

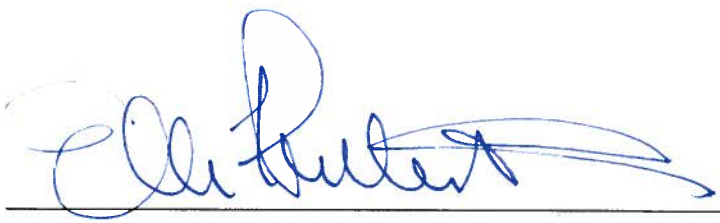
**City Of Richmond, Virginia
Office of the City Clerk**

Request to Withdraw Legislation

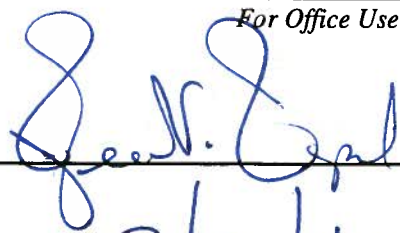
Paper Number: Ord. No. 2015-232

Chief Patron: Ellen Robertson

Introduction Date: November 9, 2015

Chief Patron Signature: 

For Office Use Only

Attestation: 

Effective Date: 3/24/16

INTRODUCED: November 9, 2015

AN ORDINANCE No. 2015-232

To amend and reordain City Code § 2-302, concerning the functions of the Department of Economic and Community Development, and to amend ch. 2 of the City Code by adding therein a new art. VIII, concerning the City’s development process, consisting of div. 1 (§§ 2-1401—2-1402), concerning general matters, div. 2 (§§ 2-1411—2-1415), concerning the planning process, div. 3 (§§ 2-1421—2-1426), concerning redevelopment and development projects, and div. 4 (§§ 2-1431—2-1435), concerning economic development projects, for the purpose of establishing a framework for planning, development, review, and approval of projects that involve contributions by the City.

Patron – Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 14 2015 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 2-302 of the Code of the City of Richmond (2004) be and is hereby **amended** and reordained as follows:

Sec. 2-302. Functions.

The department of economic and community development shall be responsible for the following:

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

(1) Developing and staffing an overall economic and community development strategy for the city;

(2) Promoting business development and expansion;

(3) Providing technical assistance to emerging businesses;

(4) Identifying investment opportunities;

(5) Administering special assistance loan and CARE programs;

(6) Staffing the economic development authority;

(7) Administering contracts relative to economic and community development initiatives;

(8) Serving as a regranting agency;

(9) Marketing the city relative to new business ventures;

(10) Supervising and coordinating the work and activities relating to the acquisition and disposal of certain real estate by and for the city as may be required by the chief administrative officer;

(11) Coordinating of all city agencies toward the attainment of orderly community development;

(12) Encouraging and promoting economic development within the city through cooperation with other governmental and private economic development organizations;

(13) Administering community development finance programs, including but not limited to programs under Title I (Community Development) of the United States Housing and Community Development Act of 1974, as amended, or any other federal legislation or program under which the City may receive and use or administer the use of federal funds for housing, community development or economic development purposes;

(14) The coordination of workforce development issues and administration of workforce development programs; ~~and~~

(15) Developing an economic development master plan, consistent with the City's master plan and subject to approval by resolution of the City Council, that identifies specific areas within the city of Richmond targeted for development by the City, identifies targeted industry clusters, sets forth project review criteria, and develops a marketing plan for attracting new development to the City, including strategic growth areas as defined in section 2-1401.13, giving highest priority to those areas and industry clusters identified within the plan; and

~~[(15)]~~ (16) Such other powers and duties as may be assigned to the department by law or ordinance.

§ 2. That Chapter 2 of the Code of the City of Richmond (2004) be and is hereby amended and reordained by **adding therein a new** Article VIII, consisting of Division 1 with sections numbered 2-1401 through 2-1402, Division 2 with sections numbered 2-1411 through 2-1415, Division 3 with sections numbered 2-1421 through 2-1426, and Division 4 with sections numbered 2-1431 through 2-1435, as follows:

ARTICLE VIII

DEVELOPMENT PROCESS

DIVISION 1

GENERALLY

Sec. 2-1401. Definitions.

The words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this division, except where the context clearly indicates a different meaning.

Sec. 2-1401.1. Business.

“Business” means any person or other legal entity except for a governmental entity that benefits from, develops, or participates in an economic development project or a redevelopment and development project.

Sec. 2-1401.2. Business day.

“Business day” means a day on which City offices are open for business.

Sec. 2-1401.3. City expenditure.

“City expenditure” means a disbursement of City funds, a granting of an interest in or other right to use City-owned property, or the provision of any other City asset or in-kind service with monetary value.

Sec. 2-1401.4. Confidential.

“Confidential,” when referring to information or a record, means that the information or record satisfies all legal requirements for withholding from public disclosure or discussion in a closed meeting pursuant to the Virginia Freedom of Information Act, tit. 2.2, ch. 37 (§§ 2.2-3700 et seq.).

Sec. 2-1401.5. Economic development project.

“Economic development project” means a project to attract, retain, or expand a business, or a group of affiliated businesses, within the boundaries of the city of Richmond for the purpose of job creation, job enhancement, or job retention that involves a significant contribution from the City.

Sec. 2-1401.6. Formal proposal.

