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#### CITY OF RICHMOND

### Department of Planning & Development Review Staff Report

This staff report is in reference to the six ordinances to be considered by the City Planning Commission in regard to the Navy Hill District project proposal:

Ordinance Numbers: 2019-213, 2019-214, 2019-215, 2019-217, 2019-218 and 2019-219

To: City Planning Commission

From: Department of Planning and Development Review

Department of Economic Development

Department of Public Works

**Date:** October 16, 2019

#### **PETITIONER**

City of Richmond 900 East Broad Street Richmond, VA 23219

#### **LOCATION**

The Navy Hill District project area is in downtown Richmond, bounded generally by East Leigh Street to the north, East Marshall Street to the south, North Tenth Street to the east, and North Fifth Street to the west. The project area is surrounded by active districts on all sides: the VA Bio+Tech Park to the north; VCU Medical Campus to the east; centers of state and local government to the southeast; and Richmond's Central Business District to the south. However, for many years the project area has been in an extended period of decline, and is of note mostly for its lack of activity.

#### **PURPOSE**

To reapportion rights-of-way, convey property from the City, modify the requirements and location of the CM Coliseum Mall District, establish Priority Street and Street-Oriented Commercial designations, and rezone a portion of the area to the CM District in order to create a framework under which the Navy Hill District project vision may be reached.

#### **SUMMARY & RECOMMENDATION**

For decades, the blocks in the proposed redevelopment area have been underutilized. The City or related entities own the majority of the land in the area, and it has been repeatedly identified as a significant opportunity for redevelopment in both the Richmond Downtown Master Plan (2009), and also in the Pulse Corridor Plan, approved by the City Council (2017).

On November 9, 2017, the City issued a Request for Proposals (RFP) to redevelop this area of downtown generally bounded by East Leigh Street to the north, East Marshall Street to the south, North Tenth Street to the east, and North Fifth Street to the west. In response to the RFP, the City received a Proposal in February 2018 from the Navy Hill District Corporation (NHDC) for a mixed-use project. Following months of due diligence and negotiations, the City Administration has reached an agreement with NHDC and is prepared to proceed with the project. City Administration introduced the project plans and a Development Agreement to City Council on August 5<sup>th</sup> 2019, at which time all documents became publically available.

The project consists of a mixed-use development anchored by a new state-of-the-art 17,500 seat arena, and, in addition to the influx of approximately 2,500 residential units (including 280 affordable units); Class A office space; and ground-level retail; includes a 500+ key upper-upscale convention center hotel, a renovated/preserved historic Blues Armory; 65,000 s.f. of ground floor space for a permanent GRTC Transit Center, and a variety of infrastructure improvements reconnecting the street grid and facilitating a vibrant walkable neighborhood. Per the Development Agreement, the "Arena Project" will be financed by non-recourse bonds (backed by private investors with no moral or general obligation of the City), which will be repaid using a variety of incremental revenues. Construction of all other aspects of project, including infrastructure improvements, will be privately financed by the Developer (outside of the arena bonds).

The six ordinances before the Planning Commission for consideration are as follows:

**#1. COLISEUM TRANSFER TO EDA: Ordinance 2019-213:** "To declare surplus and direct the conveyance of a portion of the City-owned real estate known as 601 East Leigh Street, consisting of 171,906 ± s.f., for nominal consideration to the Economic Development Authority of the City of Richmond."

The Development Agreement provides for the City to convey the City-owned real estate depicted as Development Parcel A1 on Exhibit K to the agreement ("Map Depicting Development Parcels") to the Economic Development Authority of the City of Richmond. Development Parcel A1 consists of a 171,906+/- s.f. portion of the City-owned tax parcel on which the Richmond Coliseum currently resides (Tax Parcel N000-007/001). This ordinance authorizes such conveyance by the City to the EDA.

Pursuant to the Development Agreement, following the City's conveyance, Development Parcel A1 will be leased by the EDA (as Landlord) to NHDC (as Tenant) for the demolition of the current Coliseum and construction and operation of a new state-of-the-art arena. The 348 page Form of Arena Lease attached to the Development Agreement as Exhibit B1 provides for a lease term of 30 years from the date of Substantial Completion of the Arena Project. Pursuant to the Arena Lease, the arena improvements (financed by the arena bonds) will continue to be owned by the EDA as Public Assets and the City is authorized to act on behalf of the EDA in its capacity as Landlord (Section 2.5). The lease includes a variety of provisions related to the Tenant's

obligations to maintain and operate the facility, City oversight, and City rights to utilize the facility for public, civic, or other City events. Notably, not only is the Tenant obligated to operate and maintain the arena, the City/EDA are not responsible for any net operating loss. For comparison, in addition to annual debt payments of approximately \$545,000 for previous repairs to the facility, operation of the Richmond Coliseum recently required the City commit about \$935,000 annually from the General Fund to subsidize Coliseum operations and is estimated to require \$436,000 annually to maintain it even as a closed facility if it is not demolished (estimated cost of demolition is \$12,000,000, which would require City funds/General Obligation debt if done independent of this project). If the Navy Hill Project moves forwards, (1) the non-recourse Arena Bonds will defease the remaining capital debt on the Coliseum as well as finance the cost of demolishing the Coliseum and (2) will transfer the responsibility of facility maintenance and the risk of operating loss away from the City and require the risk be borne by the Tenant/operator.

The sole effect of this ordinance (Ord. No. 2019-213) is to declare surplus and authorize the conveyance of the 171,906+/- s.f. portion of City-owned parcel N000-007/001 (shown as Development Parcel A1 in the Development Agreement) to the EDA. Approval of this ordinance is a necessary prerequisite to effectuate the project as set forth in the Development Agreement; however, the legislation specifically authorizing the Development Agreement (including Arena Lease) is not subject to Planning Commission review.

Economic Development staff recommend approval of the ordinance.

#### #2. PARCELS CONVEYED TO NAVY HILL DISTRICT CORPORATION: Ordinance 2019-214:

"To declare surplus and direct the conveyance of certain parcels, or portions thereof, of Cityowned real estate known as 601. E. Leigh St., 501 N. 7<sup>th</sup> St., 808 E. Clay St., 800 E. Clay St., 500 N. 10<sup>th</sup> St., 500 E. Marshall St., 500 A E. Marshall St., 116 N. 7<sup>th</sup> St., 114 N. 7<sup>th</sup> St., 112 N. 7<sup>th</sup> St., and 301 E. Broad St. to The NH District Corporation for the purpose of facilitating the redevelopment of the area to be bounded generally by E. Leigh St. to the north, N. 10<sup>th</sup> St. on the east, E. Marshall St. on the south, and N. 5<sup>th</sup> St. on the west."

The Development Agreement provides for the City to convey the real estate depicted as Development Parcels A2, A3, B, C, D, E, F1, I, N, and U on Exhibit K to the agreement ("Map Depicting Development Parcels") to NHDC, subject to a variety of conditions and prerequisites. With one exception (Dev. Parcel N), the Development Parcels as shown on the Map Depicting Development Parcels are not current parcels of real estate in such configurations; rather, the contemplated future Development Parcels are comprised of a combination of current parcels/portions of current parcels of real estate owned by the City, or an associated entity, as defined in the RFP. Formation and development of such contemplated parcels is made possible due to (1) a variety of infrastructure improvements to be completed and privately funded by the Developer, providing for updated street fronts and for the addition of portions of current right-of-way to the Development Parcels and (2) demolition of deteriorating facilities - the Richmond

Coliseum (as part of the arena project) and the Public Safety Building (to be completed by the Developer at its cost).

