



Legislation Text

File #: 24-0281, Version: 1

Resolution to Authorize the Economic Development Authority of the City of Hampton, Virginia to Retain Certain Sales Proceeds from the Sale of Real Property in the Hampton Roads Center North Campus to Hampton Land Developer GP LLC to Use Those Funds to Finance Certain Infrastructure and Other Costs Related to the Development of that Real Property

PURPOSE/BACKGROUND:

See Discussion.

Discussion:

The Economic Development Authority of the City of Hampton, Virginia ("EDA") owned approximately 90 acres in the Hampton Roads Center North Campus ("HRCN Campus"). As a means to encourage and facilitate development in the HRCN Campus, the EDA has been primarily responsible for the construction and installation of infrastructure improvements, including public streets, street lighting, water and sanitary sewer lines, and storm water drainage.

The EDA entered into a Development Agreement with Hampton Land Developer GP LLC on May 2, 2022, as amended, and as assigned to Hampton Logistics Owner LLC on May 22, 2024 (the "Agreement") for the sale and development of approximately 31.947+/- acres in the HRCN Campus (the "Property") for further development at the price of \$3,035,250.00 ("Gross Purchase Price"). This transaction closed on May 22, 2024.

Under the terms of the Agreement, the EDA is obligated to pay certain broker fees (\$161,762.50), and to reimburse the Developer for the costs of construction of certain access roads and a stormwater pond (maximum reimbursement obligation \$1,500,000.00), and the intersection signal at the intersection of Rocket Way (one of the new access roads to be constructed) and Neil Armstrong Parkway (maximum reimbursement obligation \$750,000). The EDA is in possession of \$2,954,368.75 (the "Cash Proceeds"), which is the amount of the Gross Purchase Price less one half (1/2) of the broker fees paid at closing, and requests to be retain that portion of those Cash Proceeds necessary to satisfy its obligations under the Agreement, subject to its return of the excess balance to the City for deposit in the City's Economic Development Fund.

Impact:

The EDA's request advances the development of the HRCN Campus and the economic vitality of the City.

Recommendation:

Approve the Resolution.

WHEREAS, the Economic Development Authority of the City of Hampton, Virginia (the "EDA")

is the owner of property located within the Hampton Roads Center North area of the City ("HRCN Campus");

WHEREAS, the EDA previously constructed roadway improvements and other infrastructure improvements in the HRCN Campus to facilitate and encourage development;

WHEREAS, the EDA entered into a Development Agreement with Hampton Land Developer GP LLC on May 2, 2022, as amended, and as assigned to Hampton Logistics Owner LLC on May 22, 2024 (the "Agreement") for the sale and development of approximately 31.947+/- acres in the HRCN Campus (the "Property") for the price of \$3,035,250.00 ("Gross Purchase Price"), and closed this transaction on May 22, 2024;

WHEREAS, pursuant to the Agreement, the EDA is obligated to pay certain broker fees in the amount of \$161,762.50 (one half (1/2) of which was paid at closing), and to reimburse the Developer for the construction of certain access roads and a stormwater pond, up to a maximum amount of \$1,500,000.00, and an intersection signal at Rocket Way (one of the new access roads to be constructed) and Neil Armstrong Parkway, up to a maximum amount of \$750,000.00; and

WHEREAS, the EDA is in possession of \$2,954,368.75 (the "Cash Proceeds"), which is the amount of the Gross Purchase Price less one half (1/2) of the broker fees paid at closing and requests to retain that portion of those Cash Proceeds necessary to satisfy its remaining obligations under the Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Hampton, Virginia that the EDA is hereby authorized to retain that portion of those Cash Proceeds necessary to satisfy its remaining obligations under the Agreement, subject to its remittance to the City of any excess Cash Proceeds not necessary purpose; which once received by the City are hereby transferred to the City's Economic Development Fund.