“Formal proposal” means a proposal from a business or businesses that meets all requirements of section 2-1422 or section 2-1432, as applicable, of this Code.

Sec. 2-1401.7. Master plan.

“Master plan” means the most current Master Plan for the City of Richmond adopted pursuant to and in accordance with chapter 17 of the City Charter and applicable state law, as that document may be amended from time to time.

Sec. 2-1401.8. Minor variation.

“Minor variation,” when used to describe the variation from existing zoning regulations applicable to an economic development project or a redevelopment and development project that would be necessary to pursue that project, means a variation from such existing zoning regulations that would not require the adoption of an ordinance to modify the existing zoning regulations to accommodate that project.

Sec. 2-1401.9. Redevelopment and development project.

“Redevelopment and development project” means a project that results in the development or redevelopment of a specific geographic area within the boundaries of the city of Richmond that involves a significant contribution from the City and is not an economic development project.

Sec. 2-1401.10. Return on investment.

“Return on investment” means the percentage calculated by dividing the amount of money received by the City that is directly attributable to an economic development project or a redevelopment and development project by the total of all City expenditures made for that economic development project or redevelopment and development project.

Sec. 2-1401.11. Significant contribution.

“Significant contribution,” whether for an economic development project or a redevelopment and development project, means the criteria set out in the definition of the term “economic development project” found in section 2-305.

Sec. 2-1401.12. Small area plan.

“Small area plan” means a plan that is a subordinate component of the master plan and that contains all of the elements of the master plan set forth in section 17.01 of the City Charter for a particular strategic growth area.

Sec. 2-1401.13. Strategic growth area.

“Strategic growth area” means a specific geographic area within the boundaries of the city of Richmond that is designated by adoption of a small area plan for development or redevelopment with the assistance of the City.

Sec. 2-1402. Notices and reports.

For purposes of this article, any notice, report, or other document required to be submitted to the City Council, whether through the City Clerk or otherwise, shall be submitted in an electronic format in which the text may be manipulated using word processing computer programs commonly used by City officers and employees at the time of submission. Nothing in this section shall prevent the provision of public copies in an electronic format such as the Portable Data File format that cannot be manipulated by a person viewing the file.

DIVISION 2

PLANNING

Sec. 2-1411. Process generally.

The Department of Planning and Development Review shall ensure that the master plan includes a small area plan for each strategic growth area.

Sec. 2-1412. Criteria for designation of strategic growth areas.

The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative

Officer may designate, shall develop criteria for the designation of a geographic area as a strategic growth area and shall furnish the City Council with a written report setting forth the recommended criteria and the basis therefor. Only criteria adopted by the City Council by resolution may be used as the basis for the designation of a strategic growth area.

Sec. 2-1413. Identification of strategic growth areas.

Based on the criteria adopted pursuant to section 2-1412 of this Code, the Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall identify proposed strategic growth areas for inclusion in the master plan and develop a proposed small area plan for each proposed strategic growth area. A strategic growth area will be included in the master plan only upon adoption of a small area plan by the City Council by ordinance.

Sec. 2-1414. Community engagement.

If a proposal for an economic development project or a redevelopment and development project is received for an area that is identified as a strategic growth area for which no small area plan has been adopted within the preceding five years, and the project does not conform to the existing zoning regulations applicable to the project, the process described in this section must be completed as part of the comprehensive review required by section 2-1424 or section 2-1434, as applicable. The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall do the following:

(1) Develop a proposed small area plan for the strategic growth area in the master plan within 80 business days after the City receives the proposal for an economic development project or a redevelopment and development project.

(2) Develop a comprehensive statement of potential uses for the parcels of real estate that are the subject of the proposal for an economic development project or a redevelopment and development project and identify the potential economic impacts that could arise from those potential uses.

(3) Conduct one or more community meetings to receive public input on desired uses for the parcels of real estate that are the subject of the proposal for an economic development project or a redevelopment and development project.

(4) Furnish the City Council with a written proposed small area plan that reflects the findings of the community meetings and the recommendations of the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, within 80 business days after the City receives the proposal for an economic development project or a redevelopment and development project.

DIVISION 3

REDEVELOPMENT AND DEVELOPMENT PROJECTS

Sec. 2-1421. Criteria for evaluation of project.

The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall develop criteria for the evaluation of redevelopment and development projects for the making of a significant contribution by the City. The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall review such criteria annually. No criteria shall be used for the evaluation of a redevelopment

and development project until the City Council has adopted those criteria by resolution. Each resolution that the City Council adopts pursuant to this section shall expire after one year, and the criteria adopted pursuant thereto shall not be used thereafter. All such criteria shall address, at a minimum, (i) the minimum return on investment to the City over a time period of 36 months and (ii) the minimum ratio of City expenditures to investment by the developer or developers of the redevelopment and development project.

Sec. 2-1422. Requirements for formal proposal for project.

Any solicitation by the City or formal proposal from an entity other than the City for a redevelopment and development project must include all of the following:

- (1) A statement of the intent of the redevelopment and development project.
- (2) A description of the scope of the redevelopment and development project.
- (3) An explanation of the redevelopment and development project's conformity with or deviation from any applicable small area plan, including a site plan, if applicable.
- (4) Such other information as may be required for the review and evaluation of the redevelopment and development project.

Sec. 2-1423. Preliminary review.

