



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Legislation Text

File #: ORD. 2025-201, **Version:** 1

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the total amount of \$224,012.00 from the Great American Insurance Company, and to amend Ord. No. 2025-058, adopted May 12, 2025, which accepted a program of proposed Capital Improvement Projects for Fiscal Year 2025-2026 and the four fiscal years thereafter, adopted a Capital Budget for Fiscal Year 2025-2026, and determined a means of financing the same, to appropriate the increase to the Fiscal Year 2025-2026 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Public Works' Complete Streets project in the Transportation - Federal/State/Regional category by \$224,012.00, for the purpose of appropriating funds received from the Great American Insurance Company for various infrastructure improvements in the Governor's Retreat subdivision.

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 the total amount of \$224,012.00 from the Great American Insurance Company for the purpose of appropriating funds received from the Great American Insurance Company for various infrastructure improvements in the Governor's Retreat subdivision.

§ 2. That Ordinance No. 2025-058, adopted May 12, 2025, which accepted a program of proposed Capital Improvement Projects for Fiscal Year 2025-2026 and the four fiscal years thereafter; adopted a Capital Budget for Fiscal Year 2025-2026, and determined a means of financing the same, be and is hereby amended by increasing the estimated revenues and the amount appropriated for expenditures by \$224,012.00, and allotting to the Department of Public Works' Complete Streets project in the Transportation - Federal/State/Regional category by \$224,012.00, for the purpose of appropriating funds received from the Great American Insurance Company for various infrastructure improvements in the Governor's Retreat subdivision.

§ 3. This ordinance shall be in force and effect upon adoption.

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: July 15, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald II, Chief Administrative Officer

THROUGH: Rene Almaraz, Interim DCAO for Finance and Administration

THROUGH: Meghan K. Brown, Director of Budget & Strategic Planning

THROUGH: Bobby Vincent Jr., Director of Public Works

FROM: M.S. Khara, P.E., City Engineer

RE: AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER TO ACCEPT FUNDS IN THE AMOUNT OF \$224,012 FROM THE GREAT AMERICAN INSURANCE COMPANY; TO AMEND THE ADOPTED CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FY2025-2026 TO APPROPRIATE THE FUNDS; AND, TO EXPEND THE FUNDS FOR “THE GOVERNOR’S RETREAT SUBDIVISION STREETS” PROJECT

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept funds in the total amount of \$224,012.00 from the Great American Insurance Company; to amend Ord. No. 2025-058, adopted May 12, 2025, which accepted a program of proposed Capital Improvement Projects for Fiscal Year 2025-2026 and the four fiscal years thereafter, adopted a Capital Budget for Fiscal Year 2025-2026, and determined a means of financing the same, to appropriate the increase to the Fiscal Year 2025-2026 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Public Works’ Complete Streets project in the Transportation - Federal/State/Regional category by \$224,012.00, for the purpose of appropriating funds received from the Great American Insurance Company for various infrastructure improvements in the Governor’s Retreat subdivision.

BACKGROUND: The City entered into a Developer’s Agreement (dated June 24, 2020) with Coalson Enterprises Corp. (Coalson) for the construction of the public infrastructure improvements associated with the Governor’s Retreat Subdivision (5817 Walmsley Blvd). The terms of the Developer’s Agreement required the posting of appropriate surety by Coalson as guarantee for the satisfactory completion of the improvements. The public infrastructure improvements included roadways, curb, gutter, sidewalk, paving, pavement markings, landscaping, street lighting, water, sanitary sewers, and storm water facilities, all as detailed within the approved construction plans.

Coalson completed significant portions of the public infrastructure improvements (including water, sanitary and storm sewers) but City staff, upon recent inspection of the construction work in-place, found elements of the improvements (roadway asphalt work and streetlighting) to be incomplete, with little or no progress being made to complete the work after repeated inquires by staff. As a result, the City declared Coalson in default as of

March 5, 2025. Upon issuance of the formal default notice, Coalson Enterprises still failed to resume work or make any effort to rectify the conditions of default.

Subsequently, the City provided notice to the Surety (Great American Insurance Company, GAIC) to remedy or cause to be remedied the afore referenced default per the terms of the surety bond. In response to the City's notice, GAIC offered payment of the current full bond penalty amount of \$224,012.00 to the City in exchange for a final release of GAIC from any and all claims against the bond for the Governor's Retreat subdivision. GAIC formalized their offer in the form of a "Conditional Release and Limited Assignment" document (copy attached).

As stipulated within the Developer's Agreement and noted in Section 3 of the "Conditional Release and Limited Assignment" document, the City expressly reserves its rights to pursue potential actions against Coalson, including for any funds expended for the completion of the Governor's Retreat Subdivision Streets over and above \$224,012.

COMMUNITY ENGAGEMENT: Upon City Council introduction, the proposed Ordinance will be referred to a future City Planning Commission (CPC) meeting for discussion, public encouraged to attend and provide comment; subsequent to CPC recommendation to City Council, Council to hold a public hearing regarding the proposed Ordinance.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: Richmond 300 Master Plan (Goal 14: Housing); City Council Resolution No. 2023-R019 (Declare a housing crisis).

FISCAL IMPACT: City to receive revenue in the amount of \$224,012.00; amend the adopted FY2025-2026 Capital Budget by appropriating revenue to DPW's "Complete Streets" (New Award); and, expend the funds for "The Governor's Retreat Subdivision Streets" project.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: September 8, 2025.

CITY COUNCIL PUBLIC HEARING DATE: October 14, 2025.

REQUESTED AGENDA: Consent Agenda.

RECOMMENDED COUNCIL COMMITTEE: Planning Commission.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None.

AFFECTED AGENCIES: Public Works; Law Department; Planning & Development Review; Public Utilities; Assessor; Finance; Budget and Strategic Planning; Fire Department; Police Department, Mayor's Office, and CAO's Office.

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance No. 2025-058.

ATTACHMENTS: Developer's Agreement (dated June 24, 2020).
Conditional Release and Limited Assignment (dated May 15, 2025).

STAFF: Prepared for: Mr. Bobby Vincent, Jr., Director, DPW 646-6444
 Prepared by: M. S. Khara, P.E., City Engineer, DPW 646-5413
 Research & Coordinated by: DPW/Right-of-Way Management