

# City of Richmond




CHIEF ADMINISTRATIVE OFFICE

"SIC ITUR AD ASTRA"  
SUCH IS THE WAY TO THE STARS

## MEMORANDUM

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**To:** The Honorable Mayor Levar M. Stoney  
Members of Richmond City Council

**FROM:** Lenora G. Reid – Acting Chief Administrative Officer 

**CC:** Sharon L. Ebert – Deputy Chief Administrative Officer  
Leonard L. Sledge – Director, Department of Real Estate  
Paul A. McClellan – Community & Economic Development Administrator  
Haskell C. Brown, III – Interim City Attorney  
Bonnie M. Ashley – Deputy City Attorney  
Lawrence R. Anderson – Council Chief of Staff

**DATE:** February 24, 2020

**SUBJECT:** Unsolicited Offer for the "Navy Hill Development Site"

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Pursuant to Chapter 8, Article III, Section 8-58(a) of the City Code, I am notifying you of an unsolicited offer Douglas Development Corporation via a letter dated February 20, 2020 (see attached document) requesting that the City sell approximately 14.28 acres of property referred to as the "Navy Hill Development Site" for \$15,000,000.00.

The proposed mixed-use development on the property includes:

- Renovation of the Richmond Coliseum
- Hotel
- Apartments/Condos (Note: 10% of the apartments will be earmarked as low income housing)
- Retail
- Class A Office Buildings
- Grocery Store
- Transit Center (Note: the Transit Center will be leased back to the City upon completion)

Please be advised that the following items are the minimum requirements for an unsolicited proposal. The items in ***bold italic letters*** are incomplete and/or missing from the proposal:

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- ***Address of the property being purchased***
- Planned use of the property by the buyer
- ***Economic benefit to the City including projected investment value, projected tax revenue and projected job creation***
- Purchase price
- Adequate Good Faith Deposit in Certified Funds as required by City Code prior to introduction of an ordinance

The proposer did not include all of the required information in the proposal. The Department of Economic Development is following up with the proposer to acknowledge receipt of the proposal and to request the incomplete and/or missing information.

Chapter 8, Article III, Section 8-58(c) of the City Code states, "No ordinance to direct the sale of real estate to an offeror who has submitted an unsolicited offer may be introduced until the Council has adopted a resolution declaring such real estate to be surplus as described in Section 8-60 [Declaration of real estate as surplus]. The Council shall not act upon an unsolicited offer in accordance with Section 8-65 [Action of council] and other applicable provisions in this article until the Chief Administrative Officer first has proceeded in accordance with either Section 8-61 [Solicitation of offers by invitation for bids] or Sections 8-62 [Solicitation of offers by requests for proposals – generally] and 8-63 [Same – Evaluation of proposals]."

Please advise if there is any additional information that we can provide.

Attachment – Douglas Development Offer Letter to Purchase the "Navy Hill Site".

## Master Plan- Mixed-Use Development

At Douglas Development our aim is to create “Live Work Play” neighborhood destinations which return new Tax Revenues to the City. For four decades, Douglas Development has garnered redevelopment successes in the District of Columbia, as well as Richmond, Virginia. Douglas Development has earned a reputation for revitalizing underdeveloped, emerging areas and continues to win praise from local government authorities, community members, neighbors, and the real estate community at large. To support Richmond’s year over year population growth, and curb urban core decline, we must identify new ways to blend urban-style living with walkable communities. The area of Downtown Richmond known as Navy Hill will prove to be the perfect setting to transform underutilized city land to a vibrant new community home to new businesses, restaurants and family’s. Our goal is to provide the highest and best use for the land through commercial and residential development therefore maximizing the City’s new found tax base. Without costing the city any money the economic benefits will include a new hotel, office buildings, transit center, Coliseum, bustling retail experiences and housing. With zero cost to the city, our proposal will bring the existing Coliseum back to modern standards and will not include any Tax Increment Financing (TIF) from the City. To reiterate, our proposal does not include any Bonds or new Taxes for the citizens of Richmond; and as a result creates new economic stimulus and growth that only benefits the City’s new found tax base.

Highlights of Master Plan include:

- **Hotel-** We will create a high occupancy hotel to support the convention center and surrounding areas.
- **Apartments/Condo-** our proposal outlines new apartments and condos ranging in price. We will consider 10% of the apartments to be earmarked as low income housing.
- **Retail-** This neighborhood will become a destination for all of Richmond and the surrounding areas. We are professionals in creating new walkable dynamic streetscapes and shopping experiences. Small businesses, breweries, fitness gyms and mom and pop stores will have a strong presence and will serve as the backbone of our retail concept.
- **Class A Office Buildings-** The existing Richmond office space inventory and future development pipeline is very low so the city has a challenge of marketing their office space to new large Tenants. We have working relationships with the largest Tenants in the country and aim to shop this new submarket to existing Richmond companies, but also new potential Headquarter relocations from outside of Virginia.
- **Grocery Store-** To create a lifestyle center we will select the correct grocery store to anchor the project.
- **Coliseum-** We are experts at historic preservation and plan to bring the existing structure back to its formal glory. Without costing the City any money the Coliseum will be transformed into a modern stadium while maintaining its historic integrity. Our goal is to keep the existing structure and renovate it in place.
- **Transit Center-** Douglas Development will construct a new urban-suburban bus line station which they will lease back to the City upon completion.



# DOUGLAS DEVELOPMENT CORPORATION

February 18, 2020

City of Richmond  
Richmond Economic Development Authority

Dear Sir/Madam:

I would like to submit to you the following offer to purchase the property known as the Navy Hill Development Site, consisting of approximately 14.28 total acres in Richmond, Virginia:

Price:	\$15,000,000
Terms:	All Cash
Closing:	At Sellers option
Deposit:	\$1,000,000, at risk upon execution of contract
Contingencies:	None
Other Terms:	Purchaser will refurbish the existing Coliseum at Purchaser's expense and bring the facility up to modern day standards
Development Plan:	The balance of the site will be converted to an adaptive re-use consisting of a mix of residential, office, retail and hotels uses
Expiration:	Midnight, May 18, 2020

Please note that this offer shall not bind either party to any agreement until a Sale and Purchase Agreement is executed by both parties.

I look forward to your response.

Sincerely,

Douglas Jernal

I AM THE

RIGHT GUY FOR THE JOB !!