

Department of Planning & Development Review
Staff Report

To: City Planning Commission
From: Land Use Administration
Date: April 21, 2014

Ord. No. 2014-86: To declare a public necessity for and to authorize the acquisition of the parcel of real property owned by the SunTrust Leasing Corporation and known as 3520 North Hopkins Road for the purpose of operating an 800 megahertz communications facility.

PETITIONER

City of Richmond

LOCATION

3516, 3518 and 3520 North Hopkins Road

PURPOSE

To declare a public necessity for and to authorize the acquisition of the parcels of real property owned by SunTrust Leasing Corporation and known as 3516 North Hopkins Road, 3518 North Hopkins Road and 3520 North Hopkins Road for the purpose of an 800 megahertz communications facility.

SUMMARY & RECOMMENDATION

On June 1, 2001 the City entered into a sale-leaseback Certificates of Participation transaction to provide \$18.8 million of financing for the 800 Megahertz Radio Emergency Communications equipment project. All debt/lease amounts owed by the City have now been paid off in full and the City Attorney's office is working with the lender to release all liens and transfer title of the City's real estate property on North Hopkins Road back into the City's ownership.

To finance the construction of the City's 800 Megahertz Radio Emergency Communications equipment facilities and the conversion of the radio equipment from analog to digital frequencies, on June 1, 2001, the City issued \$18.8 million of Certificates of Participation, Series 2001. This 20-year financing was structured as a sale lease-back transaction, with the lender (SunTrust Leasing) providing the \$18.8 million of financing in exchange for taking ownership of the Hopkins Road Property, (land, buildings and tower) along with various radio equipment. The City agreed to make semi-annual capital lease debt service payments to the lender over a twenty year period.

In FY2013, using \$11.1 million of budgeted funds (part of the \$62.1 million received from the RMA) the City was able call this debt for early redemption and completely repaid the debt on August 1, 2012. The City Attorney's office has undertaken the necessary steps to insure that the property is transferred back into the City's name and liens on equipment released. The transfer of the real estate back to the City requires approval of City Council by Ordinance.

The City Administration recommends approval of this ordinance.

FINDINGS OF FACT

Site Description

There are three properties that would be conveyed back to the City of Richmond by this ordinance. The three properties consist of 25.64 acres that are currently used by the City for storage and maintenance of fleet vehicles, fuel facilities and the 800 megahertz communications facility.

Master Plan

The Master Plan designates these properties for industrial land uses, which include a wide variety of manufacturing, processing, research and development, warehousing, distribution, office-warehouse and service uses.

Zoning

The subject properties are located in the M-2 Heavy Industrial zoning district, which permits a variety of commercial and industrial uses.

Surrounding Area

A rail line runs to the southwest of the subject properties. Properties to the south are currently vacant and owned by CSX Transportation. Properties across Hopkins Road to the north are occupied by Mount Olivet Cemetery. Properties to the east and west are currently occupied by other heavy industrial uses.

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