(a) The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall conduct a preliminary review in accordance with the requirements of this section of each formal proposal received by the City for a redevelopment and development project.

(b) The purpose of the preliminary review is to determine whether the proposed redevelopment and development project (i) is in the economic interest of the City, (ii) complies

with the zoning regulations applicable to the project, (iii) conforms to the City's master plan, including any applicable small area plan, and (iv) conforms to the City's economic development master plan established pursuant to section 2-302 of this Code. If the proposed redevelopment and development project does not meet these conditions or if the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, do not agree that a substantial justification exists for any deviations of the proposed redevelopment and development project from the small area plan, the City will not proceed with any further review of the proposal, and the Chief Administrative Officer shall provide the notice required by subsection (c) of this section.

(c) The Chief Administrative Officer shall cause a written notice of the finding made pursuant to subsection (b) of this section to be transmitted to the City Clerk for delivery to the City Council and to the Mayor and the entity or entities that submitted the proposal. If the finding includes a determination that a substantial justification exists for any deviations of the proposed redevelopment and development project from the small area plan, the notice must briefly describe the basis for the substantial justification. The City Clerk will make the written notice available to the public.

(e) It is intended that the preliminary review undertaken pursuant to this section take no longer than ten business days. Such period may be extended due to project-specific circumstances that were not foreseeable at the time the original schedule was established.

Sec. 2-1424. Comprehensive review.

(a) The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative

Officer may designate, shall conduct a comprehensive review in accordance with the requirements of this section of each formal proposal received by the City for a redevelopment and development project for which a finding has been made following the preliminary review pursuant to section 2-1424 of this Code that the proposed redevelopment and development project meets the conditions set forth in subsection (b) of section 2-1424 of this Code or that a substantial justification exists for any deviations of the proposed redevelopment and development project from the conditions set forth in subsection (b) of section 2-1424 of this Code.

(b) If the redevelopment and development project is consistent with the existing zoning regulations applicable to the project, the Department of Economic and Community Development, or such other agency as the Chief Administrative Officer may designate, shall proceed with the comprehensive review of the proposal.

(c) If the proposal is not consistent with the existing zoning regulation applicable to the redevelopment and development project, the redevelopment and development project is located within a strategic growth area, and no small area plan has been adopted within the five years preceding the City's receipt of the proposal, the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, shall undertake, as part of the comprehensive review of the proposal, the community engagement process described in section 2-1414 of this Code. The time allotted for the completion of the comprehensive review will be extended by no more than 80 business days to allow for the completion of the community engagement process. A recommendation for the amendment of the existing small area plan must be included in the report required by subsection (f) of this section.

(d) The comprehensive review must evaluate the proposal for conformity with existing policies and plans; potential benefits, risks, and costs; return on investment; and the potential impact on archaeological, architectural, or cultural sites. If at any point in the comprehensive review required by this section the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, find that the proposed redevelopment and development project should not move forward, the City will not proceed with any further review of the proposal, and the Chief Administrative Officer shall cause notice to be provided of the findings made pursuant to this section to the City Council, the Mayor, and the entity or entities that submitted the proposal. The notice required by this subsection need not be in writing, but may be made in a closed meeting of the City Council if lawful.

(e) The comprehensive review must include a process for the receipt of public input that features at least one public meeting that provides a summary briefing of the redevelopment and development project, allows for questions from the public, and allows for comment by the public.

(f) Upon completion of the comprehensive review, the Chief Administrative Officer shall cause to be submitted a written report to the Mayor and the City Clerk for delivery to the City Council. The City Clerk will make the report available to the public. Except for confidential information, the report shall include all of the following elements:

- (1) A copy of the proposal that was considered.
- (2) The findings of the both the preliminary review with regard to all matters considered pursuant to section 2-1423 of this Code and the comprehensive review with regard to all matters considered pursuant to subsections (b) and (c) of this section.

(3) The fiscal and economic impact statements required pursuant to sections 2-306 through 2-308 of this Code.

(4) The draft agreement proposed to be entered into between the City or any political subdivision through which a City expenditure is proposed to be made for the proposed redevelopment and development project and the businesses to be involved in the proposed redevelopment and development project.

(5) Drafts of all ordinances necessary for the implementation of the recommendations set out in the report.

(g) The draft agreement to which subdivision (4) of subsection (f) of this section refers shall include all of the following elements:

(1) A description of the proposed redevelopment and development project.

(2) Provisions for the recovery of City expenditures in the event of the failure of the business or businesses to perform as the agreement requires.

(3) Provisions for the automatic termination of the agreement if substantial progress on the redevelopment and development project has not been made within a prescribed period of time not to exceed 180 calendar days unless the City Council has approved an extension of this period of time by ordinance.

(h) It is intended that the comprehensive review undertaken pursuant to this section take no longer than 20 business days and that the report required by subsection (f) of this section be delivered to the City Clerk for delivery to the Council no later than 20 business days after the submission of the written notice pursuant to subsection (c) of section 2-1423 of this Code. A longer period of review may apply based on project-specific circumstances. If a longer period of review is required, the Department of Economic and Community Development and the

Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, shall notify the City Council, the Mayor, and the entity or entities that submitted the proposal that a longer period of review is required.

Sec. 2-1425. Approval of project.

