



Legislation Text

File #: ORD. 2014-203-211, **Version:** 1

To declare surplus and to direct the sale of City-owned real estate located at 313 North 24th Street and 2407 East Marshall Street for [~~\$250,000~~] \$325,000 to Sterling Bilder, LLC, for the purpose of the construction of a mixed-use development including commercial, residential and civic space. (As Amended)

O & R Request

DATE: September 15, 2014

EDITION: 1

TO: THE HONORABLE MEMBERS OF CITY COUNCIL

THROUGH: THE HONORABLE DWIGHT C. JONES, MAYOR

THROUGH: CHRISTOPHER L. BESCHLER, INTERIM CHIEF ADMINISTRATIVE OFFICER

THROUGH: NORMAN BUTTS, DEPUTY CHIEF FINANCIAL OFFICER, FINANCE & ADMINISTRATION

THROUGH: JAY A. BROWN, INTERIM DIRECTOR, BUDGET AND STRATEGIC PLANNING

THROUGH: PETER H. CHAPMAN, DEPUTY CHIEF ADMINISTRATIVE OFFICER, ECONOMIC DEVELOPMENT & PLANNING

FROM: PETER L. DOWNEY, DIRECTOR, ECONOMIC & COMMUNITY DEVELOPMENT

RE: TO DECLARE AS SURPLUS AND AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER TO CONVEY THE CITY-OWNED PROPERTY LOCATED AT 313-315 N. 24TH STREET AND 2407 E. MARSHALL STREET

ORD. OR RES. No.

PURPOSE: To declare as surplus and authorize the conveyance of the City-owned property located at 313-315 N. 24TH STREET (Tax Parcel # E0000338022) and 2407 E. MARSHALL STREET (Tax Parcel # E0000338028) to Sterling Bilder, LLC a Virginia limited liability company (Purchaser).

REASON: This property was formerly part of the Nolde Bakery's property portfolio and is now owned and maintained by the Department of Parks, Recreation and Community Facilities (DPR&CF). Currently, the property is underutilized and DPR&CF stores a small amount of old decorations and sporting equipment. The building is in need of significant repairs and alterations. DPR&CF reports that the property is not being actively used and they agree to sell the property. The building has been used as storage and the parking lot has been

used for event and tour bus parking since the City acquired the parcels by gift from the J. Fulmer Bright Memorial Foundation in June of, 1990. The J. Fulmer Bright Memorial Foundation had hoped the property would be redeveloped as the Liberty Center, a visitor center focused on Patrick Henry's vision and Church Hill's history but that vision was never realized. A viable offer has been made to acquire and develop this property as more fully described below. By selling this property the City will stimulate private investment, job creation and economic development in the area.

RECOMMENDATION: The City Administration, Economic Development and Community Development recommend approval.

BACKGROUND: The property adjoins Patrick Henry Memorial Park and is in close proximity to Saint John's Episcopal Church. The subject property consists of two parcels: 313-315 North 24th Street which includes an existing brick building estimated at 7,320 square feet on 0.168 acres and 2407 East Marshall which includes a parking lot and contains 0.322 acres with both parcels totaling 0.49 acres.

The Purchaser proposes to develop two floors of row-house style multi-family residences and ground floor commercial space at 2407 East Marshall Street with surface parking at the rear of the buildings. Also as part of the development, the existing Nolde building at 313 -315 N 24th Street would be renovated and receive an addition to incorporate 2 ground floor commercial units fronting 24th Street, a multi-purpose flex/ community room facing Patrick Henry Memorial Park and two floors of residential units at the east end of the building. The multipurpose room may be reserved for private or public events/meetings throughout the year.

The purchaser has offered \$250,000 for the property. The offer is more than the \$170,000 appraised fair market value of the property based on an appraisal completed in 2012 by the Purchaser. The two parcels including existing improvement are currently assessed at \$188,000.

It is recommended that the City sell the subject surplus property to Sterling Bilder, LLC to stimulate private investment, job creation and economic development in the area.

FISCAL IMPACT/COST TO CITY: The sale of this property will result in \$250,000 in sales proceeds which will be allocated to the Reserved for Public Improvement (RPI) Fund and the property will be placed on the tax rolls.

REVENUE TO CITY: The City will receive sale proceeds in the amount of \$250,000, which will be deposited into the RPI Fund. In addition, the property will become taxable real estate on the City's real estate tax rolls. Funds will be earmarked in a special reserve assigned to fund improvements, enhancements and upgrades to parks, recreation and community facilities properties as related to ordinance 2013-180-224

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: October 13, 2014

CITY COUNCIL PUBLIC HEARING DATE: November 10, 2014

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Land Use; October 18, 2014

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Mayor, Chief Administrative Officer, Parks Recreation & Community Facilities, Public Utilities, Finance, Budget, Public Works, Economic Development and Community Development

RELATIONSHIP TO EXISTING ORD. OR RES.: 2013-180-224

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Purchase & Sale & Development Agreement; Deed

STAFF: Jane Ferrara, Economic & Community Development 646-6737
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