

UNSOLICITED OFFERS – DOWNTOWN PROPERTY



Richmond City Council
June 1, 2020



DOUGLAS DEVELOPMENT CORP.

UNSOLICITED OFFERS – DOUGLAS DEVELOPMENT CORPORATION



- February 20, 2020 – City received an unsolicited offer from Douglas Development Corporation dated February 18, 2020 to purchase approximately 14.28 acres of property “...known as the Navy Hill Development Site...”
- February 24, 2020 – CAO Reid notified the Mayor and City Council of the city’s receipt of the unsolicited offer
- February 24, 2020 – DED staff sent a letter to Douglas Development Corporation to acknowledge receipt of the company’s unsolicited offer, communicate minimum requirements missing from the unsolicited offer, and requesting that the missing information be provided, “...as soon as possible...”
- As of May 19, 2020, staff has not received the missing information requested in the February 24, 2020 letter to Douglas Development Corporation

UNSOLICITED OFFERS – DOUGLAS DEVELOPMENT CORPORATION



- \$15,000,000 cash offer to purchase 14.28 acres
- \$1,000,000 deposit upon execution of a contract
- No contingencies
- Offeror proposes to refurbish the existing Richmond Coliseum at the Offeror's expense and bring the facility up to modern day standards
- Unsolicited offer expired at Midnight, May 18, 2020



- Offeror proposes to develop the property to be an adaptive re-use consisting of:
 - High occupancy hotel to support the convention center and surrounding areas
 - Residential apartments & condos; will consider 10% of the apartments to be earmarked as low income housing
 - Retail to include small businesses, breweries, fitness gyms, and mom & pop stores
 - Class-A office buildings
 - Grocery store anchored lifestyle center
 - Richmond Coliseum transformed into a modern stadium
 - Transit Center that would be leased back to the City
- The Offeror proposes to not use public funding or tax increment financing to complete the project



CAPITAL CITY PARTNERS, LLC

UNSOLICITED OFFERS – CAPITAL CITY PARTNERS, LLC



- May 1, 2020 – City received an unsolicited offer from Capital City Partners, LLC dated May 1, 2020 to purchase the “Public Safety Building” site located at 500 North 10th Street
- May 11, 2020 – CAO Reid notified the Mayor and City Council of the city’s receipt of the unsolicited offer
- May 11, 2020 – DED staff sent a letter to Capital City Partners, LLC to acknowledge receipt of the company’s unsolicited offer and acknowledge that the unsolicited offer contained the minimum requirements
- May 15, 2020 – DED staff sent a letter to Capital City Partners, LLC to ask questions about the proposed development
- May 18, 2020 – DED received written responses from Capital City Partners, LLC to answer questions sent on May 15, 2020

UNSOLICITED OFFERS – CAPITAL CITY PARTNERS, LLC



- \$3,175,000 offer to purchase 3.01 acres
 - Offeror included an appraisal of the property with the unsolicited offer
 - Offeror proposed to construct off-site infrastructure
 - Offeror proposed to demolish the Public Safety Building
- Offeror has deposited \$317,500 into an escrow account as a deposit

Description	Value
Value of “shovel ready” site	\$8,500,000
Deduct Clay Street off-site infrastructure costs	(\$3,424,312)
Deduct 10% profit for developer’s risk	(\$342,431)
Deduct demolition costs	(\$1,555,232)
Calculation	\$3,178,025
Appraiser’s Valuation	\$3,175,000

UNSOLICITED OFFERS – CAPITAL CITY PARTNERS, LLC



- Offeror proposes to develop the property to be a mixed-use project consisting of:
 - 150,000 sq.ft. – VCU Health System - administration and office space for VCU Health System
 - 125,000 sq.ft. (145 guest rooms) – The Doorways – guest rooms for patients, their families and caregivers, who are receiving treatment at VCU Health Systems
 - 65,000 sq.ft. (60 guest rooms) – Ronald McDonald House Charities – guest rooms for families whose children are receiving medical care
 - 35,000 sq.ft. – VCU Health System Child Care – daycare and educational services for VCU Health System faculty and staff for children ages 18 months to 6 years and a small senior care program that is integrated into the childcare services
 - 150,000 sq.ft. – Speculative Class-A office space
 - 10,000 sq.ft. – Retail space for a walk-in pharmacy, banking, restaurant, and retail
 - 1,900 structured parking spaces





- Offeror estimates that the economic impact of the project is:
 - Job Creation
 - 3,767 total direct jobs
 - \$212,630,000 in annual and one-time wages
 - \$481,500,000 in annual and one-time economic impact
 - Tax Revenue to the City over 20 Years
 - \$58,684,489 (Real Estate Tax, Construction Materials Sales Tax, Operating Sales Tax, and Meals Tax)
- The unsolicited offer included letters of support from VCU Health System, The Doorways, Ronald McDonald House Charities, and Activation Capital



GENERIC RFP TIMELINE