No City expenditure shall be made for a redevelopment and development project until the City Council has adopted an ordinance authorizing the signature on the City's behalf of the draft agreement described in subsection (g) of section 2-1424 of this Code.

DIVISION 4

ECONOMIC DEVELOPMENT PROJECTS

Sec. 2-1431. Criteria for evaluation of project.

The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall develop criteria for the evaluation of economic development projects for the making of a significant contribution by the City. The Department of Economic and Community Development and the Department of Planning and Development Review shall review such criteria annually. No criteria shall be used for the evaluation of an economic development project until the City Council has adopted those criteria by resolution. Each resolution that the City Council adopts pursuant to this section shall expire after one year, and the criteria adopted pursuant thereto shall not be used thereafter. All such criteria shall address, at a minimum, (i) the categories of jobs desired for attraction to or retention within the city, (ii) the categories of businesses desired for attraction to or retention within the city, (iii) the minimum return on investment over a time period of 36 months, (iv) the minimum ratio of City expenditures to investment by the business or businesses involved in the economic development

project, and (v) the minimum ratio of jobs to be created or retained for every \$1,000 of City expenditures, expressed either as one ratio or multiple ratios based on the compensation tiers of the jobs.

Sec. 2-1432. Requirements for formal proposal for project.

Any solicitation by the City or formal proposal from an entity other than the City for an economic development project must include all of the following:

- (1) A statement of the intent of the economic development project.
- (2) A description of the scope of the economic development project.
- (3) Such other information as may be required for the review and evaluation of the economic development project.

Sec. 2-1433. Preliminary review.

(a) The Director of Economic and Community Development, or such other officer or employee as the Chief Administrative Officer may designate, shall determine whether the Department of Economic and Community Development, or such other agency as the Chief Administrative Officer may designate, will review a formal proposal for an economic development project. The City Council may require, by ordinance, the Department of Economic and Community Development, or such other agency as the Chief Administrative Officer may designate, to review a particular formal proposal for an economic development project. If the Director of Economic and Community Development, or such other officer or employee as the Chief Administrative Officer may designate, or the City Council determines in accordance with this subsection that a proposal for an economic development project will be reviewed, the Department of Economic and Community Development, or such other agency as the Chief

Administrative Officer may designate, shall conduct a preliminary review of that formal proposal in accordance with the requirements of this section.

(b) The purpose of the preliminary review is to determine whether the proposed economic development project (i) is in the economic interest of the City, (ii) complies with the zoning regulations applicable to that project, (iii) conforms to the City's master plan, including any applicable small area plan, and (iv) conforms to the City's economic development master plan established pursuant to section 2-302 of this Code. If the proposed economic development project does not meet these conditions or if the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, agree that a substantial justification exists for any deviations of the proposed economic development project from these conditions, the City will proceed to the comprehensive review described in section 2-1434 of this Code. If the proposed economic development project does not meet these conditions or if the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, do not agree that a substantial justification exists for any deviations of the proposed economic development project from these conditions, the City will not proceed with any further review of the proposal, and the Chief Administrative Officer shall provide the notice required by subsection (c) of this section.

(c) The Chief Administrative Officer shall cause notice to be provided of the findings made pursuant to subsection (b) of this section to the City Council, the Mayor, and the entity or entities that submitted the proposal. The notice required by this subsection need not be in writing, but may be made in a closed meeting of the City Council if lawful.

(d) It is intended that the preliminary review undertaken pursuant to this section take no longer than ten business days. Such period may be extended due to project-specific circumstances that were not foreseeable at the time the original schedule was established.

Sec. 2-1434. Comprehensive review.

(a) The Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall conduct a comprehensive review in accordance with the requirements of this section of each formal proposal received by the City for an economic development project for which a finding has been made following the preliminary review pursuant to section 2-1433 of this Code that the proposed economic development project meets the conditions set forth in subsection (b) of section 2-1433 or that a substantial justification exists for any deviations of the proposed economic development project from the conditions set forth in subsection (b) of section 2-1433.

(b) If the economic development project is consistent with the existing zoning regulations applicable to the project or requires only minor variations from the existing zoning regulations, the Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the Chief Administrative Officer may designate, shall proceed with the comprehensive review of the proposal.

(c) If the economic development project is not consistent with the existing zoning regulations applicable to the project, the economic development project is located within a strategic growth area, and no small area plan has been adopted within the five years preceding the City's receipt of the proposal, the Department of Economic and Community Development and the Department of Planning and Development Review jointly, or such other agency as the

Chief Administrative Officer may designate, shall undertake, as part of the comprehensive review of the proposal, the community engagement process described by section 2-1414 of this Code. The time allotted for the completion of the comprehensive review will be extended by no more than 80 business days to allow for the completion of the community engagement process. A recommendation for the amendment of the existing small area plan must be included in the report required by subsection (e) of this section.

(d) The comprehensive review must evaluate the proposal for conformity with existing policies and plans; potential benefits, risks, and costs; return on investment; and the potential impact on archaeological, architectural, or cultural sites. If at any point in the comprehensive review required by this section the Department of Economic and Community Development and the Department of Planning and Development Review, or such other agency as the Chief Administrative Officer may designate, find that the proposed economic development project should not move forward, the City will not proceed with any further review of the proposal, and the Chief Administrative Officer shall cause notice to be provided of the findings made pursuant to this section to the City Council, the Mayor, and the entity or entities that submitted the proposal. The notice required by this subsection need not be in writing, but may be made in a closed meeting of the City Council if lawful.

