

INTRODUCED: September 8, 2014

AN ORDINANCE No. 2014-185-182

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.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 13 2014 AT 6 P.M.

WHEREAS, in the opinion of the Council of the City of Richmond, a public necessity exists for 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;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That a public necessity exists for the acquisition of the parcel of real property owned by the Richmond Redevelopment and Housing Authority, known as 101 East Franklin Street and identified as Tax Parcel No. W000-0062/001 in the 2014 records of the City Assessor for the purpose of a public library.

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 13 2014 REJECTED: _____ STRICKEN: _____

§ 2. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to acquire such parcel of real property from the Richmond Redevelopment and Housing Authority and to execute the deed and such other documents as may be necessary to complete the acquisition and acceptance of such parcel of real property, provided that the deed and all such other documents must first be approved as to form by the City Attorney or the designee thereof.

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



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: August 11, 2014 **EDITION:** **RECEIVED**
TO: The Honorable Members of City Council **AUG 20 2014**
THRU: Dwight C. Jones, Mayor *Dwight C. Jones*
THRU: Byron C. Marshall, Chief Administrative Officer *Byron C. Marshall* **OFFICE OF CITY ATTORNEY**
THRU: Norman Butts, Deputy Chief Administrative Officer for Finance & Administration *N. Butts*
THRU: Peter H. Chapman, Deputy Chief Administrative Officer for Economic Development and Planning
THRU: Jay A. Brown, Interim Director, Budget and Strategic Planning *JAB*
THRU: Peter L. Downey, Director, Economic & Community Development *PLD*
THRU: Jane Ferrara, Deputy Director, Economic & Community Development
FROM: Keith Rogers Jr., Senior Assistant to the Chief Administrative Officer *KJR*
RE: Acquisition of Property located at 101 E. Franklin Street, known as the Main Library.

ORD. OR RES. No. _____

PURPOSE: To declare a public necessity for and 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 serve as a public library.

REASON: 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.

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RECOMMENDATION: Approval is recommended by the City Administration.

BACKGROUND: 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 issued 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.

FISCAL IMPACT /COST TO CITY: No additional cost beyond title insurance and transfer filing costs.

FISCAL IMPLICATIONS: None

REVENUE TO CITY: None

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: September 8, 2014

CITY COUNCIL PUBLIC HEARING DATE: October 13, 2014

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Governmental Operations

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: RRHA Board Approval Anticipated by 9/17

AFFECTED AGENCIES: All City agencies

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: None

STAFF: Keith Rogers Jr., Senior Assistant to the Chief Administrative Officer