

INTRODUCED: September 28, 2020

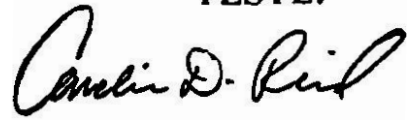
AN ORDINANCE No. 2020-211

To authorize the Chief Administrative Officer to accept funds in an amount up to \$3,900,000.00 from Advantage Richmond Corporation, and to assign such accepted funds to the Reserve Fund for Permanent Public Improvements established pursuant to City Code § 12-4.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

**A TRUE COPY:  
TESTE:**

  
**City Clerk**

PUBLIC HEARING: OCT 12 2020 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, is authorized to accept funds in an amount up to \$3,900,000.00 from Advantage Richmond Corporation for the purpose of making funds available for future appropriation for capital improvements at 900 East Marshall Street or on other City-owned real estate.

§ 2. That the funds accepted pursuant to section 1 of this ordinance shall be assigned to the Reserve Fund for Permanent Public Improvements established pursuant to section 12-4 of the Code of the City of Richmond (2015), as amended.

§ 3. This ordinance shall be in force and effect on October 26, 2020.

AYES: 8 NOES: 0 ABSTAIN: \_\_\_\_\_

ADOPTED: OCT 12 2020 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_



# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

**O&R REQUEST**

**DATE:** September 8, 2020 **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor *LMS*

**THROUGH:** Lenora G. Reid, Acting Chief Administrative Officer *lgr*

**THROUGH:** Jay A. Brown, Director of Budget and Strategic Planning *JAB*

**THROUGH:** Bobby Vincent, Director of Public Works *BV*

**THROUGH:** Shunda Giles, Director of Social Services *S. Giles*

**FROM:** John B. Wack, Director of Finance *JBW*

**RE:** Acquisition of Property located at 900 E. Marshall Street ("Marshall Plaza"), to serve as a municipal office building and acceptance from Advantage Richmond Corporation and assignment of funds to Reserve Fund for Permanent Public Improvements

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** This O&R request is for the preparation of the following two ordinances:

- (1) To authorize the Chief Administrative Officer to accept (up to) \$3,900,000 from Advantage Richmond Corporation, and to assign such (up to) \$3,900,000 to the Reserve Fund for Permanent Public Improvements established by City Code § 12-4.
- (2) To declare that a public necessity exists and to authorize the acquisition of the parcel of real estate owned by Advantage Richmond Corporation and known as 900 East Marshall Street ("Marshall Plaza") for the purpose of a municipal office building.

**REASON:** Advantage Richmond Corporation will turn over more than \$25,000 to the City; therefore, an ordinance is needed to accept those funds. No recommendation for appropriation is begun made at this time, so it is recommended that the money be assigned to the Reserve Fund for Permanent Public Improvements, from which appropriations may be made later to finance capital projects. Advantage Richmond Corporation also will turn over Marshall Plaza to the

City; accordingly, an ordinance is strongly recommended to authorize the acquisition of Marshall Plaza to ensure clear title.

**RECOMMENDATION:** The City Administration recommends adoption of these two ordinances.

**BACKGROUND:** On March 29, 2005, City Council adopted Ordinance No. 2005-45-31 to authorize the formation of Advantage Richmond Corporation to assist the City of Richmond, Virginia, when authorized by City Council, in acquiring, constructing, renovating, equipping, maintaining and operating public buildings and other public structures for or on behalf of the City through the issuance of lease revenue bonds. The purpose for which Advantage Richmond Corporation was formed is set to conclude on October 26, 2020, with the last payment of the bond, and therefore, Advantage Richmond Corporation is set to dissolve in accordance with its Articles of Incorporation. Article II ("Purposes"). Section 4 ("Dissolution") of the Articles of Incorporation provides that upon dissolution of Advantage Richmond Corporation, the board of directors shall dispose of all assets of the Corporation exclusively to the City. Advantage Richmond Corporation has generated excess funds in the amount of (up to) \$3,900,000 that must be transferred to the City.

On October 10, 2005, City Council adopted Ordinance No. 2005-219-214 to authorize the Chief Administrative Officer to (i) execute an Agreement for Purchase between the City and 900 East Marshall Street Associates for the property located at 900 East Marshall Street, (ii) assign the Agreement for Purchase and all of the City's rights to Advantage Richmond Corporation, and (iii) enter into a lease agreement between the City as lessee and Advantage Richmond Corporation as lessor for the use of 900 East Marshall Street for the purpose of housing administrative offices for various departments and agencies of the City.