(e) Upon completion of the joint comprehensive review by the Department of Economic and Community Development and the Department of Planning and Development Review, the Chief Administrative Officer shall cause to be submitted a written report to the Mayor and the City Clerk for delivery to the City Council. The City Clerk will make the report available to the public. Except for confidential information, the report shall include all of the following elements:

(1) A copy of the proposal that was considered.

(2) The findings of both the preliminary review with regard to all matters considered pursuant to section 2-1433 of this Code and the comprehensive review with regard to all matters considered pursuant to subsections (b) and (c) of this section.

(3) The fiscal and economic impact statements required by sections 2-306 through 2-308 of this Code.

(4) The draft agreement proposed to be entered into between the City or any political subdivision through which a City expenditure is proposed to be made for the proposed economic development project and the businesses to be involved in the proposed economic development project.

(5) Drafts of all ordinances necessary for the implementation of the recommendations set out in the report.

(f) The draft agreement to which subdivision (4) of subsection (e) of this section refers shall include all of the following elements:

(1) A description of the proposed economic development project.

(2) Provisions for the recovery of City expenditures in the event of the failure of the business or businesses to perform as the agreement requires.

(g) It is intended that the time period for the comprehensive review undertaken pursuant to this section be established individually for each economic development project. The Chief Administrative Officer shall cause the City Council, the Mayor, and the entity or entities that submitted the proposal to be notified of the time period established for the comprehensive review required by this section. This time period may be altered due to project-specific circumstances that were not foreseeable at the time the original time period was established. If a

longer time period is required, the Chief Administrative Officer shall cause the City Council, the Mayor, and the entity or entities that submitted the proposal to be notified that a longer time period is required.

Sec. 2-1435. Approval of project.

No City expenditure shall be made and no incentive shall be provided in relation to an economic development project until the City Council has adopted an ordinance authorizing the signature on the City's behalf of the draft agreement described in subsection (f) of section 2-1434 of this Code.

§ 3. That no later than 30 calendar days after the date on which this ordinance is adopted, the Department of Economic and Community Development shall submit to the City Council a timeline for development of the economic development master plan for which the amendments made by this ordinance to section 2-302 of the Code of the City of Richmond (2004), as amended, provide, and the economic development master plan shall be submitted to the City Council no later than July 1, 2016.

§ 4. This ordinance shall be in force and effect upon adoption.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lou Brown Ali *LB*
Council Chief of Staff

FROM William E. Echelberger, Jr, Council Budget Analyst *WE*

COPY Ms. Ellen F. Robertson, Vice-president
Haskell Brown, Deputy City Attorney
Vincent Jones, Deputy Council Chief of Staff *V. Jones*
Michael D. Winborne, 6th District Council Liaison

DATE May 26, 2015

PAGE/s 1 of 9

TITLE Economic Development Process (Revised)

This is a request for the drafting of an Ordinance Resolution

REQUESTING COUNCILMEMBER/PATRON

Ms. Ellen F. Robertson, Vice-president

SUGGESTED STANDING COMMITTEE

Finance and Economic Development

ORDINANCE/RESOLUTION SUMMARY

The Patron requests an ordinance to establish a framework for planning, development, review, and approval of redevelopment and development projects, and economic development projects that involve the City of Richmond.

Revisions to request dated March 16, 2015 (Copy attached):

Economic Development:

- Add to the functions set out in §2-302 of the City Code a new requirement for development of an Economic Development Master Plan. This plan shall be consistent with the City's Master Plan and shall make provision for the Small Area Plans developed for Strategic Growth Areas. The Economic Development Master Plan shall be approved by Richmond city Council

Miscellaneous:

- Page 6, §2-1421 Following "Department of Economic and Community Development" add "and Department of Planning and Development Review".
- Page 7, §2-1421 Following "Department of Economic and Community Development" add "and Department of Planning and Development Review".
- Page 11, §2-1431 Following "Department of Economic and Community Development"

add "and Department of Planning and Development Review".

- Page 13, paragraph (c)(1) Strike "2-1425" and insert "2-1434.
- Page 14, paragraph (c)(2) Strike "2-1425" and insert "2-1434.
- Page 14, paragraph (c)(3) Following "Department of Economic and Community Development" add "and Department of Planning and Development Review".
- Page 14, §2-1434(a) Following "Department of Economic and Community Development" add "and Department of Planning and Development Review".

Planning:

- The master planning process for the City of Richmond shall include *Small Area Plans* for designated *Strategic Growth Areas* within the City.
- *Strategic Growth Area*: A geographic area within the City of Richmond that is designated by ordinance or resolution for redevelopment or development with the assistance of the City.
 - Criteria for designation as a *Strategic Growth Area* shall be developed jointly by the Department of Planning and Development Review and the Department of Economic and Community Development, and adopted by City Council in the form of a resolution.
 - Potential *Strategic Growth Areas* shall be identified for inclusion in the City's Master Plan jointly by the Department of Planning and Development Review and the Department of Economic and Community Development.
- *Small Area Plan*: A detailed plan as described in Sec. 17.01. - *Power of Council to adopt master plan*, Richmond City Code for development or redevelopment of a designated area within the City of Richmond. *Small Area Plans* shall be developed by the Department of Planning and Development Review in cooperation with the Department of Economic and Community Development as part of the Master Planning Process.
- The Department of Economic and Community Development shall undertake marketing of *Strategic Growth Areas*. First priority shall be given to marketing each *Strategic Growth Area* for projects that conform to the *Small Area Plan* for that *Strategic Growth Area*.

