



City of Richmond

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Meeting Minutes - Draft Planning Commission

Tuesday, September 10, 2019

1:30 PM

2nd Floor Council Chambers

THIS IS A SPECIAL MEETING OF THE PLANNING COMMISSION

Call To Order

Mr. Poole called the special meeting of the Planning Commission to order at 1:35 p.m.

Roll Call

-- Present 9 - * Chair Rodney Poole, * Vice Chair Melvin Law, * Commissioner David Johannas, * Commissioner Vivek G. Murthy, * Commissioner Ellen Robertson, * Commissioner Elizabeth Hancock Greenfield, * Commissioner Max Hepp-Buchanan, * Commissioner John Thompson, and * Selena Cuffee-Glenn

Regular Agenda

Navy Hill Redevelopment Project Informational Presentation

1. [PDRPRES
2019.009](#)

Attachments: [Presentation](#)
[Ordinance List](#)
[Navy Hill Development Agreement Master Plan](#)
[Navy Hill Right-of-Way Exhibit](#)
[Existing and Proposed CM District Map](#)
[Street Designations Map](#)

Ms. Sharon Ebert, Deputy Chief Administrative Officer for Economic Development and Planning, Mr. Leonard Sledge, Director of Economic Development, Mr. Michael Hallmark, and Ms. Jennifer Mullen provided presentations.

Mr. Johannas stated he is curious why there is no priority street in front of the arena.

Ms. Mullen stated the entrance to the hotel is on Clay Street so that would not be permitted on the priority street.

Mr. Johannas asked for additional information:

- Information or impact on population/workforce in immediate adjacent area.
- How many students over and above those that are actual wage earners.
- How active is the Convention Center?
- Will new hotel boost ability for large conventions?
- How many acres compared to other cities shown in presentation?
- Are we using multiple architects?

- Public spaces and how they interact.
- Concerned about creating a spine of activity for 6th Street.
- What type of development is going on in the area (VCU, General Assembly, other)?

Mr. Poole asked how much time is needed to answer these questions.

Ms. Mullen stated by next week's Planning Commission meeting.

Mr. Poole stated that all presenters said the Planning Commission only considers the six ordinances, this project encompasses a great deal more. You all have stated that they interrelate. How much more information will the commission have on the other papers before the commission considers these six ordinances because of the interrelationship.

Ms. Mullen stated she can come back to the Planning Commission to provide more information.

Mr. Poole asked how do you perceive answering the public's questions at the public hearing on items that are not being considered by the commission.

Ms. Mullen stated at the City Council meeting last night they announced additional work sessions related to the overall ordinance package itself which would be open to the public, much like the work session that we are having today, that would go in-depth in all of the ordinances.

Mr. Poole asked Ordinance 2019-214 which declares surplus and then transfers, does have economic consequences for the City because it is city property and ultimately the city is receiving dollars, assuming that these ordinances are passed, what is the interrelationship between economic analysis and -214.

Ms. Mullen stated -214 is a negotiated price as you know doing development deals and as you read through the development agreement understanding it is outside of the Planning Commission's purview but there are very particular requirements, as you walk through in the master plan with respect to each of those pieces there are additional requirements above and beyond that including affordable housing, including minority business participation, including job training, including key features of the development itself, including the room block agreement, all those pieces play into that valuation for those particular parcels with the purchase price paid up front.

Mr. Poole stated when Mr. Sledge made his first presentation with respect to the fact that there is no moral or legal obligation to the City with respect to finances, he made a statement that the shortfall goes to the investors, do the investors lose those dollars or do they replace those dollars.

Ms. Mullen stated if the incremental revenues do not exist that is the only thing that the bond investors have in order to repay the bond debt.

Mr. Poole asked if dollars that are generated from the tax incremental participation in this, if they are not there then the bond holders will not get paid and there is no way the bond holders can come back to the City of Richmond or its citizens and ask or demand any repayment.

Ms. Mullen stated there is no remedial help for them other than those incremental revenues, if they exist, outlined in the documents.

Mr. Poole stated, in Mr. Sledge's presentation he talked about meals tax increase, it seems that he was implying that there is a different meals tax involved in this project than what is already in place for the City.

Mr. Sledge stated it is the same meals tax in terms of the incremental revenue, what he was attempting to clarify is that only the new incremental meals tax revenues from within the development, only those go toward the debt service of the bonds. The 1.5% is still going to Richmond City Schools.

Mr. Poole asked you are at 9.5% overall tax, 1.5% goes to city schools, 8% goes towards the payment of the bonds?

Mr. Sledge stated 7.5%.

Ms. Mullen stated 6% is the meals tax that is used to repay the bond debt, 1.5% that is allocated to go to city schools continue to go to city schools.