Pursuant to the Development Agreement, the purchase price for such Development Parcels is \$15.8 million. The agreement requires that the entire purchase price be placed in escrow prior to the arena bonds being issued and prior to the conveyance of any Development Parcels to NHDC. Additionally, no Development Parcels will be conveyed to NHDC until and unless the arena bonds are issued (the issuance of which requires NHDC to satisfy a variety of conditions precedent). Moreover, the Development Parcels will not convey merely upon the payment of the purchase price into escrow or issuance of the arena bonds. Rather, each Development Parcel will only convey to NHDC following NHDC's satisfaction of a variety of prerequisites/conditions precedent, including NHDC demonstrating ability to develop the applicable parcel in a manner meeting or exceeding the minimum development requirements and minimum capital investment set forth in Exhibit L to the Development Agreement ("Master Plan") and in compliance with any other obligations set forth in the agreements (e.g., affordable housing, hotel on Development Parcel F1, GRTC Transit Center on Development Parcel C, etc.). If a Development Parcel does not convey to NHDC due to its failure to meet the prerequisites for closing prior to the applicable deadline set forth in Exhibit J to the Development Agreement or due to any breach, the City retains the purchase price allocated to such Development Parcel and retains ownership of the property further, in such scenarios, the City has certain rights to terminate NHDC's right to acquire any Development Parcels not yet conveyed to NHDC (in which case, the City would retain the entire Purchase Price as well as the property).

Development requirements include, but are not limited to:

- Obligation to renovate historic Blues Armory (Note to be completed at private expense but not part of the Private Development Parcels to be conveyed to NHDC; rather, will remain a public asset leased to NHDC)
- Obligation to meet the minimum development requirements set forth in the Master Plan. Notably, in total (not including the arena), the Minimum Capital Investment the Developer is required to meet for the development exceeds \$1.3 billion
- Obligation to construct and maintain a minimum of 280 affordable housing units, spread throughout the Development Parcels (Note – Dev. Agreement also requires the Developer secure and provide to the Better Housing Coalition or similar entity a cash philanthropic contribution of \$10 million, allowing for the development of 200 additional affordable units within downtown Richmond)
- Obligation to include a 65,000 s.f. GRTC transit center within the ground floor of a mixed use development
- Obligation to perform a variety of right-of-way and infrastructure improvements
- Obligation to build to LEED silver standards
- Obligation to utilize natural gas from Richmond Gas Works

- Obligation to construct, make available, and maintain public open space
- Obligation to meet enhanced stormwater retention standards
- Obligation to construct a 500+ key convention center hotel and to secure an operator/flag that is designated as upper-upscale or luxury
- Obligation to preserve the historic façade of the Richmond Garage

Deeds conveying the Development Parcels to NHDC will include covenants running with the land, (1) ensuring compliance with affordable housing requirements set forth in the Development Agreement, (2) providing for the parcels to continue to generate full real estate tax revenues in the event they are occupied by an otherwise tax-exempt entity at any point in the future, and (3), as it relates to Development Parcel F1, ensuring the hotel continues to be operated by and to the standards of a quality hotel franchise.

Though the legislation specifically authorizing the Development Agreement is not subject to the Planning Commission's review, the foregoing is intended to provide background as to such agreements and the contemplated project.

As it relates to the legislation in front of the Planning Commission and the specific effect thereof, this ordinance (Ord. No. 2019-214) declares surplus and directs conveyance to NHDC all of the currently City-owned parcels of real estate and portions thereof that are contemplated to be conveyed to NHDC pursuant to the Development Agreement, with the exception of the City-owned Parcel No. W000-0008/001, which parcel is contemplated to be conveyed per the terms of the Development Agreement and was intended to be included in this ordinance but was inadvertently omitted. To proceed most efficiently, the <u>City Administration requests that the Planning Commission recommend City Council approve the ordinance with an amendment to include in Section 1 of the ordinance "The property known as 609 E. Grace St., with Tax Parcel No. W000-0008/001" to the list of "Property" declared surplus and directed to be conveyed pursuant to the ordinance.</u>

The parcels of real estate and portions thereof included in the ordinance are set forth below with a description of each respective property's current use and its relationship to the contemplated corresponding future Development Parcels as set forth on the Map Depicting Development Parcels.

Current Tax Parcel/Portion(s) to be Conveyed to NHDC	Location and Current Use	Corresponding Future "Development Parcel"
The following portions of Tax Parcel No. N000-0007/001:	601 E. Leigh St.; Site of Richmond Coliseum	
40,619+/- s.f. portion - Ordinance Section 1(a)(1)		Becomes Development Parcel A2 (Note - small portion of to- be-closed r/w will be added to Dev. Parcel)
33,273+/- s.f. portion - Ordinance Section 1(a)(2)		Becomes Development Parcel A3 (Note - small portion of to- be-closed r/w will be added to Dev. Parcel)
12,972+/- s.f. portion - Ordinance Section 1(a)(3)		Becomes a portion of Development Parcel E (Note - shown as portion E-A on Map Depicting Development Parcels)
16,751+/- s.f. portion - Ordinance Section 1(a)(4)		Becomes a portion of Development Parcel F1 (Note - shown as portion F1-A (3,801 s.f.) and F1-B (12,950 s.f.) on Map Depicting Development Parcels)
A 19,902+/- s.f. portion of Tax Parcel No. N000-008/001 - Ordinance Section 1(b)	501 N. 7th Street; Full parcel contains a City-owned parking garage - this portion of parcel is limited to certain adjacent space outside the footprint of the garage to the north, south, and west - parking garage to remain with City	Becomes Development Parcel B (Note - only developable with addition of to-be-closed r/w abutting on all three sides. Easements across the Dev. Parcel will provide continued access to City parking garage)
Tax Parcel No. N000- 0009/001, less and except small portion of parcel to be dedicated as new r/w along E. Clay St Ordinance Section 1(c)	808 E. Clay St., Surface parking lot	Becomes a portion of Development Parcel C

Tax Parcel No. N000- 0009/002, less and except small portion of parcel to be dedicated as new r/w along E. Clay St Ordinance Section 1(d)	800 E. Clay St., Surface parking lot	Becomes a portion of Development Parcel C
Tax Parcel No. N000- 0235/002, less and except portion of parcel to be dedicated as r/w to form new E. Clay St. from N. 9th St. to N. 10th StOrdinance Section 1(e)	500 N. 10th St.; Public Safety Building	Development Parcel D and portion of Development Parcel I - (1) The 97,543+/- s.f. portion of the current parcel north on the area to-bededicated as new E. Clay St. becomes Development Parcel D; (2) The 11,545+/- s.f. portion to the south of new E. Clay St. becomes a portion of Development Parcel I (Noteshown as portion I-B on Map Depicting Development Parcels)
A 5,876+/- s.f. portion of Tax Parcel No. N000-0011/033 - Ordinance Section 1(f)	500 E. Marshall St.; Full parcel contains a City-owned parking garage - this portion of parcel is limited to certain adjacent space outside the footprint of the garage to the north-parking garage to remain with City	Becomes portion of Development Parcel E (Note - shown as portion E-B on Map Depicting Development Parcels)
Tax Parcel No. N000- 0007/003 - Ordinance Section 1(g)	500 A E. Marshall St.;	Becomes portion of Development Parcel U
Tax Parcel No. W000- 0008/008 - Ordinance Section 1(h)	116 N. 7th St.; Surface Parking Lot	Becomes portion of Development Parcel U
Tax Parcel No. W000- 0008/009 - Ordinance Section 1(i)	114 N. 7th St.; Surface Parking Lot	Becomes portion of Development Parcel U
Tax Parcel No. W000- 0008/010 - Ordinance Section 1(j) ***	112 N. 7th St.; Surface Parking Lot	Becomes portion of Development Parcel U

Tax Parcel No. W000- 0025/001 - Ordinance Section 1(k)	401, E. Broad St.; Surface Parking Lot	Becomes Development Parcel N
		Becomes portion of
Amendment to Ordinance	609 E. Grace St., Surface	Development Parcel U (Note -
would add: Tax Parcel No.	Parking Lot and Parking	Historic Façade of Richmond
W000-0008/001	Garage	Garage to be preserved.)