Redevelopment and Development Projects

- Redevelopment and Development Projects: For the purposes of this section, any development or redevelopment of a specific geographic area within the City of Richmond that involves a significant contribution from the City of Richmond, the Richmond Economic Development Authority, or the Richmond Metropolitan Authority in the form of public land, public funds, or other public assets, when such project is broader in scope than site location for a single business entity.
- Protocol for review and approval of Redevelopment and Development Projects.
 1. The Department of Economic and Community Development shall develop criteria for the evaluation of incentives for Development or Redevelopment Projects.
 - a. Criteria shall be submitted to City Council for approval in the form of a resolution.
 - b. Criteria shall be reviewed annually.
 - c. Criteria shall include, but not be limited to:
 - i. Minimum return on Investment to the City over a standard time period of forty-eight (48) months.
 - ii. Minimum ratio of City expenditures to investment by the developer or developers.
 2. Receive project proposal from outside entity or intent to develop a project proposal.
 - a. Proposals received from an outside entity must include:

- i. Statement of project intent.
 - ii. Statement of project scope.
 - iii. Statement of project conformity with, or variance from Small Area Plan, if available.
 - iv. Such other information as may be required to allow for review and evaluation.
- b. Formal intent to develop internally or solicit from outside entity, which includes.
 - I. Statement of project intent.
 - II. Statement of project scope.
 - III. Statement of project conformity with, or variance from Small Area Plan, if available.
 - IV. Such other information as may be required to allow for review and evaluation.
- 3. Notify City Council of proposal.
 - a. Within 5 business days of receipt, or intent to develop or solicit.
 - b. Written notice of project intent and scope is required.
 - c. No formal presentation required.
 - d. Notice shall be publicly available.
- 4. Preliminary review by the Planning Commission and Department of Economic and Community Development jointly:
 - a. Time limited process of 10 business days.
 - b. Evaluate the proposal for conformity with the Small Area Plan.
 - i. If no Small Area Plan as defined in this item has been developed within 5 years the process shall stop to allow for development of a Small Area Plan, as provided for in Step 6, *Community Engagement*.
 - ii. Substantial reason required to deviate from Small Area Plan.
 - iii. If no substantial justification exists for deviation from the Small Area Plan, the process shall stop. Proceed to step 3.c, Notify City Council, Mayor, and Developer of findings.
 - b. Evaluate the proposals for conformity with existing policies and plans; and potential benefits; risks; costs; potential impacts on archaeological, architectural, or cultural sites; etc.
 - i. If the evaluation is positive, proceed to step 5, otherwise
 - ii. If the evaluation is not positive, stop.
 - c. Notify City Council, Mayor, and Developer of findings.
 - i. No later than the 10th business day of *Preliminary Review*.
 - ii. Written notice is required.
 - iii. Notice shall be publicly available.
 - iv. No formal presentation required.
- 5. *Comprehensive Review* by the Planning Commission and Department of Economic and Community Development jointly:
 - a. Time limited process of 20 business days.
 - b. Evaluate the proposals for conformity with existing policies and plans; and potential benefits; risks; costs; return on City investment, potential impacts on archaeological, architectural, or cultural sites; etc.
 - c. A process for receipt of meaningful public input shall be included. This shall include at least one public meeting that provides a summary briefing on the project, allows for questions from the public, and allows for public comment.
 - d. Provide a report and recommendations to the Mayor and City Council.

- i. Identification of proposal, or proposals for adoption.
 - ii. Documentation of review findings.
 - iii. If the project is meets the definition of an Economic Development Project" as set out in §2-305 of the Richmond City Code this documentation shall include:
 - An "Economic Impact Statement" as required by Ordinance Number 2015-XX
 - An "Fiscal Impact Statement" as required by Ordinance Number 2015-XX
 - iv. Draft agreement with the developer, or developers.
 - v. Draft ordinance authorizing the Chief Administrative Officer, or other appropriate individual to negotiate the required agreements.
 - vi. This report and its recommendations shall be available to the public.
6. Approval by the City Council and the Mayor.
- a. Contents of Ordinance.
 - i. Description of the recommended project.
 - ii. Draft agreement with the developer, or developers.
 - iii. Authorization to proceed.
 - iv. Claw-back provision in the event of failure to perform up to the agreed levels of investment.
 - v. 180 day concession to make substantial progress. If there is no significant progress within the allotted 180 period the agreement and concession shall terminate unless Council approves an extension by ordinance.
 - b. Ordinance introduced at first Council meeting after Comprehensive Review.
7. Community Engagement if no Small Area Plan as defined in this item has been developed within 5 years:
- a. Department of Planning and Development Review and Economic and Community Development staffs shall work jointly to develop a Small Area Plan.
 - b. Department of Planning and Development Review and Economic and Community Development staffs shall have no more than 60 business days to complete the planning process.
 - c. City Staff will develop a comprehensive statement of potential uses for the property and identify economic impacts.
 - d. Department of Planning and Development Review and Economic and Community Development shall conduct one or more Community meetings to develop consensus on acceptable uses.
 - e. If no Community consensus is developed after 60 business days Department of Planning and Development Review and Economic and Community Development shall jointly issue a Small Area Plan.
 - f. Proceed with project review.

