



Report of the Task Force on the Economic Revitalization of South Richmond

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Table of Contents

Introduction..... 3

Major Task Force Recommendations 4

 1. Transportation, Port & Roadways..... 4

 2. Zoning Alternatives..... 6

 3. Economic Incentives, Taxes, Fees, Rehabilitation Districts & Various Zones 8

 4. Strategic Properties, Site-Readiness & Workforce-Readiness 10

 5. Area Beautification, Code Enforcement & Cleanups 12

Supplemental Information 14

 1. Economic Development (ED) and Housing & Community Development (HCD) 14

 2. Office of Community Wealth Building (OCWB) 14

 3. Port of Richmond (Richmond Marine Terminal) 14

 4. Fire and Emergency Services 15

 5. Planning & Development Review (PDR) 15

 6. Department of Public Works (DPW) 15

 7. Department of Public Utilities (DPU). 16

 8. Greater Richmond Transit Company (GRTC)..... 17

 9. Greater Richmond Chamber of Commerce 17

Appendix 18

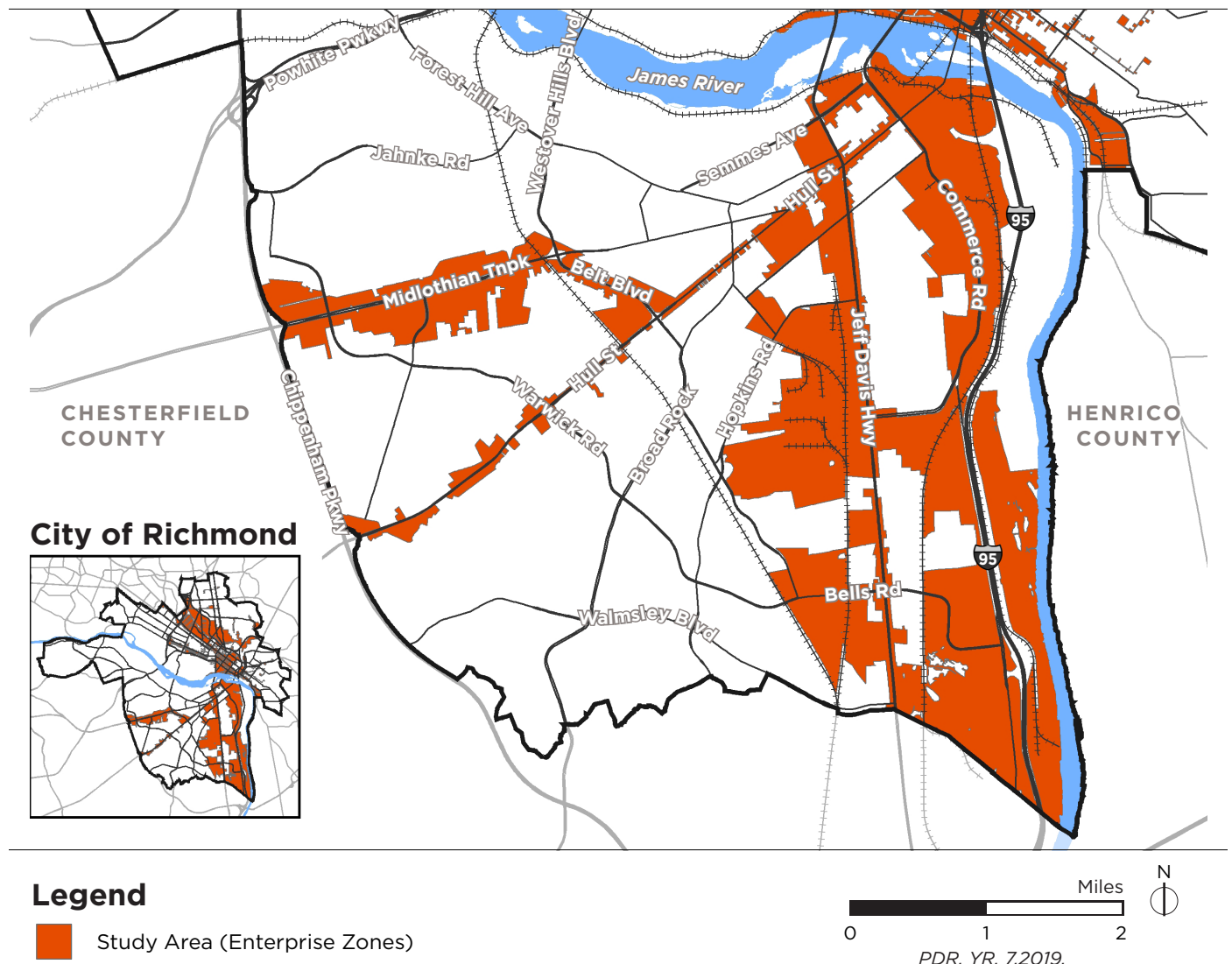
Introduction

City Council established the Task Force by Ord. No. 2014-093, adopted April 10, 2017, amended by Ord. No. [2017-137](#), and adopted on July 24, 2017.

The Task Force's goal is to provide the City with advice concerning strategies and initiatives to improve economic health and promote economic development in certain areas and along certain corridors of South Richmond. Figure 1 shows these areas in red. The Task Force hereby submits its report to the City containing the Task Force's advice and recommendations on bolstering the economic vitality of South Richmond.

