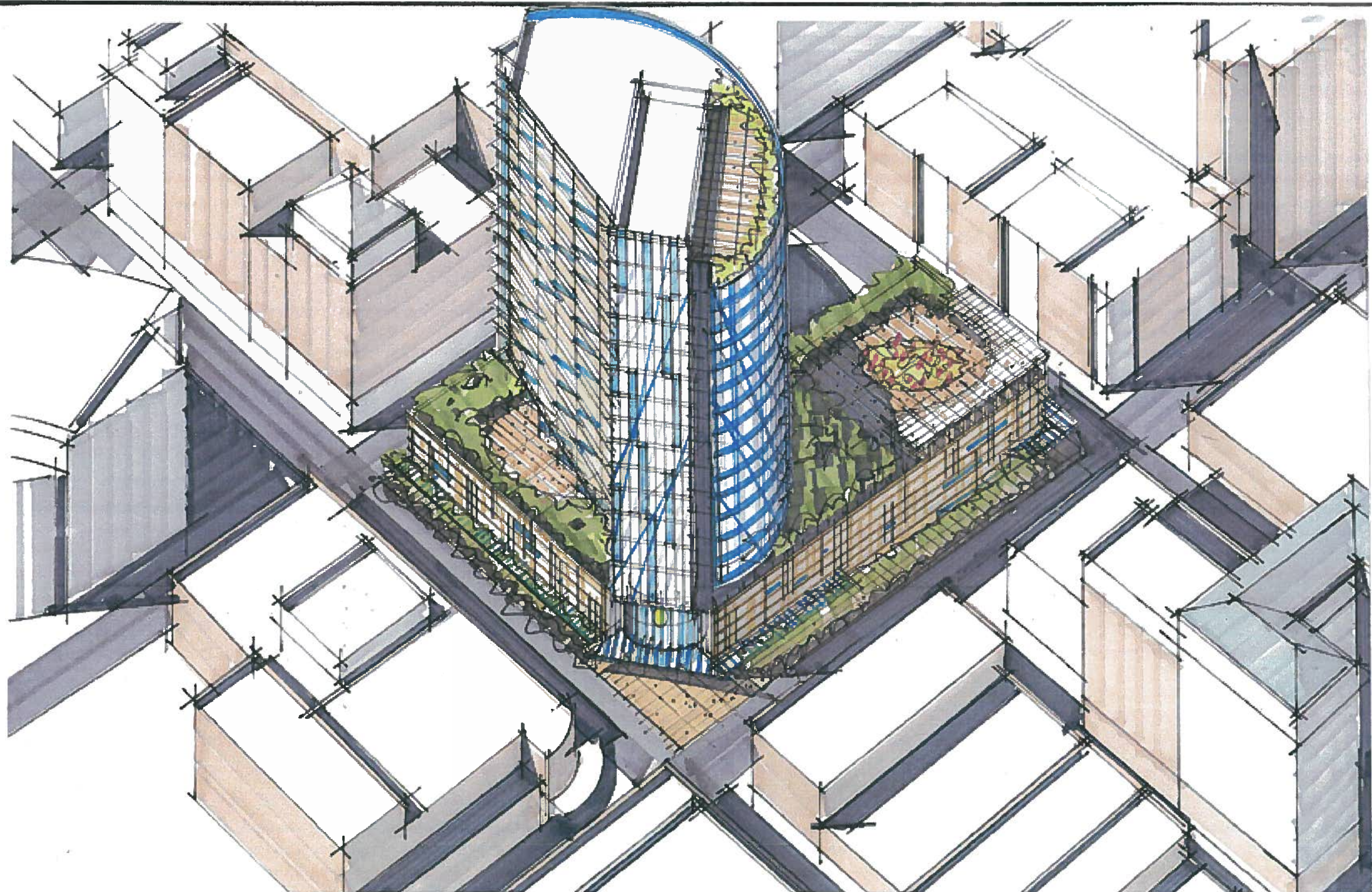
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City Center

