

STATEMENT IN OPPOSITION TO

CITY COUNCIL RESOLUTION NO. 2019-R057

Introduced September 23, 2019

Relating to 623 East Broad Street

A resolution was introduced on September 23, 2019 to “exercise the City’s rights under Section 4(d) of the Comprehensive Agreement dated September 14, 2007 between the City and the predecessor of Richmond Performing Arts Alliance (“RPAA”)”. That provision provides in part that the portion of the property known as the Northern Portion (being the frontage along Broad Street between 6th and 7th Streets) be left as open space that could be improved for use as open space or an outdoor performance space. Thereafter, “its exact use ... shall be determined by the Foundation with the City’s approval, which shall not be unreasonably withheld.” If within five years of occupancy of the theaters on the block no such use has been determined, “the City may require [RPAA] to sell the Northern Portion at its fair market value and contribute the proceeds of such sale to the Foundation’s endowment providing support for the project.” The resolution seeks to force that sale.

There are a number of reasons why this resolution is not appropriate:

1. The rationale behind the request, according to the O&R, is that the property does not produce revenue for the City because the owner is tax exempt; that the City has “foregone tax revenues of \$28,328 or more.” While RPAA is tax exempt, the Northern Portion is not. RPAA does in fact pay real estate taxes on the Northern Portion. Real estate taxes paid in 2019 total \$29,614.40, consequently, the foundation for Mr. Agelasto’s resolution is incorrect
2. The Ordinance/Resolution request, dated May 23, 2019, incorrectly states that the Northern Portion has not been developed. The Northern Portion has been developed for use as a parking lot at a cost of approximately two-hundred ninety-two thousand five hundred dollars (\$292,500). The City reviewed and approved this development as evidenced by Plan of Development approval dated February 10, 2016 (attached). Consequently, the terms of the Comprehensive Agreement have been satisfied and the referenced provision of the Comprehensive Agreement no longer applies.
3. The Northern Portion is subject to a restrictive covenant imposed in 2015 in connection with the grant to RPAA to develop the parking lot. The restrictive covenant provides “... no use shall be made of the [Northern Portion] in the future that is not related to performing arts and/or uses at the adjoining theater complex without the consent of the Donor.” The restriction expires in 2035. Because of this restriction, the fair market value of the Northern Portion is significantly depressed and any forced sale would result in a substantial penalty to RPAA.
4. RPAA is currently deriving revenue from the parking lot. A forced sale even at the assessed value (which is undoubtedly not achievable given the restriction) would produce funds for the endowment that would yield significantly less revenue. Because operation of the parking facilities

is revenue positive to RPAA and because the City is receiving appropriate tax revenues, sale of the Northern Portion would not benefit either party.

5. As a matter of history, the sale provision was included in the Comprehensive Agreement to give the City some assurance that the theaters would be developed as planned. The City provided \$26 million in support for their construction (*provided through* the 1% added meals tax, not in addition to it, as stated in the O&R). Construction of the facilities was completed and has resulted in significant admissions tax revenue to the City as well as driving substantial new economic development in the CBD.

We appreciate your attention to this matter and will be happy to answer any questions you may have.

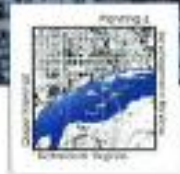


W. Jerrold Samford, P.G.
Board Chair
Richmond Performing Arts Alliance



Abbi Haggerty, Ph.D.
Executive Director
Richmond Performing Arts Alliance

CITY OF RICHMOND
PLANNING AND DEVELOPMENT REVIEW
LAND USE ADMINISTRATION



February 10, 2016

Ms. Amelia Wehunt
Timmons Group
1001 Boulders Parkway, Suite 300
Richmond, VA 23225

**RE: Plan of Development for Centerstage Parking Lot
623 East Broad Street
File # 822**

Ms. Wehunt:

The Director of Planning and Development Review has reviewed and approved the above referenced Plan of Development (POD). Enclosed is your copy of the approved POD for your records.

Plan approval does not relieve the applicant from their responsibility to fulfill other legal obligations including, but not exclusively, obligations under the City's Building, Zoning and Encroachment Codes. Should you have any questions please contact me at (804) 646-6384.

Sincerely,

Leigh V. Kelley
Senior Planner