// FIGURE 1. Study Area

Source: City of Richmond: Department of Planning & Development Review



Major Task Force Recommendations

1. Transportation, Port & Roadways

The Task Force recommends that the City partner with other localities in the region to advocate for increased investment in critical regional transportation needs as given below:

- a. Replacing/resurfacing** portions of Jefferson Davis Highway and Commerce Road near the Port to accommodate increased heavy truck traffic.
- b. Deepwater Terminal Road Extension**
Construct 0.7 mile Deepwater Terminal Road Extension to Goodes Street.
- c. I-95/Bells Road Interchange Improvements**
Improve access from I-95 to the industrial corridor with interchange modifications at I-95/Bells Road.
- d. Deepwater Terminal Access Improvements**
Increase vertical clearance at two I-95 underpasses connecting Commerce Road to Deepwater Terminal Road.
- e. I-95/Bellemeade Road New Interchange**
Improve access from I-95 to the industrial corridor within the Port area by constructing a new I-95 interchange near Bellemeade Road.

These items were included in a report issued by the MPO Office of Intermodal Planning and Investment.

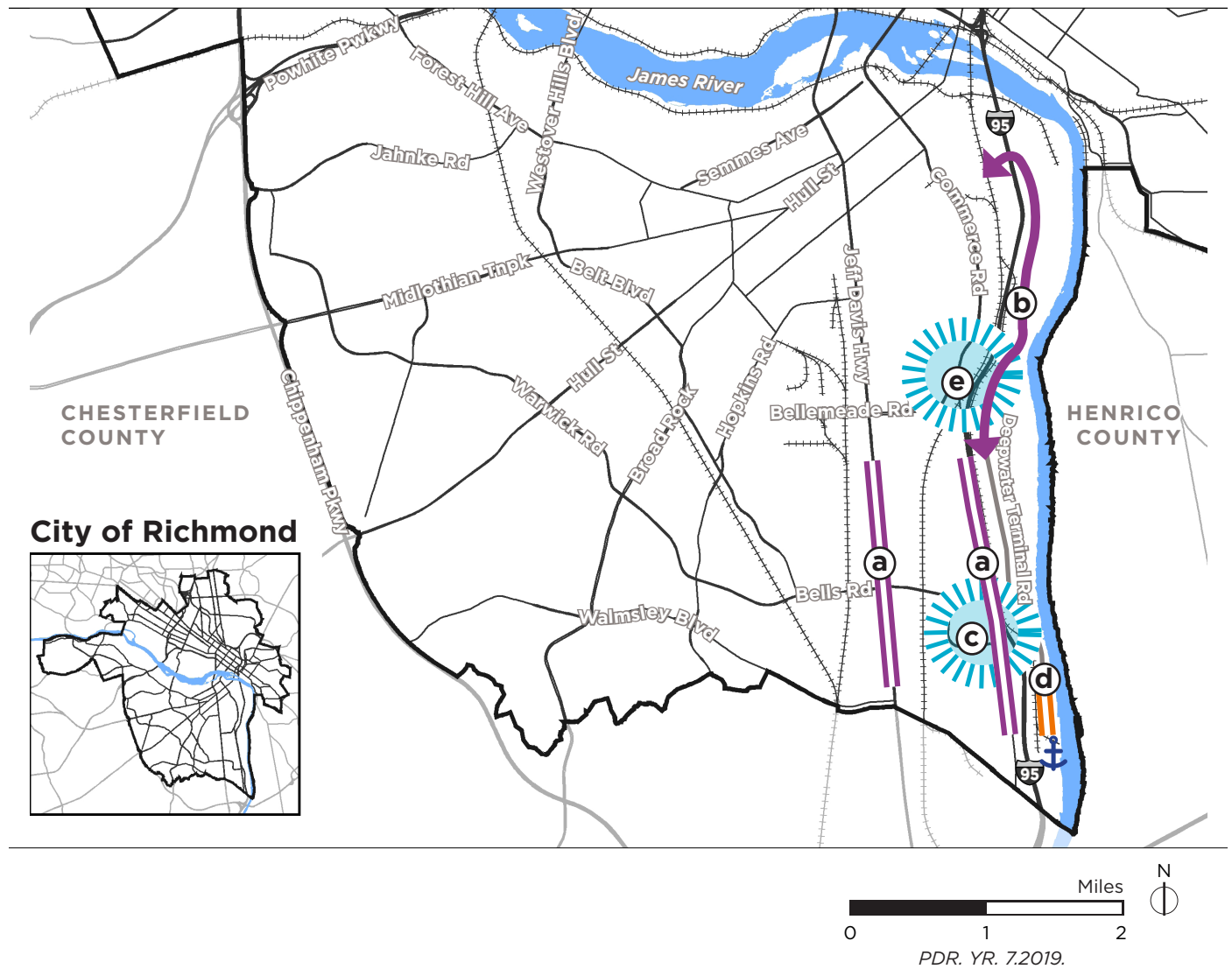
Rationale:

The Port plays an important role in the local, regional, and state economies. The Port's Terminal can handle 60,000 containers annually, has 300,105 square feet of warehouse space, a 1,570 foot long wharf, a 7,775 foot long CSX railway track with direct service to Norfolk Southern, and a draft of 21 feet.