<sup>\*\*\*</sup> Ordinance currently includes inadvertent duplicate "0" at end of tax parcel number (reads W000-0008/0010) – extra "0" to be removed so reference ends in "/010"

#3. ALTERING OF RIGHTS-OF-WAY: Ordinance 2019- 215: "To close, to public use and travel, certain right-of-way areas comprised of portions of East Leigh Street, East Clay Street, North 5<sup>th</sup> Street, and North 7<sup>th</sup> Street, such portions together consisting of 44,590± s.f., to retain easements in certain of the closed right-of-way areas, and to authorize the Chief Administrative Officer to accept the dedication of right-of-way areas, for the purpose of facilitating the redevelopment of the area bounded generally by East Leigh Street on the north, North 10<sup>th</sup> Street on the east, East Marshall Street on the south, and North 5<sup>th</sup> Street on the west."

The Development Agreement provides for the reconfiguration of right-of-way and construction of related infrastructure by the Developer in order to reconnect the street grid, facilitate a vibrant walkable neighborhood, and create development parcels suited to the project. This ordinance is necessary to authorize (1) the closure of various portions of current public right-of-way (consisting of approximately 44,590 s.f.) and (2) the dedication of portions of current parcels of real property as new public right-of-way (consisting of approximately 66,977 s.f.). Per the ordinance, the closures and dedications set forth therein are subject to compliance with the terms and requirements set forth in the Development Agreement (notably, Exhibit H - Right-of-Way Reconfiguration Conditions).

Notably, the Right-of-Way Reconfiguration Conditions require the Developer to complete a Traffic Impact Analysis, the scope of which is in the discretion of the City's Traffic Engineer. Per the agreement, the Traffic Impact Analysis must be completed prior to the closure of any portion of right-of-way taking legal effect. Moreover, the Director of Public Works is authorized to determine, in his discretion, that modifications to any Road Project are necessary based on the results of the Traffic Impact Analysis.

The closures and dedications are as follows:

#### Rights-of-Way to be Closed Pursuant to Ord. No. 2019-215:

- 466 +/- s.f. at the southeastern intersection of E. Leigh St. and N. 5<sup>th</sup> St.
- 1,757 +/- s.f. at the southwestern intersection of E. Leigh St. and N. 7<sup>th</sup> St.
- 5,389 +/- s.f. along a portion of the eastern line of N. 7<sup>th</sup> St. between E. Clay St. and E. Leigh St.
- 10,181 +/- s.f. along the northern line of E. Clay St. between N. 7<sup>th</sup> St. and N. 8<sup>th</sup> St.
- 9,784 +/- s.f. along the southern line of E. Leigh St. between N. 7<sup>th</sup> St. and N. 8<sup>th</sup> St.
- 7,755 +/- s.f. along the southern line of E. Leigh St. between N. 8<sup>th</sup> St. and N. 9<sup>th</sup> St.
- 9,255 +/- s.f. along the southern line of E. Leigh St. between N. 9<sup>th</sup> St. and N. 10<sup>th</sup> St.
- 3 +/- s.f. at the point which will become the northwestern intersection of N. 7<sup>th</sup> St. and E. Clay St. (upon the dedication of right-of-way to connect E. Clay Street from N 5<sup>th</sup> St. to N 7<sup>th</sup> St.)

#### Rights-of-Way to be Dedicated Pursuant to Ord. No. 2019-215:

- Portions of the property known as 601 East Leigh Street, with Tax Parcel No. N000-0007/001 in the 2019 records of the City Assessor, consisting of a total of approximately 47,362 s.f.. Such portions include:
  - o 34,078 +/- s.f. to connect E. Clay St. from N. 5<sup>th</sup> St. to N. 7<sup>th</sup> St.
  - 4,937 +/- s.f. along a portion of the eastern line of N. 5<sup>th</sup> St. between E. Leigh St. and the point which will become the northeastern intersection of N. 5<sup>th</sup> St. and E. Clay St. (upon the dedication of right-of-way to connect E. Clay St. from N 5<sup>th</sup> St. to N 7<sup>th</sup> St.)
  - 4,600 +/- s.f. along a portion of the western line of N. 7<sup>th</sup> St. between E. Leigh St. and the the point which will become the northwestern intersection of N. 7<sup>th</sup> St. and E. Clay St. (upon the dedication of right-of-way to connect E. Clay St. from N 5<sup>th</sup> St. to N 7<sup>th</sup> St.)
  - 3,747 +/- s.f. along a portion of the southern line of E. Leigh St. between N. 5<sup>th</sup> St. and N. 7<sup>th</sup> St.
- A portion of the property known as 500 North 10th St., with Tax Parcel No. E000-0235/001 in the 2019 records of the City Assessor, consisting of approximately 17,845 s.f., to connect E. Clay St. from N. 9<sup>th</sup> St. to N. 10<sup>th</sup> St.
- A portion of the property known as 808 East Clay St., with Tax Parcel No. N000- 0009/001 in the 2019 records of the City Assessor, consisting of approximately 1,195 s.f., and a portion of the property known as 800 East Clay St., with Tax Parcel No. N000- 0009/002 in the 2019 records of the City Assessor, consisting of approximately 575 s.f.; which portions collectively dedicate right-of-way along the northern line of E. Clay St. from N. 8<sup>th</sup> St. to N. 9<sup>th</sup> St.

 Any other property required to be dedicated as right-of-way in the determination of the Director of Public Works as set forth in the Right-of-Way Reconfiguration Conditions exhibit to the Development Agreement (see Section 2.4).

\*\*\*Additional Public Access Areas - Additionally (not included in the above square footages of to-be-dedicated public right-of-way), the following access easements and associated improvements are required by the Development Agreement to be constructed/granted for the benefit of the public:

- The 6<sup>th</sup> St. pedestrian plaza connecting (as a public pedestrian plaza) N. 6<sup>th</sup> Street from E. Marshall St. to new/to-be-dedicated E. Clay Street. Labeled "Access Easement" on the Drawing, the pedestrian plaza area consists of 17,577 +/- s.f.
- A minimum 10 foot wide sidewalk along the south side of E. Leigh Street at grade with the arena and development blocks (labeled "pedestrian access easement" on the Drawing)

The total area authorized to be dedicated as public right-of-way per this ordinance (66,977 +/-s.f.) exceeds the total area of public right-of-way authorized to be closed per this ordinance (44,590 s.f. +/- s.f.), resulting in a net gain to the public right-of-way of 22,387 s.f. +/-. The 22,387 s.f. +/- net gain to the public right-of-way does not include the "Additional Public Access Areas" above, which further increase the land area that will be open to the public (for non-vehicular use).

Department of Public Works staff recommend approval of the ordinance.

#### #4. MODIFYING THE CM DISTRICT: Ordinance 2019-217

"To repeal ch. 30, art. IV, div 26 (§§ 30-448.1-30-448.4) of the City Code; to amend ch. 30, art. IV, by adding therein a new div. 26 (§§ 30-448.1-30-448.8); and to amend City Code §§ 30-503, 30-519, 30-710.1, 30-710.4, 30-710.13, and 30-1220, all for the purpose of modifying the zoning regulations applicable in the CM Coliseum Mall District."