Mr. Sledge stated to add additional clarity, if an existing restaurant in the incremental financing area within the red boundaries, those meals taxes do not go towards the debt service for this bond.

Mr. Poole stated you made reference to the urban grocery on the first floor of the armory, what square footage do you perceive that, have you laid that out.

Ms. Mullen stated 16,000 square feet.

Mr. Poole stated, you told us that Allentown is about half the size of Richmond, what is the size of Kansas City.

Mr. Hallmark stated over 1 million.

Ms. Mullen stated we will confirm.

Mr. Hallmark stated he will get demographics on all of those examples.

Ms. Greenfield stated there is a lot of information to absorb, it is evident that we could benefit from another work session. Is there any reason that we cannot add this to the September 16th agenda?

Mr. Poole stated absolutely, it's imperative with us doing the due diligence on the six ordinances that we do have, we do have additional information that we are going to want, which is why I was trying to make it clear at our last meeting, that October 16th is a place holder.

Mr. Ebinger stated the agenda is fairly light, currently there are two items so we can dedicate the remainder of the meeting to a second presentation for further discussion.

Ms. Robertson thanked the staff and the development team for the presentation. She emphasized the magnitude of this development, the many moving parts, how they all interconnect and the significance of the Planning Commission, the job they are challenged with as it relates to these ordinances which are significant and extremely important to the development.

Ms. Robertson stated getting this land decision made is fundamental to us just having

the ground work done to move forward. One concern that has been brought to her attention is what is going to happen for the John Marshall Courts building, the parking lot that they are looking at for the transportation, Richmond Transit Center, is really taking up the parking lot that is not restricted to the courts building but we know that a significant volume of traffic that is going in and out of the courts every day is using that space.

Ms. Robertson stated City Council has agreed to dedicate three to four hours every Monday from now until November to get through this development process. It is important to go back and visit the October 16 deadline and get feedback as to the sequential order and if there are some other placeholder dates that we need to put in the whole development process so we know that we are getting through those processes in order to move these processes forward.

Mr. Poole stated that is a wise suggestion. We should address that again on Monday.

Mr. Murthy stated thank you for the time and amount of detail and information provided today, talking about traffic circulation and the amount of density, if we are adding more homes, adding more businesses, thinking about how Richmond has changed, he would like to see more specifically, thinking about max times at the coliseum, what would be max capacity at the coliseum, what the circulation would look like, using all modes of transportation. He stated with it being a regional facility, what else is happening in the area/region.

Mr. Sledge stated the master plan development is unique in that it is at our City Center, it is a unique part of our downtown area, provides us with redevelopment opportunities and while there may be other venues planned and being discussed in the counties that surround us, it would be an absolutely unique venue in the region but home in the City of Richmond. We see this as a net addition in terms of us being able to attract dollars to the city.

Mr. Murthy stated he does not disagree. Have the conversations heard regionally, related to this project in making sure that the focus, for what this is designed for, specific to Richmond.

Mr. Sledge stated, the City issued the RFP, we have approached it as a City of Richmond project, when the RFP went out, it did not go out with regional collaboration in mind in the sense of the locality. Mr. Sledge will follow up on Mr. Murthy's question.

Mr. Murthy stated he appreciates the examples. He asked can we look back to see how much tax revenue was generated that was given to schools, how many jobs were created, the housing impact of the other case study areas.

Mr. Murthy stated going back to looking at the other projects, thinking about what are their design guidelines or proffers associated with the overall detail of design in the neighborhood.

Mr. Hepp-Buchanan stated the Broad and 7th surface lot was shown in one of the slides as in play but it has not shown up anywhere else.

Ms. Mullen stated it is not included. N is the only surface lot on Broad Street.

Mr. Hallmark stated the slides we are talking about are buildings being demolished and turned into parking lots.

Mr. Hepp-Buchanan asked why would that lot not be in play.

Ms. Mullen stated it is not city owned.

Mr. Hepp-Buchanan asked so Block N is City owned.

Ms. Mullen stated yes.

Mr. Hepp-Buchanan stated there were a number of slides that showed goals of the overall project, is reducing vehicle miles traveled a goal, stated or unstated of this project.

Ms. Mullen stated yes. This is all part of the mixed use development component to encourage pedestrian oriented developments where you have a place to live, work, learn and play, all within the same space, together with the GRTC Transit Center that is included in that which is the Multimodal component of the overall project, so this is designed to be that next phase of development within Richmond to help achieve the goal of getting us to the next level.

Mr. Hepp-Buchanan stated on the subject of the Transit Center, the distance that lies between existing Pulse Stations is two blocks north of Broad and two blocks east or west of existing Pulse Stations; in order to make transit an actual, appealing way of getting around and to take that seriously as a form of transportation in the City, transfers need to be seamless. What is the required square footage for a transfer center according to GRTC?