We must enhance the transportation network around the Port to handle current capacity and to help facilitate growth potential in future capacity. The Task Force recommends that the City, in partnership with other localities in the region, work to advocate for additional State and Federal funding for the projects listed previously.

// **FIGURE 2. Recommendations on Transportation, Port & Roadways**

Source: City of Richmond: Department of Planning & Development Review



2. Zoning Alternatives

The Task Force recommends modifications to current B-3 zoning district in the study area and/or alternatives to B-3 zoning district in the study area to facilitate and maximize economic development opportunities.

B-3 zoning district in this area of the City results from post-war, auto-centered zoning when the area was a part of Chesterfield County. Hence the need to reevaluate compatibility of the current B-3 zoning district with the economic development goals of the study area.

It is important to note that the Department of Planning & Development Review created a report: “City-Wide Analysis of the B-3 Zoning District” in January 2019 in response to Richmond City Council Resolution [No. 2018-R081](#), which reads:

“To request that the Planning Commission cause to be conducted a study of all properties zoned for the B-3 General Business District in all Council Districts of the city of Richmond to determine if such properties should be rezoned to facilitate development or redevelopment of such properties”

This report provides recommendations divided into three time frameworks:

Currently Underway - Areas which have already been included in a special area plan, such as the Pulse Corridor Plan.

One to three Years - Areas which need immediate attention and should be rezoned as soon as possible.

Richmond 300 - Areas which should undergo study and be included in the Richmond 300 Master plan process.

This report was presented to the City Planning Commission at their meeting on January 22, 2019. Find the PDF of this report here:

<https://richmondva.legistar.com/Calendar.aspx>

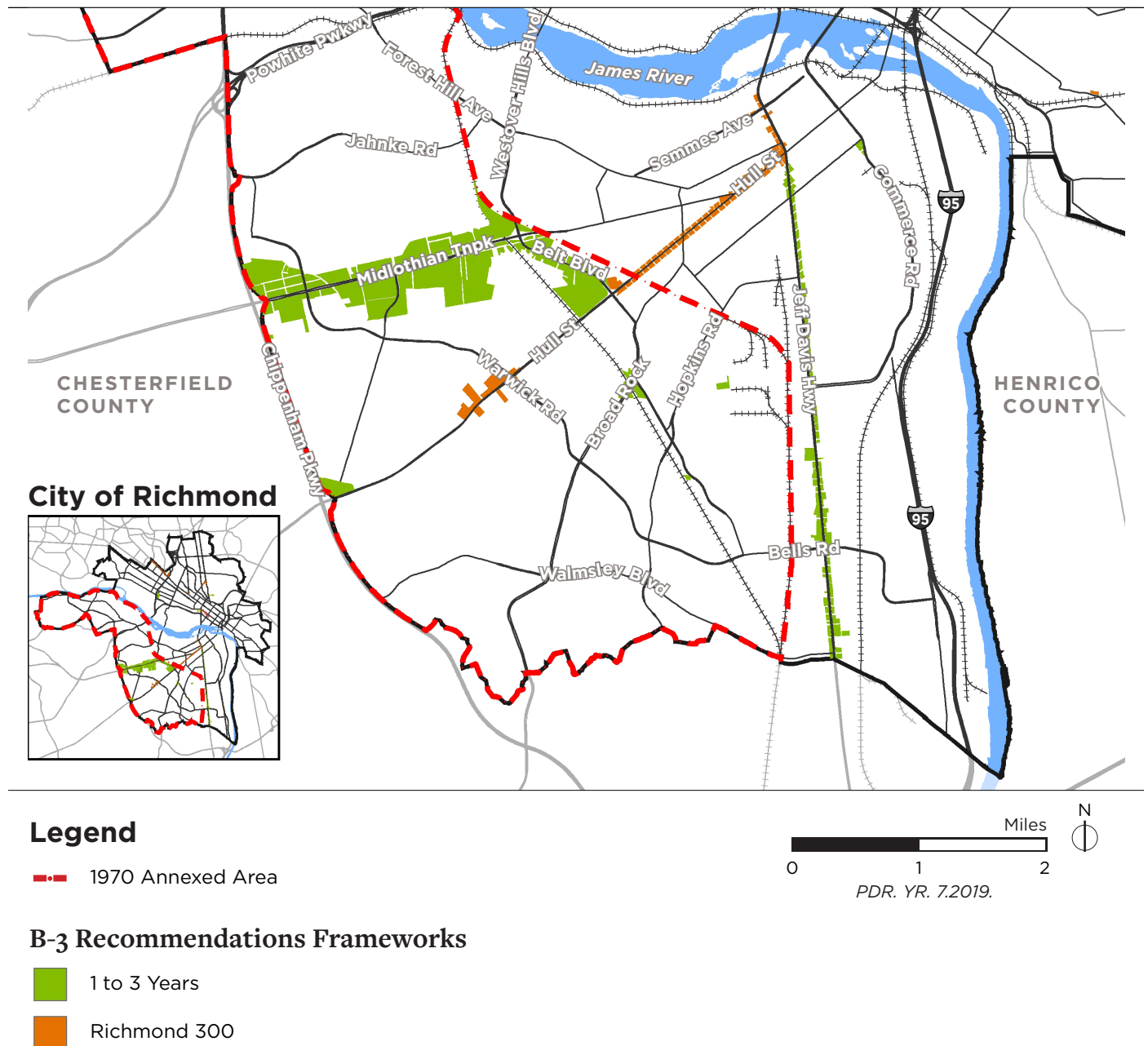
Rationale:

Currently, 80% of the City’s B-3 zoning district is located in the 8th and 9th City Council Districts, and is distributed equally (approximately 40% in each district). Although there may be justification for the utilization of B-3 Zoning district in some areas of the City, stakeholders’ input from the Task Force indicated a broad consensus that the requirements of the zoning district are outdated and do not reflect current market conditions or development patterns in the study area; and furthermore, are disincentivizing the redevelopment and revitalization of parcels in the area.