On October 10, 2005, City Council adopted Ordinance No. 2005-258-216 to authorize Advantage Richmond Corporation to issue revenue bonds in the amount of \$12,100,000 to finance the acquisition cost, improvements, repairs, and maintenance for 900 East Marshall Street. As security for the revenue bonds, Advantage Richmond Corporation assigned its right to receive rental payments from the City to the Bank. Pursuant to Section 5.1 ("Term of Lease") of the Lease Agreement Between Advantage Richmond Corporation and the City of Richmond (the "Lease Agreement"), the term of the lease began on the date of issuance and delivery of the revenue bonds and shall terminate at the earlier of October 26, 2020, or payment of the revenue bonds. Pursuant to Section 5.10 ("Transfer Upon Termination") of the Lease Agreement, upon termination of the lease, the interest in 900 East Marshall Street reverts back to the City. Pursuant to that same section, Advantage Richmond Corporation is required to execute and deliver to the City an appropriate instrument assigning, transferring, and conveying to the City all of Advantage Richmond Corporation's interests free from any lien, encumbrance, or security.

Beginning in November 2020, the Department of Social Services will no longer pay rent to Advantage Richmond Corporation, which has been set at \$200,000 per month in recent years. Instead, Social Services will pay a third party for the expenses to operate Marshall Plaza, including utilities, custodial services, and other property management costs. After all transactions have been completed related to the Advantage Richmond Corporation ownership have been complet-

ed, the balance will be transferred to the Reserve Fund for Permanent Public Improvements. At this time, the projected available balance is approximately \$3,900,000. A future appropriation to the City's Capital Improvement Program budget will be needed to provide for subsequent capital improvements to be made at Marshall Plaza.

**FISCAL IMPACT / COST:** Approximately \$3,900,000 will become available in the Reserve Fund for Permanent Public Improvements, for future capital improvements at Marshall Plaza. Beginning in November 2020, the Department of Social Services will likely see a reduced monthly cost for the use of Marshall Plaza, which will be largely offset by the corresponding loss of 84.5% expenditure reimbursement from the Commonwealth.

**FISCAL IMPLICATIONS:** The Department of Social Services will have a cash balance available for capital improvements at Marshall Plaza, and a reduction in revenues and expenditures during the latter part of FY2021.

**BUDGET AMENDMENT NECESSARY:** Yes, a budget amendment will be recommended at a later time to appropriate these funds to finance improvements included in the capital budget.

**REVENUE TO CITY:** (Up to) \$3,900,000

**DESIRED EFFECTIVE DATE:** October 26, 2020

**REQUESTED INTRODUCTION DATE:** September 28, 2020

**CITY COUNCIL PUBLIC HEARING DATE:** October 12, 2020

**REQUESTED AGENDA:** Consent Agenda

**RECOMMENDED COUNCIL COMMITTEE:** Education and Human Services Standing Committee (October 1, 2020) for ordinance to accept (up to) \$3,900,000 and assign those funds to the Reserve Fund for Permanent Public Improvements; no committee referral pursuant to Rule VI(B)(4) for ordinance to authorize the acquisition of Marshall Plaza.

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** Planning Commission (October 5, 2020) for ordinance to authorize the acquisition of Marshall Plaza.

**AFFECTED AGENCIES:** Department of Finance, Department of Social Services, Department of Economic Development, Department of Public Works, Office of the City Attorney

**RELATIONSHIP TO EXISTING ORD. OR RES.:** Ord. Nos. 2005-45-31, adopted Mar. 29, 2005; 2005-219-214, adopted Oct. 10, 2005; and 2005-258-216, adopted Oct. 10, 2005.

**REQUIRED CHANGES TO WORK PROGRAM(S):** The Department of Social Services will be paying a property management firm for the operating costs of Marshall Plaza, and at a future time will have funds available from the Reserve Fund for Permanent Public Improvements for capital improvements to be made at Marshall Plaza.

**ATTACHMENTS:** Corporate resolution dissolving Advantage Richmond Corporation

**STAFF:** James P. Duval, Investment and Debt Portfolio Manager, 646-6395

# DRAFT MEETING MINUTES

Advantage Richmond Corporation  
Board Meeting  
Tuesday, September 29, 2020  
1:00pm – 2:00pm

## **Attendees**

Mayor Levar Stoney (President); Lenora Reid (Vice President); John Wack (Treasurer); Leonard Sledge (Secretary); Bobby Vincent (Director); Caitlin Weston; Jim Duval; Shunda Giles; Misty Thompson; Sharon Ebert; Alecia Blackwell

## **Call to Order**

Mayor Stoney asked Leonard Sledge for confirmation that all required Waiver of Notice of Special Meeting of the Board of Directors for the Advantage Richmond Corporation were received. Mr. Sledge responded that waivers have been received from all Board Members.