#### Background

In order to realize the vision of the redevelopment proposal and to have a vibrant, mixed-use downtown center, it is necessary to modify the CM Coliseum Mall District. Some of the uses proposed in the development are not currently permitted in the CM District, while other uses currently permitted in the CM District would not be appropriate in the new development. The district amendments permit these uses as proposed by the developer.

The amended CM District adds dwelling units, breweries, distilleries, hospitals, radio and television broadcasting, retail of food and beverages in an open air structure, for some examples, and removes parking lots and motels as permitted principal uses. Nightclubs and retail sales of liquor are allowed in both by Conditional Use Permit, as they are in the current CM District.

The developer proposes signage of a type and scope not currently permitted in any district in the city, and the altered district will accommodate the proposed signage. The size of the signage is larger than other districts downtown, and off-premises and animated signage will be permitted. The current CM District permits a total sign area of two s.f. per each linear foot of street frontage, with a maximum of 300 s.f.; the amended CM District allows 2 square feet per *tenant storefront* on a block, with a maximum of 200 s.f. per *tenant frontage*. Depending on how many storefronts are on a block, the signage total could be significantly higher than in any other district. The new CM regulations also permit animated signs and off-premises signs, as well as a 500 s.f. sign on the arena. It is important to note that this level of signage is only appropriate to an arena district, and that the amended CM District is not intended to be applied elsewhere in the city. Clay Street will remain a pedestrian-oriented street, with signage regulations identical to the UB Urban Business District (e.g. the signage requirements for Carytown).

Planning and Development Review staff has discussed the uses and signage with the development team in great detail and has worked through many iterations before coming to agreement. In addition to altering allowed uses and signage, staff added parking and circulation requirements, building façade fenestration and landscaping requirements, and yards consistent with the TOD-1 Transit-Oriented Nodal District. The parking requirements for the amended CM District are consistent with the parking requirements for the B-4 District, in that off-street parking spaces are only required for dwelling uses and hotels. Moreover, the number of spaces required for dwellings uses and hotels in the amended CM District are the same as currently required in the B-4 District. Compliance with the parking standards will be confirmed during Plan of Development review.

Furthermore, staff included the six design elements of development from the Pulse Corridor Plan in the district's intent statement to ensure that future development provides a walkable, human-scale environment.

Other than the parcels currently zoned CM, the rest of project area is currently zoned B-4 Central Business District. The newly amended and expanded CM District will allow the new development to blend well with adjacent B-4 areas, while still creating a strong sense of place within the project area.

In order to clarify these points, the following intent statement was added to the proposed amended CM Coliseum Mall District language in the Zoning Ordinance: The "district is intended to encourage and bolster dense, walkable transit-oriented development that is consistent with the goals of the adopted Master Plan, Downtown Plan and Pulse Corridor Plan. The district permits a mix of uses to enable residential, commercial, office, and institutional uses to coexist alongside major buildings or public spaces intended for public assembly. In keeping with the goals of the Pulse Corridor Plan, new development in the District is intended to be reflective of the six design elements of the Pulse Corridor Plan".

Planning and Development Review staff recommend approval of the ordinance.

**#5. ADDING PRIORITY STREET AND STREET-ORIENTED COMMERCIAL DESIGNATIONS: Ordinance 2019-218:** "To amend the official zoning map for the purpose of designating certain street blocks as "priority streets" and certain street blocks as "street-oriented commercial streets" in the area bounded generally by East Leigh Street on the north, North 10<sup>th</sup> Street on the east, East Marshall Street on the south, and North 5<sup>th</sup> Street on the west."

#### Background

Newer zoning districts, such as TOD-1 and B-7, have added designations of Street-Oriented Commercial and Priority Streets, which increase the walkable quality of streets with larger developments; adding these designations to the CM District will bring the district into line with other contemporary districts. Apartment buildings on streets designated as Street-Oriented Commercial must have a minimum of one-third or 1,000 s.f., whichever is greater, devoted to other principal uses permitted in this district. No portion of a parking garage or deck located on a principal or Priority Street may be used for parking or circulation, but shall be devoted to other permitted principal uses, provided there is alley access for vehicles.

Planning and Development Review staff recommend approval of the ordinance.

#6. REZONING PROPERTIES FROM B-4 TO CM: Ordinance 2019-219: To rezone the properties known as 601 E. Leigh St., 501 N. 7<sup>th</sup> St., 808 E. Clay St., 800 E. Clay St., 500 N. 10<sup>th</sup> St., 900 E. Marshall St., 406 N. 7<sup>th</sup> St., 408 A N. 7<sup>th</sup> St, 500 E. Marshall St., and 500 B E. Marshall St. from the B-4 Central Business District to the CM Coliseum Mall District.

#### **Background**

Currently, only the existing Coliseum, the Blues Armory and the former Sixth Street Marketplace site, and part of the parking deck at Fifth and Marshall are zoned CM Coliseum Mall. This ordinance will expand that designation to the entire project area.

Planning and Development Review staff recommend approval of the ordinance.

#### **STAFF FINDINGS**

Staff find that the proposed Navy Hill District project, as enabled by the proposed zoning changes, is consistent with the Downtown Mixed-Use land use designation of the Pulse Corridor Plan. The proposed zoning changes result in a district comparable to the current underlying zoning, but with improvements as described above.

Staff find that the proposed Navy Hill District project supports the vision for Convention Center and Government Center Station Areas.

Staff find that the proposed Navy Hill District project is consistent with the recommendations of the Pulse Corridor Plan, pertaining to the opportunity area including the Coliseum and adjacent City-owned parcels, in that the proposed mixed-use, mixed-income development would serve as a connection...between the Convention Center, VA Bio+Tech Park, and the Capital District and includes affordable housing.

Staff find that the proposed Navy Hill District project meets Corridor-Wide Recommendations applicable to the Downtown Station area, including:

- -Wrapped parking decks, underground parking, public art, and redevelopment of existing parking lots as new infill sites
- -Incorporating Street-Oriented Commercial and Priority Streets designations into the Zoning Ordinance
- -Incorporating the six design elements into the Zoning Ordinance
- -Implementing a tax increment finance district strategy
- -Prohibiting the development of new surface parking lots

Staff find that the proposed Navy Hill District project would increase the residential population in the vicinity of local businesses and civic uses to help to stimulate social and economic activity downtown, and would revitalize the Blues Armory complex. While East Clay Street is proposed to be a landscaped, pedestrian-oriented green spine through the new district and several buildings will have green or solar-paneled roofs, additional attention is needed to improve existing parks and establish new open space.

Staff find that the proposed Navy Hill District project reconnects the street grid, as recommended by both the Downtown and Pulse Corridor Plans, in order to break up super blocks; Specifically, reopening the 900 block of Clay Street (to pedestrian and vehicular traffic), thereby providing a visual and physical connection between the Convention Center and Court End, and by establishing pedestrian use of Clay Street between N. 5<sup>th</sup> and N. 7<sup>th</sup> Streets.

#### FINDINGS OF FACT

#### Background

For decades, the blocks in the proposed redevelopment area have been underutilized or vacant. The City, or related entities, own the majority of the land in the area, and it has been repeatedly identified as a significant opportunity for redevelopment in the center of the Richmond region. The ordinances, as summarized above, will help shape the area into the vibrant, mixed-use neighborhood that is envisioned.

#### **Surrounding Area**

The Greater Richmond Convention Center is located to the west of project area and is zoned DCC Downtown Civic and Cultural. VA Bio+Tech Park to the north is zoned RP Research Park. To the east and south, the VCU Medical Center, Government Center/State Capitol, and Central Business District are all zoned B-4 Central Business.

#### **Housing Affordability**

The agreement between the City and the developer specifies the number and the location of affordable housing units to be developed both in the primary project area and elsewhere. The developer must directly construct 280 affordable housing units within the project area, as well as raise \$10 Million from third parties, which shall be placed in escrow for the benefit of the Better Housing Coalition or equivalent organization, for use in developing an additional 200 affordable housing units. In total the project will provide 480 affordable housing units.