Ms. Mullen stated the RFP outlined a 65,000 square foot space for the transfer center. She stated when they met with GRTC they identified options, N was one of those options on Broad Street and that was maybe a combination, based on the size of that lot, not just the square footage but the access component. There is no frontage on Broad Street except for N, so using the GRTC routes and creating an expectation for additional BRT Lines, this would tie in very well with that. In addition, with having all the components for not only dignity within your transit center operations, that close proximity of using the interior space, as well as the public park component and having the mixed use on top of it. Maintaining Clay Street as our priority Street Frontage.

Mr. Hepp-Buchanan stated dignity is an important part of a transfer center but if you have to walk four blocks in the rain to get from one bus line to another you may as well have the transfer center outside.

Mr. Hallmark stated the GRTC Station was requested by Administration to locate it somewhere within the vicinity and/or within our development. They worked for several months to look at alternative sites, including N, including the area along Marshall in front of the Convention Center. All of those analysis are available to you.

Mr. Thompson asked, relating to the repayment of non-recourse bond with the surpluses that we hope are available, does the entire debt of the bond have to be repaid before any surpluses are distributed or is there an annual distribution assuming each year there are surpluses available.

Mr. Sledge stated there is an annual distribution.

Mr. Thompson asked assuming the surplus figures are accurate, the forecast, how long do you anticipate before the full bond debt is repaid.

Mr. Sledge stated according to our Financial Advisor Davenport, 21 years.

Ms. Mullen stated that is assuming accelerated debt which is what we expect to have happen, that helps reduce the interest payment as Mr. Sledge indicated.

Mr. Thompson asked, when it comes to the affordable housing units, low income tax credits are not being used, is that correct.

Ms. Mullen stated that is correct.

Mr. Thompson asked, what oversight is going to be on the part of the developers or property owners to make sure those income limits are maintained.

Ms. Mullen stated that is another exhibit to the development agreement which is an affordable housing covenant so it acts as a property restriction that runs with the land that gets recorded against each block which identifies specific minimums and maximums so that you are not putting all of the affordable housing of one type on one block, and you are not loading it one way or the other, it also requires certain criteria for reporting, which is all taken from the VHDA standard form incorporating that for reporting requirements as well as compliance and how you handle the units on an ongoing basis.

Mr. Thompson stated it seems that this is such a great opportunity for the City to help deconcentrate some of its lowest income housing communities, what is being done to help provide that or help accomplish that goal to the City.

Ms. Mullen stated from an overall standpoint the overall development is part of the development agreement if we are able to have City Council approve the project and are able to move forward with the project as we move through the development of the private development parcels and take down those lots, each of those lots require to have certain affordable housing units throughout the overall district with a minimum and maximum across the board. It also requires us to raise 10M in philanthropy, partnering with Better Housing Coalition to provide additional affordable housing units.

Mr. Thompson asked Mr. Hallmark what are the two biggest challenges that this project could hold for the City and for themselves as developers.

Mr. Hallmark stated public education. There are a lot of myths going on about the project which they are working hard to knock down moving through the process.

Mr. Thompson asked, assuming all the votes are there and the project moves forward, at that point, what do you anticipate is your biggest challenge with the physical aspects of this project.

Mr. Hallmark stated we have buildings in close proximity, we want different voices in the project. One benefit is we do not have the kind of neighborhood impact where we are. He stated, he thinks the number one challenge is working on three or four of these blocks next door to one another simultaneously with different contractors.

Mr. Sledge stated one of the points they would like to convey is there is a very robust public outreach, meetings in districts, meetings with individuals, meetings with groups, all to help educate about this project.

Ms. Greenfield asked earlier in the presentation there was a mention of 280 affordable units and another \$10M for 200 units, is that \$10M contingent upon non-profit donations.

Ms. Mullen stated yes. The 280 are within the project blocks and that ties in with the affordable housing covenant, the \$10M in philanthropy is specifically called out in our development agreement and that is another pre-condition for the development itself so that money is raised prior to moving forward.

Ms. Cuffee-Glenn thanked the Chairman and Commissioners for providing us with an opportunity to really try to lay out the importance and components as it relates to the project. One of the things she clearly communicated in conversations with each of you individually as a commission that we are available anytime, as a staff, as an administration working with Navy Hill to provide updates as often as possible. She stated she does not want us to miss the importance of what this project is really about. It is not just about an arena but about changing people's lives.

Ms. Robertson stated several questions have been asked, it would be good for the questions and answers to be compiled and sent back to the commission, so if for some reason we missed something, we can put that in and make sure that we have those questions before us as we move forward.

Upcoming Items

Upcoming items were not discussed after the presentation.

Adjournment

Mr. Poole adjourned the meeting at 3:50 p.m.

Rodney M. Poole, Chair

Matthew J. Ebinger, Secretary