Economic Development Projects

- Economic Development Projects: For the purposes of this section, any project to attract, retain, or expand a business or other organization, or businesses and organizations in the City of Richmond for the purpose of job creation, job retention, or job enhancement that involves a significant contribution from the City of Richmond, the Richmond Economic Development Authority, or the Richmond Metropolitan Authority in the form of public land, public funds, or other public assets.
- Protocol for review and approval of Economic Development Projects.
 1. The process set out in this section provides opportunities for briefing City Council in

executive session. Whenever possible within the context of the individual project, every effort shall be made to provide information to the public.

- a. This shall include, but not be limited to, public briefings, and public hearings.
- b. Aside from meetings of City Council, the decision to provide such public information shall at the discretion of the Director of the Department of Economic and Community Development, in consultation with the Mayor, City Council, and the City Attorney.

2. The Department of Economic and Community Development shall develop criteria for the evaluation of Economic Development Projects.

- a. Criteria shall be submitted to City Council for approval in the form of a resolution.
- b. Criteria shall be reviewed biannually.
- c. Criteria shall include, but not be limited to:
 - i. The categories of jobs desired for attraction to, or retention in the City of Richmond.
 - ii. The categories of business and other organizations desired for attraction to, or retention in the City of Richmond.
 - iii. Minimum return on Investment to the City over a standard time period of thirty (30) months.
 - iv. Minimum ratio of City expenditure to investment by the business or organization.
 - v. Minimum ratio of jobs created for every \$1,000 invested by the City. This may be expressed in terms of one ratio or multiple ratios based on the compensation tiers of the projected jobs.

3. Initial Contact with an Economic Development Prospect.

- a. Proposals received from an outside entity must include:
 - i. Statement of project intent.
 - ii. Statement of project scope.
 - iii. Such other information as may be required to allow for review and evaluation.

4. Preliminary review by the Department of Economic and Community Development:

- a. Time limited process of 10 business days.
- b. The Director of the Department of Economic and Community Development may, in his, or her, sole discretion determine if any individual Economic Development Project should be accepted for review by the Department.
 - i. Subject to subsequent override by City Council, the Mayor, or the Chief Administrative Officer.
 - ii. If accepted, proceed to step 3.c.
- c. Conduct a preliminary evaluation the proposal for conformity with existing criteria, policies and plans; and potential benefits; risks; and costs.
 - i. If the potential site to be offered is in a Strategic Growth Area, evaluate the proposal for conformity with the Small Area Plan.
 - a) If no Small Area Plan as defined in this item has been developed within 5 years the process shall stop to allow for development of a Small Area Plan, as provided for in Redevelopment and Development Projects Step 6, *Community Engagement*.
 - b) Substantial reason shall be required to deviate from a Small Area Plan.
 - c) If no substantial justification exists for deviation from the Small Area Plan, the process shall stop.
 - ii. If the evaluation is not positive and there are no compelling reasons to

- proceed, stop.
- iii. If the evaluation is not positive and there are compelling reasons to proceed:
 - a) Document the areas in which the proposals deviates from conformity with existing criteria, policies and plans.
 - b) Develop a justification for proceeding with the project.
 - c) Notify City Council and the Mayor of the findings and rationale.
 - d) Notification of City Council may take place in executive session.
 - e) The project shall not proceed unless the variance is approved by City Council.
 - iv. If the evaluation is positive, proceed to step 5.
- d. Notify City Council, Mayor, and Economic Development Prospect of findings.
- i. Notification may take the form of inclusion on a summary list of active Economic Development Projects.
 - ii. Notification of City Council may take place in executive session.
5. **Comprehensive Review** by the Department of Economic and Community Development:
- a. Time limited process of 20 business days.
 - b. Evaluate the proposals for conformity with existing policies and plans; and potential benefits; risks; costs; return on City investment, potential impacts on archaeological, architectural, or cultural sites; etc.
 - c. Provide draft report and recommendations to the Mayor and City Council.
 - i. Identification of proposal, or proposals for adoption.
 - ii. Documentation of review findings.
 - iii. If the project is meets the definition of an Economic Development Project" as set out in §2-305 of the Richmond City Code this documentation shall include:
 - An "Economic Impact Statement" as required by Ordinance Number 2015-XX
 - An "Fiscal Impact Statement" as required by Ordinance Number 2015-XX
 - iv. Draft agreement with the Economic Development Prospect or Prospects.
 - v. Enumeration of the incentives to be offered to the Economic Development Prospect or Prospects
 - vi. Draft ordinance authorizing the Chief Administrative Officer, or other appropriate individual to negotiate the required agreements.
 - vii. Notification of City Council may take place in executive session.
 - viii. No formal offer of incentive to an Economic Development Prospect or Prospects shall be made until such incentives have been approved b City Council.
6. **Approval by the City Council.**
- a. Contents of Ordinance.
 - i. Description of the recommended project.
 - ii. Draft agreement with the Economic Development Prospect or Prospects.
 - iii. Claw-back provision in the event of failure to perform up to the agreed levels of investment, and job creation.
 - iv. Authorization to proceed.
 - b. Ordinance introduced at first Council meeting after *Comprehensive Review*.