#### **Community Outreach**

In 2018, the Navy Hill District Corporation held several meetings regarding the project. In September of 2019, lead City staff and representatives of the development team presented at Council District meetings for Districts One, Three, Six, Seven, Eight and Nine, as well as met with small groups such as the NAACP, local clergy, and Chamber of Commerce. In October of 2019, the team will present at a teachers/PTA event and a Chamber RVA MENTOR Richmond and Leadership Lab. Representatives of the team have also discussed the project with the Downtown Neighborhood Association and are engaging the Historic Jackson Ward Association.

#### Zoning

The proposed changes to and expansion of the CM Coliseum Mall District will accommodate the vision of the City's Request for Proposals, the Downtown Master Plan, and the Pulse Corridor Plan (see above summary of Ord. No. 2019-217).

#### **Master Plan**

The project area is within the City Center District of the Downtown Plan (2009) and within the Downtown Station area (Convention Center and Government Center Station Areas, specifically) of the Pulse Corridor Plan (2017).

The Downtown Plan and the Pulse Corridor Plan both refer to the need to redevelop the area including the Navy Hill District project, as described in greater detail below. Both plans were prepared with contributions from various stakeholder groups and the public at large, made during meetings, presentations, a design session, charrettes, open design studio discussions, and public forums.

#### Downtown Plan:

According to the Downtown Plan, "the City Center District is located within the core of Richmond. It is comprised of the region's most important offices and workplaces, VCU's Medical College of Virginia (MCV) Campus, the Virginia Bio-Technology Research Park, Richmond Coliseum, Greater Richmond Convention Center, City Hall, Capitol Square, government and institutional buildings, and the financial district. The City Center is the heart of Downtown Richmond, serving as the nucleus of commerce, government, and economic prosperity.

While the area is home to many established institutions and government facilities, the urban form has been disrupted with large-scale development, parking lots and garages. Several office buildings have no relationship to the pedestrian (i.e. lack of retail services and blank walls facing streets) and are instead auto-oriented (i.e. garage entrances and loading docks facing streets). The system of one-way streets and high-speed traffic make the area difficult for motorists and pedestrians to navigate. The vacant storefronts along Broad Street indicate the need for a broader range of uses in the area. Residential uses are infrequent, making the City Center a place of 9am to 5pm activity.

While the uses within Downtown grow and thrive, leaders in the City and Commonwealth have realized in recent years the effect the decline of the outdoor urban environment has on quality of life, visitor perceptions of the city, and the economic vitality of the Downtown as a whole.

Recent redevelopment and revitalization efforts have helped to spark a returned interest in transforming the City Center into a 24-hour mixed-use community. The plan for the City Center seeks to build upon this momentum and encourage more residents, visitors, and businesses to return to the area" (p. 4.19).

The Downtown Master Plan states a "need for higher level retail centers and businesses in the area to facilitate activities when the Convention Center is not in use" (p. 1.12). The plan also calls for new downtown development to be "respectful of the urban context", encouraging zoning to allow for a mix of uses, and "increase the residential population in the vicinity of local businesses and civic uses [to] help to stimulate social and economic activity downtown" (p. 3.4).

The Downtown Plan offers the following guiding principles for the City Center District:

#### Essential role of urban streets as public spaces:

"Streets play an essential role in the healthy operation of cities. They are a city's circulation system and its public spaces. Streets permit access to light and fresh air, provide a location for social interaction, and straight streets such as Richmond's allow views through the city. Street closures and development that take up more than one city block (also known as "superblock" development) restrict public access and connectivity. Given the importance of the street grid to Richmond's urban environment, the grid (including alleys) should be preserved, and wherever possible, reinstated, as the City develops further" (p. 4.21).

#### Require ground floor retail in the City Center in key locations:

"Frequent storefront uses on the ground floor should be a staple of City Center development. Despite the large supply of retail space in Downtown as a whole and further down Broad Street, City Center's own retail offerings are spotty and fragmented, giving rise to a situation in which the part of town with the largest daytime worker population has relatively limited convenient shopping opportunities...Other key locations, including many street corners within the City Center, should be outfitted with storefront uses as well.

This retail space can include a variety of restaurants, convenience stores, shops, and everyday services (like dry-cleaners, drug stores, delis, or shoe repair shops) to support the thousands of workers in the Downtown and to encourage employees to leave their offices and their cars during breaks and explore Downtown by foot. The storefronts can include high-end specialty shops and national retailers, but should also include enough 'affordable commerce' to nurture service businesses and local entrepreneurs. This will improve convenience, sales tax revenues, the business startup prospects, and street life and decrease traffic congestion" (p. 4.21).

#### Reopen East Clay Street:

"The 900 block of E. Clay St. should be re-opened for pedestrian and vehicular traffic. The opening of Clay Street would provide a visual and physical connection between the Convention Center and Court End" (p. 4.25).

#### Integrate the Richmond Coliseum into a walkable urban fabric:

"The Richmond Coliseum was built in 1971 as a Downtown entertainment venue meant to bring activity to a declining urban center. While the Coliseum has brought a variety of sporting events and concerts to Downtown, it is only used at particular times of day for specific events. The building stands empty most of the time, doing little to contribute to Downtown vitality during those periods. Furthermore, the deep plazas and the super-block configuration of the building have had a negative impact on the surrounding urban fabric. The building cannot be expanded with its current configuration, leading City officials to consider building a new facility on the outskirts of Downtown. A short-term solution for the Coliseum is to fill in vacant lots between the Armory and

Clay Street to redefine the (pedestrian) street edge and provide daily activity in this minimally utilized area.

Office, residential, and retail should all be considered to add vibrancy to the area and increase the plaza (park) use. New buildings could be built along the street edge, increasing the value of this Downtown address by adding additional habitable space. A revitalized food venue should be considered. This would also help to aid safety concerns in the area by bringing more people to the Coliseum at all times of the day and not just for scheduled events. In the long-term, if City leaders decide to move the facility out of Downtown, the site should be returned to its original configuration as four urban blocks by opening up Clay Street and 6th Street. These blocks should be redeveloped with mixed-use, street-oriented buildings" (p. 4.24-5).

Revitalize the Blues Armory complex including the former food court structure at Sixth Street: "The Sixth Street Marketplace was an attempt by City leaders and ambitious investors to revitalize retail Downtown by competing directly with the suburbs. Constructed in 1985 as one of James Rouse's 'festival marketplaces', the building was located near the Convention Center on three closed blocks of 6th Street. The Marketplace spanned Broad Street with an elevated pedestrian walkway. As retail and residents continued to move out of Downtown, and as Miller and Rhoads and Thalhimer's Department Stores closed their doors, the Marketplace fell into financial troubles. The primary structure and pedestrian bridge were demolished in 2003. Sixth Street was then reopened for vehicular travel between Grace and Marshall Streets.

Today, all that remains of the Sixth Street Marketplace is an atrium building that used to house a food court, which closed in May 2008. The building is in need of repairs and extensive investment of public and private dollars. A detailed feasibility study of the economics and design of the two block area should be conducted. This area includes: the Blues Armory structure, the former Sixth Street Marketplace structure, the atrium (formerly 6th Street between Marshall and Clay), the vacant land north of the Armory (including the Plaza, or park land), and the closed two blocks of E. Clay Street. This study should be focused on determining the highest and best use of this two block area" (p. 4.27).

