



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

Ord. No. 2016-270: To declare surplus and to direct the sale of City-owned real estate located at 101 North 6th Street, 603, 609, 611, 615 and 619 East Grace Street, 612 East Franklin Street, and 112, 114 and 116 North 7th Street, for \$3,950,000 to City Center Development, LLC, for the purpose of the construction of a mixed-use development including commercial and residential space.

To: City Planning Commission
From: Land Use Administration
Date: December 5, 2016

PETITIONER

City of Richmond, Planning & Economic Development

LOCATION

101 North 6th Street
603, 609, 611, 615 and 619 East Grace Street
612 East Franklin Street
112, 114 and 116 North 7th Street

PURPOSE

To declare surplus and to direct the sale of City-owned real estate located at 101 North 6th Street, 603, 609, 611, 615 and 619 East Grace Street, 612 East Franklin Street, and 112, 114 and 116 North 7th Street, for \$3,950,000 to City Center Development, LLC, for the purpose of the construction of a mixed-use development including commercial and residential space.

SUMMARY & RECOMMENDATION

The City conveyed the Property to the Broad Street Community Development Authority (the "CDA") in 2003 for the purpose of the CDA completing certain improvements contingent on the availability of funds for such purpose. The CDA funded, through the issuance of bonds, and completed some of the improvements to the Property, including the surface parking lot at 6th and E. Grace Streets and repairs to the parking deck at 6th and E. Franklin Streets.

The City reacquired the Property from the CDA in 2010 but has no available or appropriated funds in its Capital Improvement Program, or otherwise, for additional improvements to the property. The property currently serves as a surface parking lot and a parking deck, though the deck cannot be fully utilized for parking due to its out-of-date configuration. In addition, the site is an underdeveloped site in a part of the City's core downtown, an area that is currently undergoing significant revitalization.

With the purchase of the property, CCD will commit to developing a mixed-use development that would include a minimum of 800 parking spaces (600 available to the public), a minimum of 28,000 square feet of ground level retail space and a minimum of 372,000 square feet of

residential/commercial space. The development will require a minimum assessment of \$86,000,000.

The agreement will provide the City with \$3,950,000 from the purchase of the property for funding towards other capital improvement properties; will provide new, ongoing tax revenue to the city including new real estate, business personal property and BPOL taxes; will provide approximately 600 new parking spaces available to the public in an area of the City in need of additional parking; and, will provide for the redevelopment of a property that currently is occupied largely by a surface parking lot in the core of downtown.

The City Administration recommends approval of the ordinance.

FINDINGS OF FACT

Site Description

The subject property consists of four parcels of City-owned land that encompass the majority of the block bound by East Grace Street, North 7th Street, East Franklin Street, and North 6th Street, in the City Center neighborhood.

The property is improved with a public surface parking lot fronting North 6th, East Grace, and North 7th Streets, and a parking garage fronting East Franklin and North 6th Streets.

Proposed Use of the Property

The City's intent is to convey the property to City Center Development, LLC for a mixed-use development that would include a minimum of 800 parking spaces (600 available to the public), a minimum of 28,000 square feet of ground level retail space and a minimum of 372,000 square feet of residential/commercial space.

Master Plan

The Richmond Downtown Plan designates the subject property as part of the Urban Core Area within the City Center District. This area is characterized by high density, an intense mix of uses, and civic buildings of regional significance, distributed along urban blocks with wide sidewalks, regular street tree plantings, and buildings that front the street. City Center is an example of the urban core condition in Downtown Richmond, with tall buildings that contain a range of office, residential and retail space. Continued pedestrian-oriented development will support a vibrant street realm in City Center (p. 3.27).

Specifically for the subject property, the Downtown Plan recommends the existing surface parking area be replaced with a parking garage to provide needed parking, lined with habitable spaces to create a pedestrian-friendly street frontage (p. 4.20).

Zoning & Ordinance Conditions

The subject property is located within the B-4 Central Business District and would be subject to the B-4 zoning regulations.

A proposed Purchase & Sale & Development Agreement would impose additional conditions, including the following conditions for phased development:

(a) Phase I of the Development shall include the following:

(i) Demolition of the Current Parking Deck.

(ii) A minimum of 800 parking spaces (the "Parking Spaces") at or above grade in a newly constructed parking deck (the "Required Parking Deck").

No such parking spaces shall be located on a surface lot. A minimum of 600 of such parking spaces shall be and remain open to public use (the "Public Parking Spaces") daily from 6 a.m. to 12 p.m. and any such additional hours determined by the Purchaser subject to reasonable maintenance requirements.

The Public Parking Spaces shall be available for hourly, daily, and monthly rental or use by the general public for no greater than the market rate in the surrounding area; provided, however, that no less than 200 Public Parking Spaces shall be available at all times for hourly or daily rental or use.

The Required Parking Deck shall front any streets to which it is adjacent and those portions of the ground floor of the Required Parking Deck directly along the street frontage ("Parking Deck Ground Level Street Frontage") shall not be used for parking or related circulation of vehicles but, rather, shall be devoted to other permitted retail and commercial uses in the applicable zoning district, as set forth in Chapter 30 of the Code of the City of Richmond (2015) ("City Code"), which uses shall have a depth of not less than 20 feet along the street frontage.

Notwithstanding the foregoing, a portion or portions of the Parking Deck Ground Level Street Frontage may be used as a means of pedestrian or vehicular access in such locations approved by the Director of Planning and Development Review for the City of Richmond.

(iii) A minimum of 28,000 square feet designated for ground level retail and commercial use within the frontage of Grace and 6th Streets adjacent to the Property and in the Parking Deck Ground Level Street Frontage.

(b) The Remaining Development shall include a minimum of 372,000 square feet designated for residential or commercial use (or a combination thereof) in addition to any area used to satisfy the Phase I Requirements.

Surrounding Area

All surrounding properties are located in the same B-4 District as the subject properties. A mix of commercial, mixed-use, industrial, government, office, vacant, institutional, and multifamily residential land uses are present in the area.

Staff Contact: Lee Downey, DCAO Planning & Economic Development (804) 646-7646