City Council

- Each regular meeting of City Council shall include on its agenda an item for convening

in closed session to hear confidential information on redevelopment and development projects, and economic development projects.

- The closed session may be omitted if there are no confidential items related to redevelopment and development projects, or economic development projects to be presented to, or discussed with City Council.
- The Clerk shall note in the announcement of the meeting that such closed session will not be held because there are no confidential items related to redevelopment and development projects, or economic development projects to be presented to, or discussed with City Council.

BACKGROUND

Summary: Richmond's unique governing structure presents a challenge for implementing economic development projects that is not present for local governments in the Commonwealth. In Richmond governance is shared between the Legislative (City Council) and the Executive (Mayor) The Chief Administrative Officer reports to the Mayor, rather than the governing body, as is the case in other Virginia localities. In Richmond, it may be beneficial to formalize the development and review of economic development proposals to ensure that both the Legislative body and Executive fully support proposals before extensive resources are expended for their development.

The City of Richmond already has in place robust zoning and planning policies and procedures for review of private projects. Examples of these processes are attached. Unless a change to existing zoning is required, no involvement by City Council is required. For that reason, this paper does not focus on private projects.

Similarly, the City already has in place capital budgeting for review and approval of public projects known as the Capital Improvement Plan (CIP). These procedures include review and approval by City Council prior to expenditure of City funds approval by City Council is required. While adequate for review of routine capital projects, these CIP procedures may not provide sufficient review time by Council for complex projects that are first proposed in detail as part of the budget in late winter.

The proposed process does five major things:

1. It links the City's economic development program to the Master Planning process.
2. It requires the Department of Economic and Community development to actively market those areas of the City, designated as *Strategic Growth Areas* in the *Master Plan*, that have been targeted for development or redevelopment.
3. It divides the City's economic development program into two distinct areas: Redevelopment and Development Projects, and Economic Development Projects.
4. It strengthens City Council's awareness of and input on Economic Development efforts.
5. It strengthens public awareness of and input on Economic Development efforts.

Planning and marketing

The City's current Master Planning process does not currently include development of detailed plans (Small Area Plans) for specific areas with the City (Strategic Growth Areas). Development of such detailed plans for specific areas targeted for development or redevelopment will help guide the efforts of the City and private developers and reduce the opportunities for proposed uses that are contrary to the long-term interests of the City and its residents. Active marketing of these areas will increase the likelihood that potential developers will be aware of the opportunities that are available; and thereby, increase the likelihood of action. Examples of potential *Strategic Growth Areas* include, but should not be limited to:

- a. Port Development
- b. Boulevard Redevelopment
- c. Shockoe Bottom Redevelopment
- d. Main Street Station
- e. City Stadium Redevelopment
- f. Southside business districts

Division into two distinct areas

Division of the City's economic development incentive program into separate categories for Redevelopment and Development Projects, and Economic Development Projects recognizes the different nature of these areas. It is consistent with practice in other jurisdictions, such as Virginia Beach. Virginia Beach has separate policies for providing Economic Development Investment Program to business and for the development or redevelopment of properties in Strategic Growth Areas. A copy of these policies is attached. The actual criteria and incentives are to be set out in separate resolutions.

Strengthen City Council's awareness and input

The proposed policy ordinance also formalizes the number of instances where notice to, or briefing of, City Council is required:

For Redevelopment and Development Projects

1. Notice of proposal receipt
2. Notice of Preliminary Review findings
3. Report and Recommendations on Comprehensive Review
4. Inclusion as needed in required monthly Economic Development agenda item

For Economic Development Projects

1. Notice of Preliminary Review findings (There is no notice to Council of all initial contact, since many will not be viable.)
2. Report and Recommendations on Comprehensive Review, to include draft ordinance.
3. Inclusion as needed in required monthly Economic Development agenda item.

This formal involvement of Council is intended to increase the common understanding of projects and proposed incentives involvement at these stages will assure that proposals are developed with broad support, and scarce resources are not expended developing proposals that are unlikely to move forward.

Strengthen the public's awareness and input

The proposed policy ordinance also formalizes the requirements public involvement is required:

For Redevelopment and Development Projects

1. During the Master Planning process, for the development of Small Area Plans
2. Notice of proposal receipt
3. Notice of Preliminary Review findings
4. During the Comprehensive Review process
5. Report and Recommendations on Comprehensive Review

For Economic Development Projects a general statement is included that encourages public briefings and public hearings whenever possible in the context of the confidentiality requirements of each individual project.

This formal involvement of the public is intended to increase the common understanding of

projects and proposed incentives involvement at these stages will assure that proposals are developed with broad support, and scarce resources are not expended developing proposals that are unlikely to move forward.

Fiscal Impact: The fiscal impact of the requested ordinance will depend on the number of economic development proposals received, the level of complexity, and the time-frame available for review. For unsolicited proposals, the fiscal impact may be offset by the amount of the submission fee, if any. Marketing of *Strategic Growth Areas* by the Department of Economic and Community Development will require additional Resources. The nature of these resources will depend on the number of *Strategic Growth Areas* and the marketing plan.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

Fiscal Summary

The fiscal impact cannot be determined at this point. See Background.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /rs

