



## CITY OF RICHMOND

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

**Ord. No. 2014-185:** To declare a public necessity for and to authorize the acquisition of the parcel of real property owned by the Richmond Redevelopment and Housing Authority and known as 101 East Franklin Street for the purpose of a public library.

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**To:** City Planning Commission  
**From:** Land Use Administration  
**Date:** October 6, 2014

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#### **PETITIONER**

City of Richmond

#### **LOCATION**

101 East Franklin Street

#### **PURPOSE**

Property acquisition of 101 East Franklin Street from Richmond Redevelopment and Housing Authority to serve as a public library

#### **SUMMARY & RECOMMENDATION**

In the early 1990's, Crestar Bank (now SunTrust) made known its plans to build a new facility to house its rapidly growing Mortgage business and its longer range plans to do a significant expansion to its existing operations center in Henrico County. To retain this business in the City of Richmond, the City negotiated a series of economic development cash incentives, and with the City's financial support the bank ultimately built two significant buildings on Semmes Avenue, which became a catalyst for further economic development in the Manchester area. To facilitate its contributions to the project, the City had RRHA issue several series' of bonds secured by a moral obligation of the City, as well as providing the lenders liens on several City owned properties.

In December 1994, under Phase I of the Old Manchester Cooperation Agreement between the City and the RRHA, \$7,750,000 of Project Revenue Bonds – Series 1994 Old Manchester Project were issue by RRHA for the purpose of financing a portion of the costs of acquiring and constructing what is today SunTrust Mortgage Corporation's headquarters at 901 Semmes Avenue. The building was completed in October 1995 and subsequent bond documents indicate that the total cost of the project was \$17,430,000, with RRHA's contribution having been \$6,566,200 (38%) and Crestar's contribution having been \$10,863,800 (62%) of the cash put toward the project.

On June 18, 1995, under the Old Manchester Redevelopment Area Phase II Agreement, the City, RRHA and Crestar Bank (SunTrust) agreed to terms of what would become the second much larger 400,000+ sq ft bank office building on the adjacent site at 1001 Semmes Ave. RRHA issued revenue bonds to be paid by the City and made contributions to the project in amounts of approximately \$20.6 million to fund its share of Phase II construction.

To facilitate these RRHA Old Manchester Project bond issues in the mid 1990's, the City transferred the property titles of the Richmond Coliseum and the Main Branch Library to RRHA, which in turn pledged these properties to secure the bonds being issued. On September 1, 2012 the City repaid in full all RRHA debt associated with the Old Manchester Projects. City Administration is now seeking to have title to the Coliseum and the Main Branch Library properties transferred from RRHA back to the City. Therefore, the City Administration recommends approval of the acquisition.

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## **FINDINGS OF FACT**

### **Site Description**

The subject property is approximately 1.74 acres located in the block bound North 2<sup>nd</sup> Street, East Franklin Street, North 1<sup>st</sup> Street and East Main Street. The site is currently occupied by the Main Library for the City of Richmond and an open space fronting on East Main Street.

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

To authorize the Chief Administrative Officer on behalf of the City of Richmond, to acquire approximately 1.74 acres of property and improvements from the Richmond Redevelopment and Housing Authority (RRHA) located at 101 E. Franklin Street (Tax Parcel # W0000062001), known as the Main Library, to continue to serve as a public library.

Title to the Main City Library was transferred to the RRHA in the early 1990's and was pledged as security to support the financing by RRHA of the Old Manchester Project, a City sponsored economic development project. All debt associated with this project has now been repaid and the asset can now be transferred back from the RRHA into the City's name.

### **Master Plan**

The subject property is designated as part of the Civic Area by the Downtown Plan. The Civic Area refers to both buildings and open spaces. Civic buildings are public sites dedicated for publicly used buildings dedicated to culture, government, and public gatherings.

### **Zoning**

The subject property is located in the B-4 Central Business zoning district, which permits the current use of the building as a public library. The B-4 district does not require any off-street parking for commercial or office uses.

### **Surrounding Area**

The property to the east across North 2<sup>nd</sup> Street is occupied by a public office building serving the City's Department of Fire and Emergency Services. To the north, across East Franklin Street is the historic Linden Row Inn, residences and office uses. Commercial and

residential uses occupy the buildings to the south across East Main Street as well as to the west, across North 1<sup>st</sup> Street.

**Neighborhood Participation**

Staff has received no letters of opposition or support from the public.

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