The City is currently in the process of updating its Master Plan, *Richmond 300*. This process presents a significant opportunity for the community, private sector, elected officials, City Council and the Planning Commission to review each component of the B-3 Zoning district to understand its impact on private and non-profit investment in the study area, specifically the Jefferson Davis Highway, Hull Street, and Belt/Midlothian Turnpike corridors.

// **FIGURE 3. B-3 Recommendations Frameworks**

Source: City of Richmond: Department of Planning & Development Review



3. Economic Incentives, Taxes, Fees, Rehabilitation Districts & Various Zones

The Task Force recommends the evaluation and implementation of various types of economic development and revitalization incentives currently permitted under State Code.

a. Leverage Economic Development Incentive

Zones – The Task Force recommends that the City consider implementing the economic development incentives, as enabled under Virginia Code [§58.1-3850](#). The incentives permitted under this Code Section allow for:

1. Reduction of permit fees;
2. Reduction of user fees; and
3. Reduction of any type of gross receipts tax.

Furthermore, this Code Section permits the local governing body to provide for regulatory flexibility which may include, but not be limited to:

1. Special zoning for the district;
2. Permit process reform;
3. Exemption from ordinances; and
4. Any other incentive adopted by ordinance which shall be binding upon the locality for a period of up to ten years. The implementation of the incentives allowed under this Code Section does not preclude the area from also being designated as an Enterprise Zone.

The Task Force recommends that the City implement the permit fee reductions enabled under Virginia Code [§58.1-3850](#) in the study areas along Jefferson Davis Highway, Hull Street, Belt Blvd/Midlothian Turnpike and other portions of the study area as applicable.

b. Update Redevelopment & Conservation Areas & Rehabilitation Zones

– The Task Force also recommends that the City evaluate revisions to the City's Redevelopment and Conservation Areas and Rehabilitation Districts to facilitate expanded use of the City's Partial Tax Exemption Program, which was implemented to reduce or eliminate concentrations of blight, stimulate investment and encourage new construction and improvement of real property in areas designated by the City. Under State Code [§58.1-3219.4](#), localities have broad authority to enact partial tax exemption ordinances to match local market conditions and development goals. In Virginia and across the country, these programs have proven to be effective in stimulating new residential and commercial investment.

The Task Force also recommends that the City engage the local development community about opportunities to expand the effectiveness and applicability of the program in the study area including, but not limited to, adjustment and/or modification of the current Redevelopment and Conservation Areas and Rehabilitation District boundaries.