The Downtown Plan's illustrative map for the City Center District recommends pedestrian use of Clay Street between 5<sup>th</sup> and 7<sup>th</sup> Streets and reopening Clay Street between 9<sup>th</sup> and 10<sup>th</sup> Streets, new development within the Navy Hill District project area, and indicates that further study is merited for the redevelopment of the two blocks around the Coliseum (p. 4.20):



#### Pulse Corridor Plan:

The Pulse Corridor Plan offers the following visions for the Convention Center and Government Center Station Areas:

#### Convention Center Station Area Vision:

"The gap in vibrant uses between the Arts District and the Government Center Station areas is filled as vacant and underutilized parcels around the Convention Center are developed to include uses that enhance the Convention Center visitor experience and also provide for the daily needs of residents and workers in the area...City-owned property fosters mixed-income redevelopment" (p.93).

#### Government Center Station Area Vision:

"The Government Center Station area continues to be one of the densest areas of the city with new development that matches the intensity of existing buildings but also includes active ground floor uses that enliven the sidewalks, and creates real opportunity to more fully engage the Virginia Biotechnology Research Park [VA Bio+Tech] and VCU Medical Center campuses with the balance of Downtown. The area continues its evolution into a 24-hour neighborhood as more residents desire to live in the core of the city. City-owned property fosters mixed-income redevelopment" (p. 93).

Specifically for the Downtown Station Areas, the Pulse Corridor Plan states:

"Develop a small area plan for the opportunity area around the VCU Medical Center, the Virginia Biotechnology Research Park [VA Bio+Tech], Blue's Armory, the Coliseum, and City-owned land. Include VCU Health and the Virginia Biotechnology Research Park [VA Bio+Tech] in the planning process. Explore public-private-non-profit partnerships to redevelop properties to make the area a dynamic live-work environment" (p. 93).

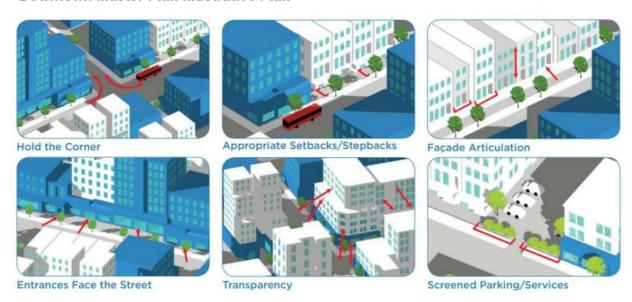
"Reconnect the street grid as opportunities present themselves in order to establish a more finegrained street pattern while preserving the existing gridded street network by not closing any additional streets in the Downtown core.

Using City-owned lots, especially in the opportunity area around the Coliseum and the lot across from the Convention Center, develop affordable housing with a mix of uses" (p. 94).

The following Corridor-Wide Recommendations are applicable to the Downtown Station area:

CW.1 Create a Plan of Development overlay. A Plan of Development overlay along the Corridor will outline form elements projects must incorporate into their site plan to meet TOD goals.

#### Downtown Master Plan Illustrative Plan



CW.4 Encourage underground and wrapped parking decks. Incentivize underground parking, require wrapping of structured parking, discourage the development of new surface parking lots along the Corridor, and encourage redevelopment of existing surface lots as new infill sites.

CW.6 Update the map of Street-Oriented Commercial and Priority Streets along the Pulse Corridor to incorporate into the Zoning Ordinance.

CW.7 Improve existing parks and establish new open space. Improve existing parks and identify opportunities for new park space through the use of City-owned land and incentives for privately-created public open space.

CW.13 Integrate public art. Focus on key points and gateways along the Corridor, such as I-195/Broad, Broad/Belvidere, and Orleans/CSX Railroad.

CW.33 Incentivize transit-oriented development. Investigate strategies such as a tax increment finance district, a technology zone, and other incentives to support enhanced job creation opportunities along the Corridor (p. 93-4).

The Pulse Corridor Plan indicates that the Navy Hill District project area should be predominantly Downtown Mixed-Use land use with some Public & Open Space land use as well. The Pulse Corridor Plan describes the Downtown Mixed-Use designation as:

- Central business district of the Richmond region features a high-density development with office buildings, apartments, and a mix of complementary uses, including regional destinations
- Higher-density pedestrian- and transit-oriented development encouraged on vacant or underutilized sites; new development should be urban in form and may be of a larger scale than existing context
- Active commercial ground floor uses required on street-oriented commercial frontages.
   Active ground floor uses and design required on priority street frontages
- Little to no setback of new development unless to create pedestrian-oriented amenities like plazas and outdoor dining
- Surface parking prohibited as a principal use; when surface parking is provided as an
  accessory use, it should be located to the rear of buildings and screened by shade trees
- Parking requirements are substantially less in these areas than in other areas of the city and are largely eliminated (p. 30).

The Pulse Corridor Plan also identifies the property as being within an "Opportunity Area" in the Future Land Use map (fig. 3.5). Such areas are defined by the Pulse Corridor Plan as "large tracts

of underdeveloped land along the Pulse Corridor that are ideal for redevelopment due to proximity of the Pulse Corridor as well as adjacency to stable neighborhoods. The opportunity areas along the Corridor require further study via a small area plan" (p. 32).

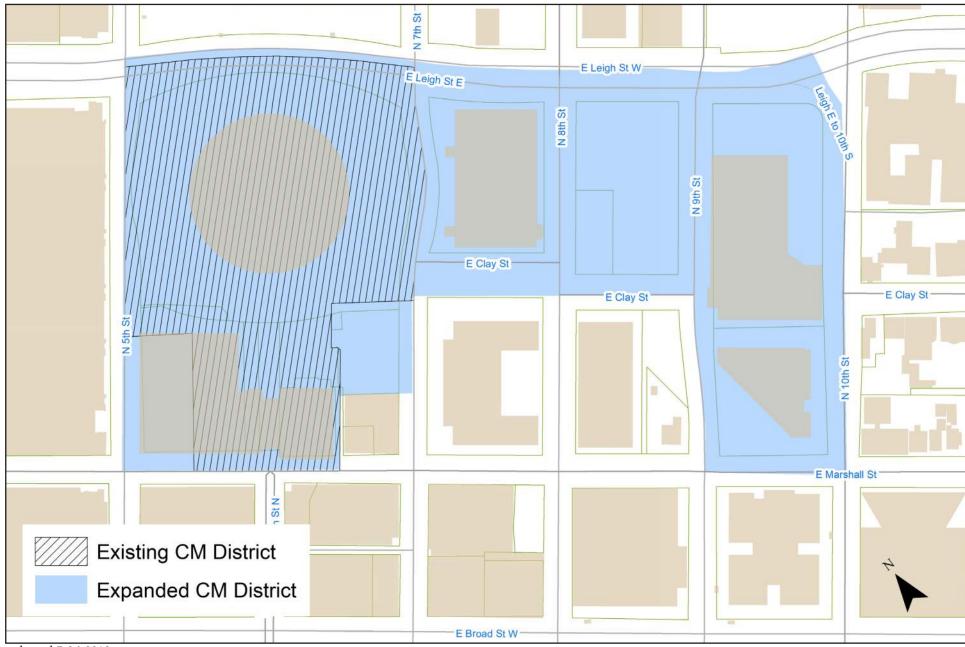
The Pulse Corridor Plan specifically recommends that "the Coliseum and adjacent City-owned parcels are an opportunity site that could be redeveloped into a mixed-use, mixed-income, pedestrian-friendly environment that serves as a connection block between the Convention Center, VA Bio+Tech Park, and the Capitol District" (p. 93).