Mayor Stoney called the meeting to order at 1:06pm.

Mayor Stoney stated that the meeting objective is to close out all business of the corporation and consider a resolution to dissolve and terminate the Corporation. He went on to state that the resolution and plan to liquidate and dissolve the Corporation were included in the agenda package that was sent to the Board.

## **Final Debt Service Payments**

Mayor Stoney asked Jim Duval to provide an update on the final debt service payments.

Mr. Duval reported that a \$12.1 million loan was taken out in 2005 for the Marshall Plaza Building to be repaid with semi-annual payments over 15 years. He went on to state that the final debt service payment is due on October 1, 2020. A wire payment in the amount of \$1,171,795.72 will be sent to pay the loan in full.

## **Final Invoice Payments**

Mayor Stoney asked Shunda Giles and Misty Thompson to provide an update on the final invoice payments.

Ms. Giles reported that property management responsibilities for the Marshall Plaza Building is being shifted to the Department of Public Works and required work will be completed under city contracts.

Ms. Thompson reported that landscaping and fencing projects have been approved. Ms. Thompson also stated that the actual expenses for August were \$122,750.56. She also stated that the estimated expenses for September and October is \$271,000. The estimate includes landscaping, all maintenance, janitorial services, security, and management fee expenses.

Mr. Sledge asked if there is a motion required to approve the expenses in light of the pending resolution to dissolve the Corporation.

Ms. Weston responded that a motion is not required.

Ms. Reid asked if there is a specified date to dissolve the Corporation.

Ms. Weston responded that there is not a specified date in the resolution.

Mr. Wack asked about the anticipated date to pay the final invoices for October.

Ms. Thompson responded that the final invoices should be paid in November.

### **Other Business**

Mayor Stoney asked if there was any other business that the Board needed to discuss before moving on to the agenda item to dissolve the Corporation.

No one responded with additional items to discuss.

### **Dissolve the Corporation**

Mayor Stoney asked Caitlin Weston to discuss the Resolution of the Board of Directors Approving Dissolution and Termination of Corporation.

Ms. Weston stated that the last debt service payment is scheduled to be made and the purpose of the Board is set to conclude. She stated that it would be appropriate for the Board to approve the plan to dissolve and liquidate the Corporation. Ms. Weston also stated that the property will transfer back to the City.

Mayor Stoney asked for a motion to approve the Resolution of Board of Directors Approving Dissolution and Termination of Corporation.

Mr. Wack moved to approve the Resolution of Board of Directors Approving Dissolution and Termination of Corporation. The motion received a second from Ms. Reid.

Mayor Stoney asked if there was any discussion.

No one responded with any additional discussion on the motion.

A roll call vote was taken. All Board Members voted "Yes" to approve the Resolution of Board of Directors Approving Dissolution and Termination of Corporation. The motion passed.

### **Comments & Questions**

Mayor Stoney asked if there were any closing comments or questions.

Mr. Wack stated that the City Ordinance to accept funds from the Advantage Richmond Corporation was introduced and will be discussed during the Education and Human Services Standing Committee on Thursday, October 1, 2020.

### **Adjourn**

Mayor Stoney adjourned the meeting at 1:16pm



**PLAN OF COMPLETE LIQUIDATION  
AND DISSOLUTION OF  
ADVANTAGE RICHMOND CORPORATION**

This Plan of Complete Liquidation and Dissolution (the “Plan”) is for the purpose of accomplishing the complete, voluntary liquidation and dissolution of the Advantage Richmond Corporation, a Virginia nonstock corporation, (the “Corporation”), in accordance with and pursuant to Title 13.1 of the Code of Virginia, 1950, as amended, in substantially the following manner:

1. The Plan shall be submitted to the board of directors of the Corporation for approval and adoption, in accordance with the provisions of Title 13.1 of the Code of Virginia, 1950, as amended.
2. If the board of directors so approves and adopts the Plan:
  - (a) At such date or dates as the board of directors shall determine, the Corporation shall cease to carry on any business, except insofar as may be necessary for the proper winding up thereof, will take the necessary steps to complete the formal dissolution under Title 13.1 of the Code of Virginia, and will withdraw from all jurisdictions in which it is qualified to do business.
  - (b) The Corporation will then proceed to collect its assets and, after paying or adequately providing for the payment of all of its obligations, it will distribute the remainder of its assets, whether in cash or in kind, in one or more distributions (all as determined by the board of directors), exclusively to the City of Richmond, Virginia as follows:
    - (1) There is no preferred stock in the Corporation; and
    - (2) There is no common stock in the Corporation;
    - (3) After paying or making provisions for the payment of all liabilities of the Corporation, the board of directors shall distribute to the City of Richmond, Virginia all of its remaining assets, property and rights in accordance with Article II (“Purposes”), Section 4 (“Dissolution”) of the Articles of Incorporation and Section 5.10 (“Transfer Upon Termination”) of the Lease Agreement Between Advantage Richmond Corporation and the City of Richmond;
3. At any time before the filing of the certificate with the State Corporation Commission, pursuant to the provisions of Title 13.1 of the Code of Virginia, if it deems it to be in the best interests of the Corporation, the board of directors may abandon the Plan, provided that, notwithstanding said power of the Board of Directors, the Plan shall be fully effective from and after the date of the board of directors’ adoption of the Plan in the event the Board of Directors does not abandon the Plan.

**RESOLUTION OF BOARD OF DIRECTORS APPROVING DISSOLUTION AND  
TERMINATION OF CORPORATION**

The following resolution was duly adopted, by unanimous vote, at a special meeting of the board of directors of Advantage Richmond Corporation held as a remote meeting, through the use of a means of communication whereby all directors participating could simultaneously hear each other and all members were afforded an opportunity to participate in the meeting and vote on matters submitted to the board of directors, on the 29<sup>th</sup> day of September, 2020 at 1:00 P.M., for which written notice of the time, place and purposes of such special meeting was waived in writing by each director and at which meeting a quorum of board of directors was present:

WHEREAS, Advantage Richmond Corporation has no members;

WHEREAS, Advantage Richmond Corporation has a board of directors, consisting of the following City of Richmond, Virginia officials, serving ex officio: Mayor, Chief Administrative Officer, Director of Finance, Director of Public Works, and the Director of Economic Development;

WHEREAS, a Plan of Complete Liquidation and Dissolution was submitted to the board of directors at said special meeting by the board of directors in accordance with Article 13 of Chapter 10 of Title 13.1 of the Code of Virginia;

NOW, THEREFORE, BE IT RESOLVED that the board of directors of said Corporation do, pursuant to the provisions of Va. Code Ann. § 13.1-904, find that it is in the best interests of the Corporation and its board of directors that the Corporation be dissolved and then terminated pursuant to the provisions of Va. Code Ann. § 13.1-912, as set forth in the attached Plan of Complete Liquidation and Dissolution, and, further, that the board of directors does hereby approve and adopt said Plan of Complete Liquidation and Dissolution and authorizes and directs the appropriate corporate officers to take all acts necessary or appropriate to effect the same.


WITNESS the following vote of board of directors of Advantage of Richmond Corporation, as recorded by Leonard L. Sledge:

<u>CERTIFYING:</u>	<u>YES</u>	<u>NO</u>
Levar M. Stoney, Mayor	_____✓_____	_____
Lenora Reid, Acting Chief Administrative Officer	_____✓_____	_____
Bobby Vincent, Director of Public Works	_____✓_____	_____
John B. Wack, Director of Finance	_____✓_____	_____

Leonard L. Sledge,  
Director of Economic Development

✓ \_\_\_\_\_

I hereby certify that the foregoing is a true copy.

  
\_\_\_\_\_

Secretary

September 29, 2020  
\_\_\_\_\_

Date

**WAIVER OF NOTICE OF SPECIAL MEETING  
OF BOARD OF DIRECTORS**

The undersigned, being a member of the board of directors of Advantage Richmond Corporation, hereby waives written notice of the time, place and purposes of a special meeting of the board of directors of said Corporation to be held on the 29<sup>th</sup> day of September, 2020 at 1:00 p.m.

**Director:**

  
\_\_\_\_\_  
Name

  
\_\_\_\_\_  
Title

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**Director:**

Lenora G. Reid *Lenora G. Reid*  
Name

Acting Chief Administrative Officer  
Title  
9/21/2020

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**Director:**

*John S. Wald*

Name


*Director of Finance*

Title

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**Director:**

 / Leonard L. Sledge  
Name

Secretary  
Title

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**Director:**

Bobby Vincent Jr  9/28/2020

Name

DPW DIRECTOR

Title