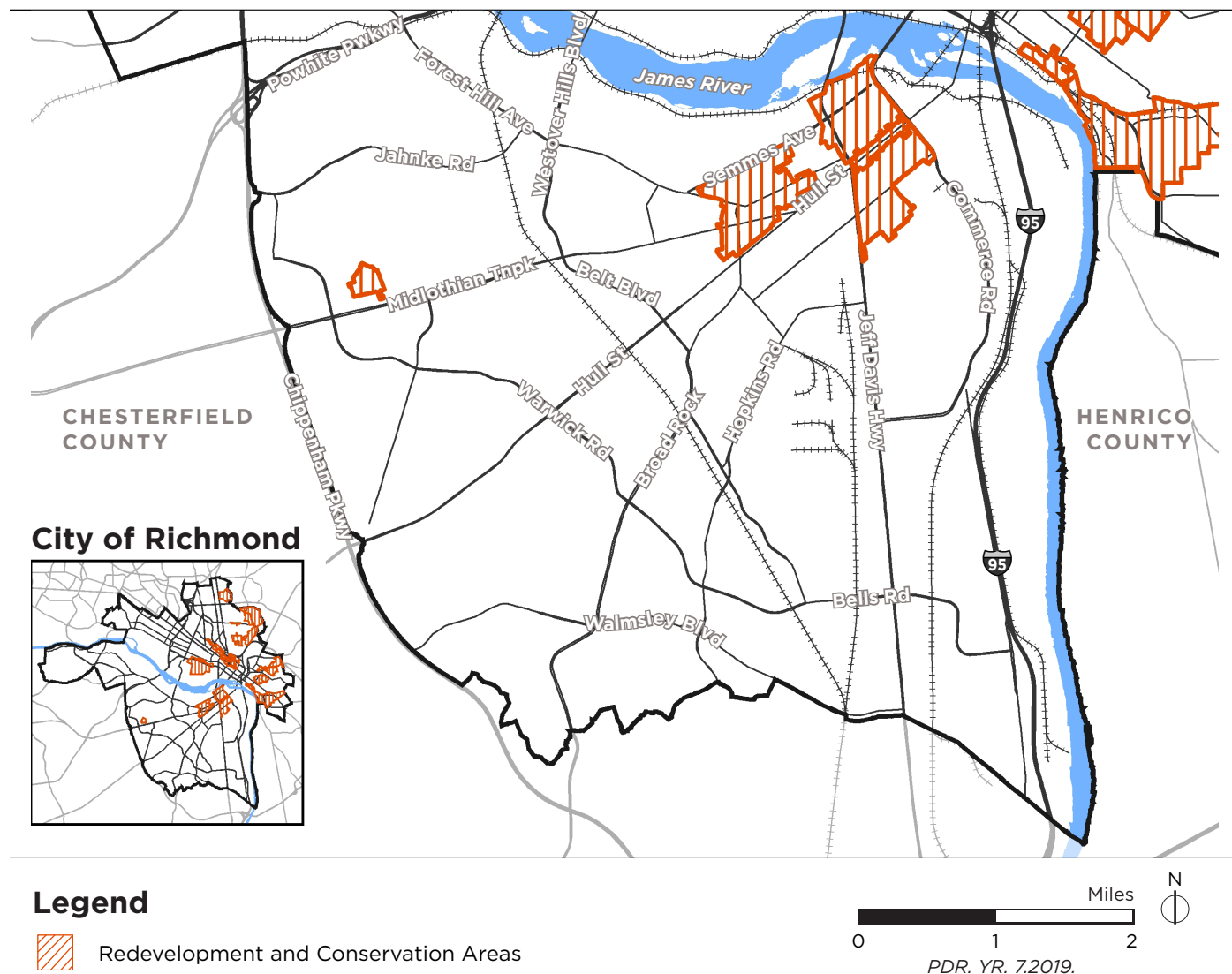
c. Other Economic Incentives

– The Task Force recommends that there be more environmental remediation grants to businesses willing to locate in the study area. Remediation grants help investors to clean up sites that have been polluted. Currently, Brownfields exist within the Enterprise Zones. However, the maximum grant is \$3,500 for a Phase I Environmental Site Assessment and a maximum of \$7,500 for a Phase II Environmental Site Assessment.

The Task Force recommends that the City consider lowering BPOL/machinery and tool taxes in the study area where Technology Zone overlays are created based on investor job creation.

// **FIGURE 4. Existing Redevelopment and Conservation Areas**

Source: City of Richmond: Department of Planning & Development Review



Furthermore; the Task Force recommends that the City, in consultation with the business community and the Economic Development Authority (“EDA”), develop policies and guidelines that govern the criteria for qualifying for tax abatements, grant programs, and performance agreements, as necessary.

d. Commissioning a Market Feasibility Study

The Task Force supports the inclusion in the Richmond 300 Master Plan of a Market Feasibility Study to help identify potential alternative land uses of the study area that could maximize economic development

potential. Armed with a Market Feasibility Study, private developers would have data to support their ideas for properties along the corridor. If private developers conduct their own study for one property, they will have difficulty getting adequate comparable for study. A good Market Feasibility Study, done at the beginning of a redevelopment plan, also provides a baseline for what can potentially succeed now. As things improve, other redevelopments will hopefully build on that momentum.

4. Strategic Properties, Site-Readiness & Workforce-Readiness

The Task Force recommends determining the amount of acres of land and locations needed for industrial uses by:

- a. Identifying strategic properties for future industrial use; and
- b. Developing a Site-Readiness Program to identify and implement public and private investments to advance the redevelopment speed and attractiveness of these strategic properties.

We list below some actions that will enable the City to compete for economic development prospects and prepare sites in advance:

1. The City should encourage landowners to complete environmental studies of these high-potential sites to identify issues, and ensure the owners remedy these issues where possible.
2. The City Economic Development Department in partnership with Department of Public Utilities should perform water and sewer capacity analyses in the vicinity of the high potential sites.
3. The City Economic Development Department should perform boundary and topographic surveys for these potential sites.
4. The City should address infrastructure and equipment deficiencies as identified in the analyses referenced above, upgrade hazmat trucks, and acquire fireboats.

Workforce-Readiness Recommendations:

- a. Conducting a poll/survey of the public on actual needs for training in the area.

- b. Creating a Training Center(s) in South Richmond.

1. Work with employers to train residents;
2. Include curricula with emphasis on soft skill training;
3. Explore a potentially unique asset of South Richmond—residential housing is actually close to employers—and how to market that as an area resource to business and new residents;
4. Streamline hiring process for trained workers; and
5. Encourage and incentivize hiring from South Richmond area residents for new employers.