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804-646-7646

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## **COLISEUM MALL DISTRICT EXPANSION**

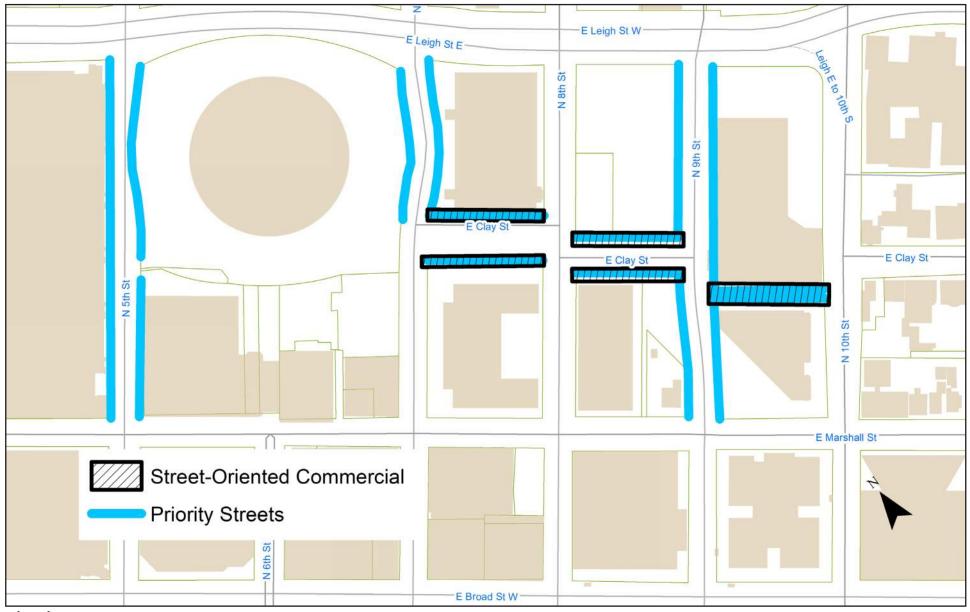


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# STREET-ORIENTED COMMERCIAL AND PRIORITY STREETS - CM DISTRICT







# PULSE CORRIDOR PLAN FUTURE LAND USE MAP OF DOWNTOWN STATION AREAS WITH NAVY HILL PROJECT AREA (COLOR)

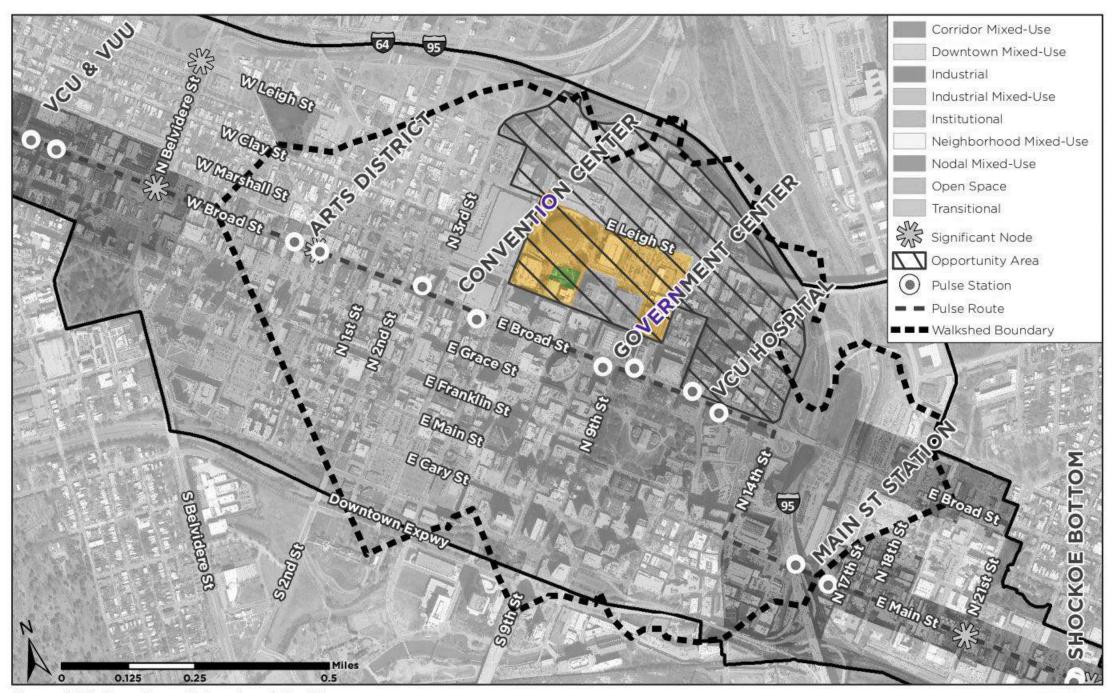
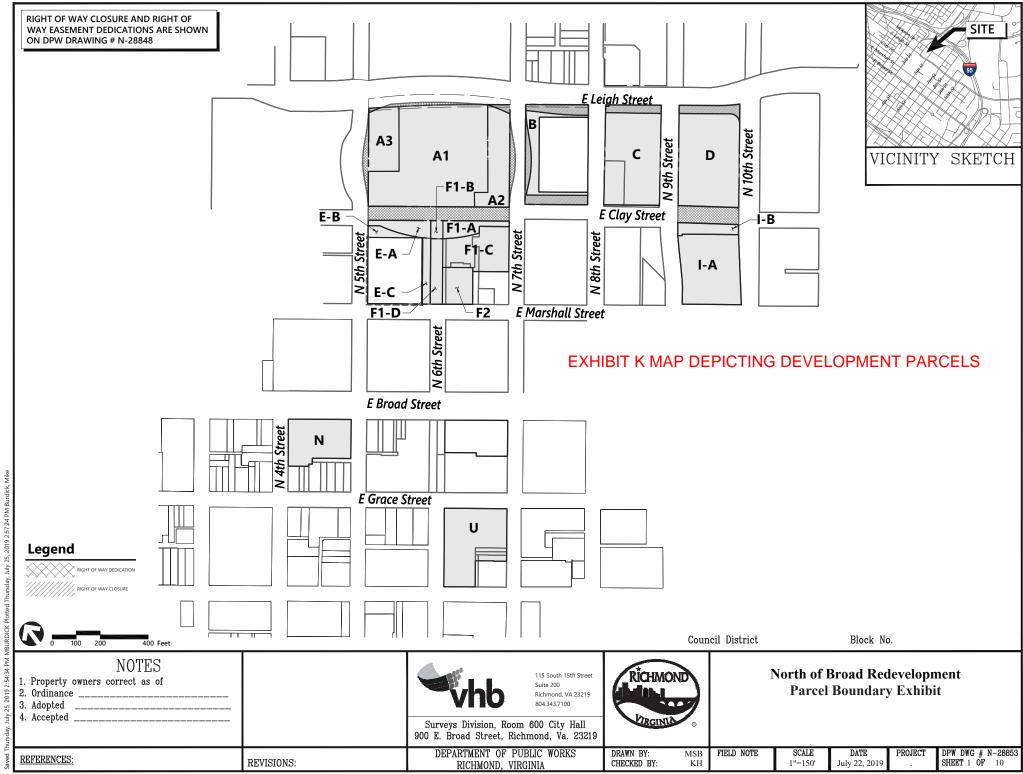
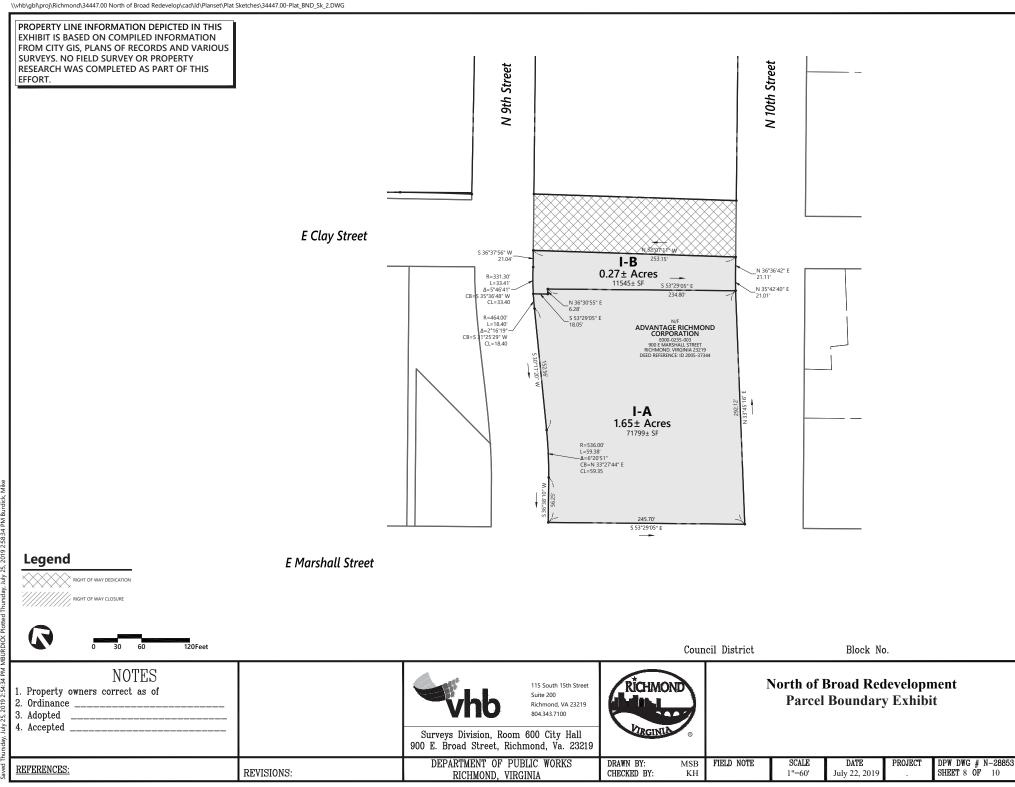


