



CITY OF RICHMOND

Department of Planning & Development Review *Staff Report*

ORD. 2015-034: To direct the sale of surplus real estate located at 3101 Wharf Street to the Economic Development Authority of the City of Richmond for nominal consideration, upon certain terms and conditions.

To: City Planning Commission
From: Land Use Administration
Date: February 2, 2015

PETITIONER

City of Richmond
Economic Development Authority

LOCATION

3101 Wharf Street

PURPOSE

To authorize the Chief Administrative Officer, on behalf of the City of Richmond, to direct the sale of a portion of surplus real estate located at 3101 Wharf Street to the Economic Development Authority of the City of Richmond for nominal consideration. The sale would allow for the redevelopment of a vacant city-owned property, which would help revitalize the eastern riverfront and generate new tax revenue.

SUMMARY & RECOMMENDATION

The City previously executed a Purchase Option Agreement with an entity known as Restauranteur Inc in 2004 as part of a settlement of a condemnation proceeding. Restauranteur had five years from the date of the contract to exercise its option and begin undertaking certain improvements to the property. While Restauranteur Inc. did exercise its Option to purchase, it never closed on the property and no improvements have been made. The City wishes to begin implementing the recommendations of the riverfront plan and activate the eastern riverfront. The conveyance of the subject property to the EDA is a step towards achieving these goals and stimulating economic development in the area.

On November 10, 2014, City Council adopted an ordinance approving a Cooperation Agreement with the EDA to develop both phases of the Stone Brewery project. Pursuant to the Stone Brewery Cooperation Agreement, the City is to endeavor to convey unencumbered title to the property located at 3101 E. Main Street to the EDA in order to construct Phase II of the Stone Brewery project, which includes a Bistro, Beer Garden, supporting retail operations and associated parking areas. The EDA is willing to accept the property subject to the Purchase Option Agreement dated April 7, 2004.

The stimulation of the additional tax revenue and economic activity to be generated by the project constitutes a valid public purpose for the expenditure of public funds and the

conveyance of the property necessary for a nominal amount in order to facilitate the completion of the project by the EDA.

The subject property was previously declared surplus pursuant to Ordinance # 2004-133-156. The EDA will accept the conveyance of the property subject to any and all encumbrances that may exist, including the Purchase Option Agreement, dated April 7, 2004. Therefore the EDA shall assume from the City all obligations and responsibilities related to the property.

City Administration recommends approval of this proposal.

FINDINGS OF FACT

Site Description

The subject property is approximately 4.99 acres located between the James River and East Main Street. The proposed transfer would be for the portion of the existing property containing 1.531 acres and improved with an existing warehouse building. Water Street runs through the subject property underneath the existing building on the property. The existing warehouse building on the property was constructed around 1920 and has frontage on East Main Street. It is approximately 30,000 square feet and is currently used for storage, but is primarily vacant.

Proposed Use of the Property

The EDA proposes to develop Phase II of the Stone Brewery project on the subject property. This portion of the development includes a bistro, beer garden, supporting retail operations and associated parking areas.

Master Plan

The subject property is designated as part of the Natural Area and the Urban Center character areas in the City's Downtown Plan. The subject property is also included in the Riverfront Plan, which also identifies the property for public open space and future development.

Zoning

The subject property is located in the M-2 Heavy Industrial zoning district, which permits restaurant and retail uses subject to meeting certain parking and other feature requirements.

Surrounding Area

The surrounding area is occupied by a mix of uses.

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