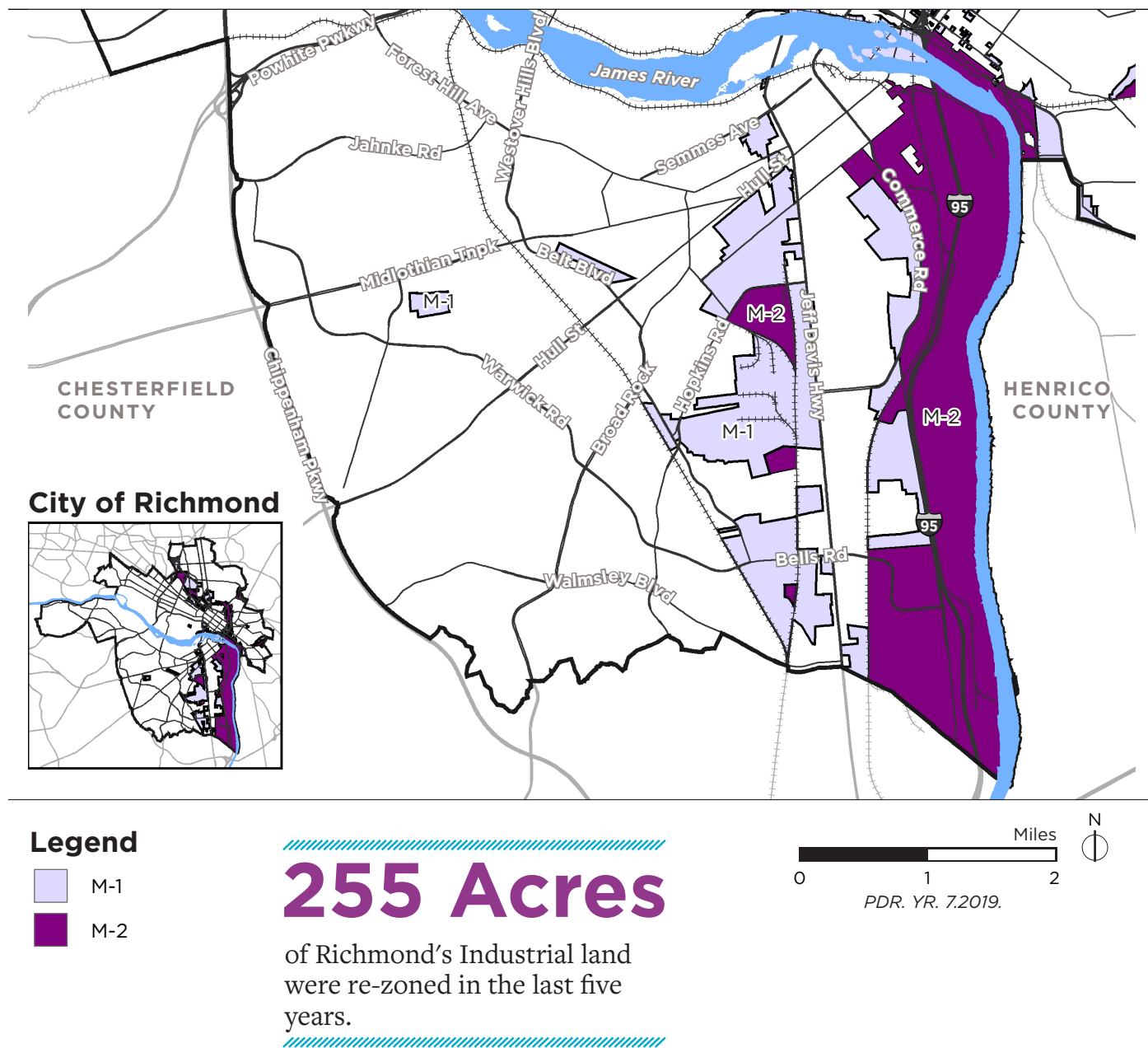
Rationale:

The City of Richmond competes with other localities, in and out of state, for industrial economic development prospects. The City must be prepared, in advance, to respond to prospects for potential industrial development. The City will have greater success in landing industrial economic development prospects if it has an inventory of available sites that have already been studied for environmental issues, traffic data, utility capacity, access to power and communications infrastructure. Additionally, the faster a site can be developed, the more likely it will be chosen by a prospect. The Task Force recommends that the City focus on large sites of at least 10 acres and leverage all available funding mechanisms for Site-Readiness.

The Task Force has been advised that the City is losing industrially-zoned property each year due to adaptive re-use development projects and new construction. As part of the Site-Readiness program, strategic industrial sites should be identified for economic development where possible.

// FIGURE 5. Existing M-1 and M-2 (Industrial)

Source: City of Richmond: Department of Planning & Development Review



// TABLE 1. City: M-1 and M-2 Comparison

Source: City of Richmond: Department of Planning & Development Review

City	August 2014 (Acres)	August 2019 (Acres)	Change 2014-2019 (Acres)
M-1	3,313	3,069	(244)
M-2	3,473	3,462	(11)
Total	6,786	6,531	(255)

// TABLE 2. South Richmond: M-1 and M-2 Comparison

Source: City of Richmond: Department of Planning & Development Review

South Richmond	August 2014 (Acres)	August 2019 (Acres)	Change 2014-2019 (Acres)
M-1	1,711	1,702	(9)
M-2	2,970	2,965	(5)
Total	4,681	4,667	(14)

5. Area Beautification, Code Enforcement & Cleanups

The Task Force recommends that the City expand efforts to beautify the study area by increasing enforcement of the property maintenance code, implementing anti-litter and beautification programs, and encouraging property owners and volunteers to maintain their properties and organize community cleanups and beautification programs.

