

INTRODUCED: February 11, 2013

AN ORDINANCE No. 2013-22 - 71

As Amended

To amend City Code § 42-41, concerning the disposition of funds from the sale of real estate and certain insurance proceeds, and to amend ch. 42, art. II of the City Code, concerning trust funds of the City, to add therein a new section 42-44, concerning the disposition of revenues arising from the lease or other use of former school properties, for the purpose of providing that revenues from the sale, lease or other use of former school properties be set aside for the construction of new public school facilities or for the ~~[operations of the School Board of the City of Richmond]~~ capital repair or renovation of existing active school properties.

Patrons – Vice President Robertson, Mr. Agelasto, Mr. Hilbert and Ms. Trammell

Approved as to form and legality
by the City Attorney

FEB 25 2013

PUBLIC HEARING:

AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 42-41 of the Code of the City of Richmond (2004) be and is hereby amended and reordained as follows:

Sec. 42-41. Disposition of funds from sale of real estate and certain insurance proceeds.

(a) *Utility properties.* When payments are made to the city of money arising from the sales of real estate acquired with funds provided by the gas utility, water utility, wastewater utility, stormwater utility or electric utility or from insurance payments for insured structures

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: MAY 13 2013 REJECTED: _____ STRICKEN: _____

used by the gas utility, water utility, wastewater utility, stormwater utility or electric utility totally or substantially destroyed by fire or other causes, the director of finance shall credit such receipts to the gas utility renewal fund, water utility renewal fund, wastewater utility renewal fund, stormwater utility renewal fund or electric utility renewal fund, as the case may be.

(b) *School properties.*

(1) When payments are made to the city of money arising from the sales of real estate owned by the city in accordance with section 26-11 of this Code or transferred to the city in accordance with Code of Virginia, § 22.1-129, the director of finance shall credit such receipts, except for the withholding described in subdivision (2) of this subsection, to ~~[the] a special reserve [fund for permanent public improvements to be specifically earmarked and used only]~~ assigned to support public schools in the city. The City Council may appropriate funds from this reserve for the construction of new public school [properties] facilities or for the ~~[capital repair or renovation of existing active school properties] [operations of the School Board of the City of Richmond]~~ capital repair or renovation of existing active school properties.

(2) The director of finance shall withhold from the payments described in subdivision (1) of this subsection the city's actual costs incurred for maintenance, upkeep and sale of the real estate from the time the city assumes control of the property until the property is sold. The city's costs incurred may include, but shall not be limited to, boarding windows and building safety, maintaining grass and landscaping, security, repairs related to roofing and other internal systems, operating and maintaining pipes and other utilities, marketing expenses, reproduction of building plans, advertising, closing costs including attorney's fees, and appraisal services.

(c) *Other city properties.* When payments are made to the city of money arising from the sales of all other real estate or from insurance payments for all other insured structures totally or substantially destroyed by fire or other causes, the director of finance shall credit such receipts to the reserve fund for permanent public improvements.

§ 2. That Chapter 42, Article II of the Code of the City of Richmond (2004) be and is hereby amended and reordained by adding therein a new section numbered 42-44 as follows:

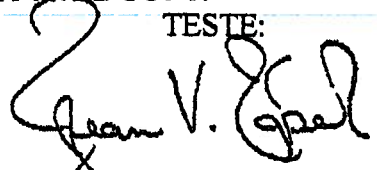
Sec. 42-44. Disposition of revenues arising from lease or other use of former school properties.

The Director of Finance shall credit all receipts derived from the use of real estate either owned by the City in accordance with section 26-11 of this Code or transferred to the City pursuant to Code of Virginia, § 22.1-129 to a special reserve assigned to support public schools in the city. The City Council may appropriate funds from this reserve for the construction of new public school facilities or for the ~~operations of the School Board of the City of Richmond~~ capital repair or renovation of existing active school properties. For purposes of this section, (i) the term "use" means all leases or other rights to use such real estate granted by the City and all leases or other rights to use such real estate granted by any grantee to which the City has conveyed such real estate, and (ii) the term "receipts" means all payments received by the City in exchange for a lease or other right to use such real estate granted by the City, all tax or other payments received by the City after the conveyance of such real estate to a grantee by the City and all tax or other payments received by the City resulting from the granting of a lease or other right to use such real estate by the City or by any grantee to which the City has conveyed such real estate.

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

A TRUE COPY:

TESTE:


Interim City Clerk



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 Ali
Council Chief of Staff *V. Jones for Ali*

FROM Marianne Pitts, Council Policy Analyst *M.P.*

COPY Ellen Robertson, 6th District Council Member
Cybelle O'Sullivan-McDaniels, 6th District Council Liaison
Ronald Hurst, Council Budget Analyst

DATE January 24, 2012

PAGE/s 1 of 2

TITLE Amendment to Chapter 42, Article II of the City Code

RECEIVED
JAN 31 2013
OFFICE OF CITY ATTORNEY

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Council Member Ellen Robertson

SUGGESTED STANDING COMMITTEE

Land Use and Transportation Committee

ORDINANCE/RESOLUTION SUMMARY

To amend City Code §42-41, concerning the disposition of funds from the sale of real estate and certain insurance proceeds, to provide that revenues from the sale of City property formerly owned by the School Board of Richmond to be set aside to support either the operations of School Board of City of Richmond or construction of public school facilities and to ~~add~~ amend ch. 42, art. II of the City Code to add a new section for the purpose of providing that revenues arising from the lease or other use of former school properties be set aside to support either the operations of the School Board of Richmond or construction of public school facilities in the city.

BACKGROUND

Richmond City Council adopted Ordinance No. 2008-1-81, concerning the disposition of funds from the sale of real estate and certain insurance proceeds. However, it does not allow for an exception to address concerns that have developed as related to the development of school property and does requires that money generated from the sale of former school properties must be set aside for only capital projects not operations. This request to amend the City Code of Richmond in order to insure that revenue generated from the sale, rental or development of City of Richmond property formerly utilized by Richmond Public Schools is earmarked for the support of Richmond Public School operations or construction. That reservation shall remain in effect until the property (land, buildings and improvements) reverts to the possession and control of the City of Richmond.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact	TBD	

Fiscal Summary:
Revenue generated from future operations of this nature will be directed to Richmond Public Schools rather than to the City of Richmond.

Attachment/s Yes No