Rendering - Street View

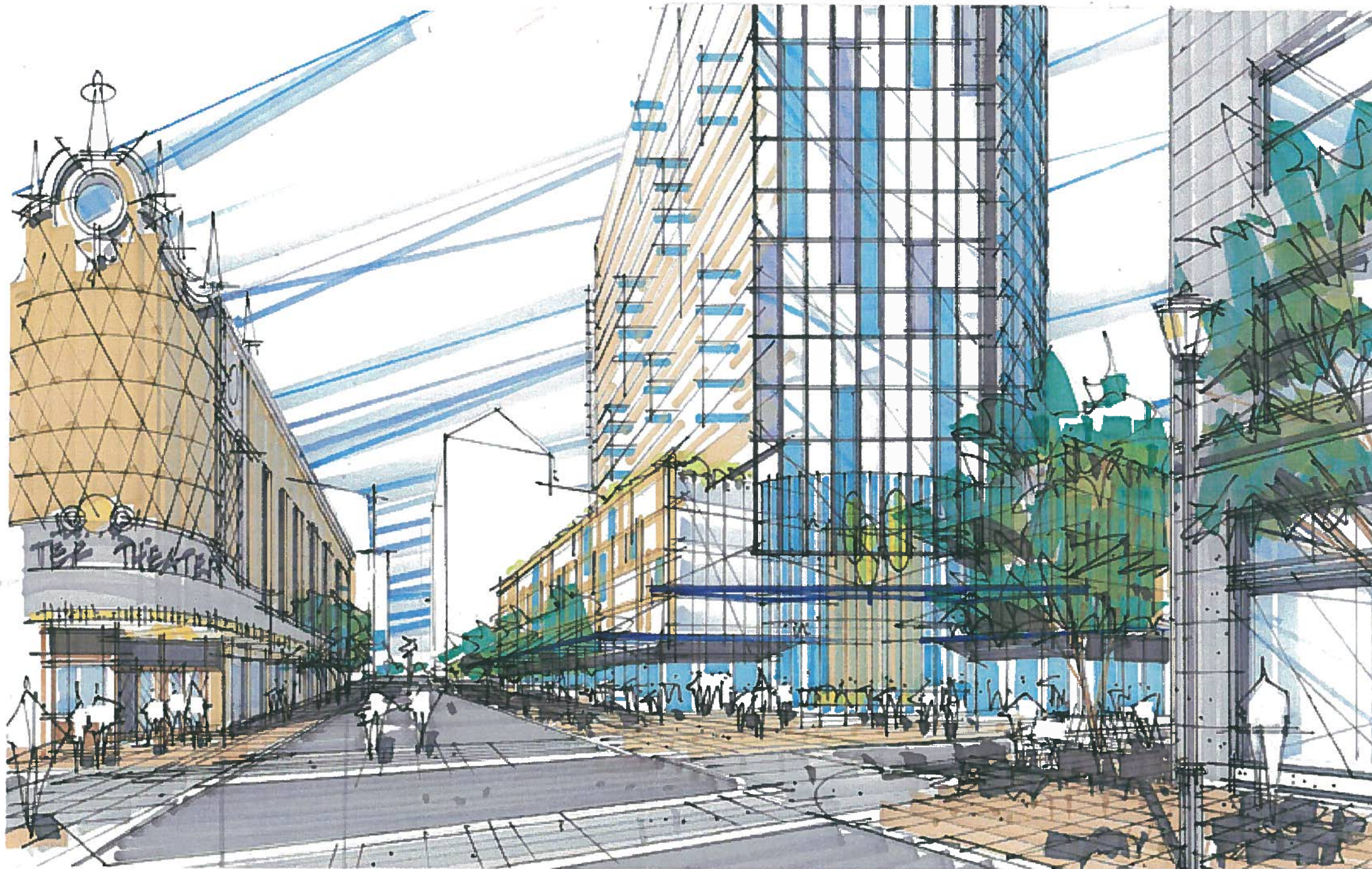
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Alt Rendering - Aerial View

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City Center

Alt Rendering - Street View

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