GRTC, Code Enforcement, Planning & Development Review, and Public Works offered credible suggestions to improve the appearance of the area that included the following:

a. Cleanup and Beautification:

1. Develop a tree management plan. This plan should include removing and/or replacing unsightly City-owned trees.
2. Street sweeping.
3. Development and implementation of anti-littering and anti-dumping campaigns for the general area.
4. Place amenities such as benches, trash cans, plantings and lighting at bus shelters.
5. Add shelters, benches and trash cans at all bus stops.
6. Landscape improvements for medians and sidewalks. This includes planting shade trees and placing concrete planters.
7. Landscape improvements to surface parking lots (by updating the zoning ordinance to include green buffers between sidewalks and surface parkings).

b. Roadways:

1. Alley maintenance.
2. Vision Zero and safety enhancements implementation, e.g., sidewalk, crosswalks, pathway, etc.
3. Implement safety treatments by including shade trees, public art, screened parking, street furniture, pedestrian level-lighting and other elements in the public right of way to ensure safety and comfort.
4. Paving repair.
5. Sidewalk and curb cuts repair.
6. Repair edging on curbs.

c. Services:

1. Provide recycling services where necessary.
2. Provide bulk and brush removal.

We wish to note that there are ongoing City and volunteer-initiated efforts to improve the appearance and cleanliness of the City, including Beautiful RVA, Urban Forestry, the Clean City Commission, and others. The Task Force recommends that the City evaluate opportunities to expand and strengthen partnerships with these organizations.

// FIGURE 6. Existing Conditions Throughout Study Area
Source: City of Richmond: Department of Planning & Development Review



Supplemental Information

The Task Force conducted numerous interviews with various City officials and community leaders to identify potential strategies to stimulate equitable economic and community development activity in the study area. The following sections have been included in this report as an executive summary of those discussions:

1. Economic Development (ED) and Housing & Community Development (HCD)

These Departments work to promote and stimulate economic growth and development in the City. It supports business development and economic growth with incentive and marketing programs. They also promote housing and neighborhood redevelopment through:

- a. Tax Abatements:
 1. Allowing tax abatements in Economic Empowerment Zones after development/redevelopment;
 2. Creating additional rehabilitation tax abatement programs for affordable housing development; and
 3. Allowing tax abatements for site preparation to attract manufacturing & warehousing.
- b. Ensuring that Enterprise Zones and other economic development zone incentives are visible and accessible on the City of Richmond's website and other related regional and state economic development publications.

Additional recommendations:

- a. Conducting a study to determine what portions of the study area could be included in the above-mentioned economic development zones enabled by State Code. Expanding the conservation zones/areas.

- b. Re-establishing the Neighborhoods-In-Bloom program and target the study area.
- c. Examining the need to revise benefits of enterprise zones;
- d. Examining/studying revising incentives in manufacturing zones.

2. Office of Community Wealth Building (OCWB)

This Department's mission is to connect human services and training for persons hoping to climb out of poverty with businesses and institutions committed to providing economic opportunity.

The Task Force's recommendations resulting from the discussion with this department are included on page 10 under recommendation number 4.

3. Port of Richmond (Richmond Marine Terminal)

Richmond Marine Terminal is located on the west bank of the James River. It was formerly named The Port of Richmond. The port is on a long-term lease to the Virginia Port Authority.

Richmond Marine Terminal has 300,105 square feet of warehouse space. The facility has a 1,570-foot long wharf available for berthing and handles containers, temperature-controlled containers, break-bulk, bulk, and neo-bulk cargo. The port is a designated port of entry by US Customs.

There is a barge service that carries containers from the Hampton Roads Port, which provides a maritime alternative to highway traffic on I-64.

Additional recommendations:

- a. Target work force development at the Port and Port area warehouses:
 1. Develop program to train and hire area residents.
 2. Have community College involvement in work force development to meet employer labor needs so residents can benefit from improved job prospects.
- b. Signage to accomplish two things simultaneously:
 1. Create a sense of place in and around the Port.
 2. Improved signage at the Port facility itself.
- c. Explore/Initiate the creation of a Port Area Business Association.
- d. Study Bus/GRTC service to the Port area to support transportation needs for labor/employees.
- e. Improve ingress & egress to the Port.
- f. Explore the creation of a small business program with ED dedicated to supporting the development, growth and retention of small businesses in close proximity to the Port.

4. Fire and Emergency Services

This Department is responsible for public safety, hazmat recovery, fire prevention, fire and medical emergency responses.

Additional recommendations:

- a. Create and implement a heavy equipment acquisition strategy that includes key reasons for acquiring heavy equipment for Port area such as fireboat and hazmat truck.

5. Planning & Development Review (PDR)

This Department is responsible for land use administration, current and long-range planning, building permits and inspections, code enforcement, and zoning compliance. It also provides professional staff for the Planning Commission, Commission of Architectural Review (CAR), Public Art Commission (PAC), and the Community Assisted Public Safety Programs (CAPS).

Additional recommendations:

- a. Timely adoption of the Richmond 300 Master Plan to provide updated land use framework to support economic revitalization of the study area while providing services to residents, businesses and visitors.

6. Department of Public Works (DPW)

This Department is responsible for road maintenance and infrastructure, traffic engineering, general services, refuse collection, and many capital projects.

Additional recommendations:

- a. Resurface Jefferson Davis Highway and Commerce Road.

7. Department of Public Utilities (DPU)

This Department provides reliable and safe water, wastewater, stormwater, gas, and electric street lighting utilities to its customers. The Water Utility provides water for the City of Richmond, Henrico, Chesterfield, Hanover, and in part in Goochland and Powhatan. The Wastewater Utility treats used water for approximately 68,000 customers. The Gas Utility has some 114,000 customers in the City, Henrico, Chesterfield, and Hanover Counties. The Stormwater Utility attempts to manage stormwater run-off, in compliance with State and Federal regulations. This is accomplished with an extensive network of ditches, pipes, and catch basins. The electric Street Lighting Utility operates and maintains some 37,000 street lights in an effort to make streets and sidewalks safer.

Additional recommendations:

DPU recommends that the following be considered for further economic redevelopment of South Richmond:

- a. Stormwater flooding – DPU encourages further implementation of green infrastructure to prevent flooding by encouraging development with bioretention, permeable pavers, etc
- b. DPU recommends installing a CNG Fueling Station along Jefferson Davis, Commerce Road, or Deepwater Terminal for businesses that use CNG fleet vehicles;
- c. DPU recommends that parcel development along Jefferson Davis and Commerce Road include fuel cell stations that use City gas services to generate electricity;
- d. DPU recommends parcel development to facilitate industrial customers along Jefferson Davis Highway and Commerce Road using combined heat and power technology using natural gas;

- e. DPU recommends that areas along Belt/Midlothian Turnpike and Hull Street be targeted for small business growth by focusing on the use of natural gas fired heat pumps, which may help reduce their operating costs.

DPU notes that it provides the following incentive programs to encourage the use of natural gas:

- a. Natural gas equipment incentive rebate program: This program is applicable only to current gas customers and provides a one-time credit to an existing gas customer's bill when they install a high efficiency natural gas appliance;
- b. Gas Air Conditioning Incentive Program: Provides a one-time incentive of up to \$250,000 for installation of natural gas air conditioning equipment;
- c. Multi-Family Residential Facilities Incentive Program: Provides a one-time payment of up to \$250,000 for installation of natural gas equipment in a multi-family residential housing building with 20, or more, dwelling units.

8. Greater Richmond Transit Company (GRTC)

GRTC traces its origins to the days of streetcar public transport in Richmond. The company is owned jointly by the City and Chesterfield County and operates in Richmond, Henrico, and occasionally, on limited routes in Chesterfield.

Public transport can be critical to improving the economic vitality of the study area. But the riding public must feel both safe and comfortable when using the bus service. GRTC staff informed the Task Force of the following infrastructure and beautification improvements needed to help deliver usable public transport for residents and businesses.

Additional recommendations:

- a. Beautification needs:
 - 1. Beautification at bus stops and bus passenger shelters.
 - 1.1 Provide greening and shade by installing plants and shrubbery at bus passenger shelters.
 - 1.2 Integrate public art.

9. Greater Richmond Chamber of Commerce

The Chamber of Commerce advocates for public policies that may help improve the business climate in the greater Richmond area while encouraging economic growth. The policy areas of concern can vary greatly, from taxation and business regulations to workforce training.

Additional recommendations:

- a. Improving access to Port.
- b. Positioning City government staff to take advantage of designation of opportunity zones by the Governor allowed under the President's 2017 tax cuts as federal and/or state regulations are developed.
- c. Developing a tech zone overlay with incentives and abatements.

Appendix

Demographic Data

8th and 9th Council Districts

Source: Census Bureau, ACS 2013-2017 5-Year Estimates

Total Population: 52,375

- Male: 24,933
- Female: 27,442
- Under 18: 13,706
- 65 & over: 5,383

Race

- White: 14,042
- Black or African American: 34,173
- American Indian and Alaska Native: 687
- Asian: 160
- Native Hawaiian and Other Pacific Islander: 24
- Other: 903
- Two or more races: 2,386

Educational Attainment

- Total Population 25 Years and over: 33,881
- No High School Diploma: 9,523 (28%)
- High School Graduate: 12,099 (36%)
- Some college, no degree: 6,419 (19%)
- Associate's degree: 2,112 (6%)
- Bachelor's degree or higher: 3,728 (11%)

Median Household Income: \$33,750

Individuals in Poverty: 15,536 of 51,876 for whom poverty is determined (29.9%)

Average household size: 2.99

Households with Limited English Proficiency: 1,193 of 17,315 total households (6.9%)

Tenure

- Total occupied housing units: 17,315
- Owner-occupied: 7,190 (42%)
- Renter-occupied: 10,125 (58%)

Demographic Data

City Wide

Source: Census Bureau, ACS 2013-2017 5-Year Estimates

Population: 220,892

- Male: 104,853
- Female: 116,039
- Under 18: 39,786
- 65 & over: 26,622

Race

- White: 98,724
- Black or African American: 106,417
- American Indian and Alaska Native: 907
- Asian: 4,601
- Native Hawaiian and Other Pacific Islander: 50
- Some other race: 2,428
- Two or more races: 7,765

Educational Attainment

- Total Population 25 Years and over: 151,030
- No High School Diploma: 23,354 (15%)
- High School Graduate: 34,719 (23%)
- Some college, no degree: 28,347 (19%)
- Associate's degree: 8,033 (5%)
- Bachelor's degree or higher: 56,577 (37%)

Median Household Income: \$42,356

Individuals in Poverty: 52,942 of 210,151 for whom poverty is determined (25.2%)

Average household size: 2.35

Households with Limited English Proficiency: 1,898 of 89,238 total households (2.1%)

Tenure

- Total occupied housing units: 89,238
- Owner-occupied: 37,190 (42%)
- Renter-occupied: 52,048 (58%)

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Submitted by Members of the Task Force:

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Ivan Suen
Reva Trammell

Bruce W. Tyler, Chair



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