Figure 4.60 Downtown: Future Land Use Map





PROPERTY LINE INFORMATION DEPICTED IN THIS EXHIBIT IS BASED ON COMPILED INFORMATION FROM CITY GIS, PLANS OF RECORDS AND VARIOUS SURVEYS. NO FIELD SURVEY OR PROPERTY RESEARCH WAS COMPLETED AS PART OF THIS EFFORT. E Broad Street N/F
CITY OF RICHMOND
DEPT. OF PUBLIC WORKS
W000-0025-001
401 E BROAD STREET
RICHMOND, VIRGINIA 23219 Ν 1.05 ± Acres \_\_S 36°04'44" W 9.19' E Grace Street N 5th Street Legend N 4h Street 120Feet Council District Block No. NOTES **North of Broad Redevelopment** 115 South 15th Street 1. Property owners correct as of Suite 200 **Parcel Boundary Exhibit** 2. Ordinance \_\_\_\_\_\_ Richmond, VA 23219 804.343.7100 3. Adopted 4. Accepted \_ Surveys Division, Room 600 City Hall 900 E. Broad Street, Richmond, Va. 23219 DEPARTMENT OF PUBLIC WORKS DRAWN BY: MSB FIELD NOTE SCALE DATE DPW DWG # N-28853 REFERENCES: REVISIONS: RICHMOND, VIRGINIA CHECKED BY: July 22, 2019 SHEET 9 OF 10

PROPERTY LINE INFORMATION DEPICTED IN THIS EXHIBIT IS BASED ON COMPILED INFORMATION FROM CITY GIS, PLANS OF RECORDS AND VARIOUS SURVEYS. NO FIELD SURVEY OR PROPERTY RESEARCH WAS COMPLETED AS PART OF THIS EFFORT. E Grace Street 1.63 ± Acres
71154 ± SF N 53°43'45" W E Franklin Street N 7th Street Legend N 6h Street 120Feet Council District Block No. NOTES **North of Broad Redevelopment** 115 South 15th Street RICHMONE 1. Property owners correct as of Suite 200 **Parcel Boundary Exhibit** 2. Ordinance \_\_\_\_\_ Richmond, VA 23219 3. Adopted 804.343.7100 4. Accepted \_ Surveys Division, Room 600 City Hall 900 E. Broad Street, Richmond, Va. 23219 DPW DWG # N-28853 SHEET 10 OF 10 DEPARTMENT OF PUBLIC WORKS DRAWN BY: MSB FIELD NOTE SCALE DATE REFERENCES: REVISIONS: RICHMOND, VIRGINIA CHECKED BY: July 22, 2019

REFERENCES:

REVISIONS:

900 E. Broad Street, Richmond, Va. 23219

RICHMOND, VIRGINIA

DEPARTMENT OF PUBLIC WORKS DRAWN BY:

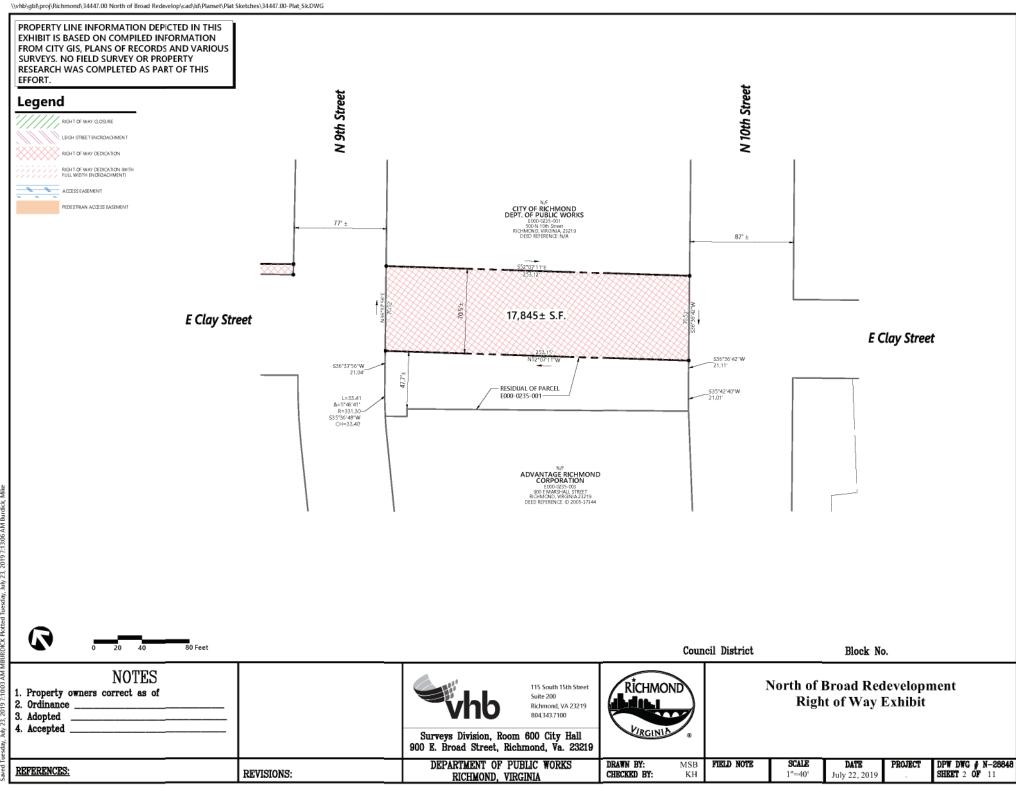
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July 16, 2019

DPW DWG # N-28854 SHEET 1 OF 1



RICHMOND, VIRGINIA

CHECKED BY:

July 22, 2019

REFERENCES:

REVISIONS:

