



Legislation Text

File #: 17-0181, **Version:** 1

Resolution of the Council of the City of Hampton, Virginia Accepting Sales Proceeds from the Sale of Real Property in the Hampton Roads Center North Campus in the Amount of \$1,173,481.10 for Deposit to the Economic Development Fund and Subsequent Appropriation to the Economic Development Authority of the City of Hampton, Virginia, and Approving the Use of Said Funds by the Authority to Finance Infrastructure Improvements for Said Real Property

PURPOSE/BACKGROUND:

The Economic Development Authority of the City of Hampton (the "Authority") owns approximately 210 acres in Hampton Roads Center North Campus ("HRC North Campus"). As a means to encourage and facilitate development in the HRC North Campus, the Authority has been responsible for the construction and installation of infrastructure improvements, including public streets, street lighting, water and sanitary sewer lines, and storm water drainage.

The Authority entered into a Land Disposition, Option, and Development Agreement (the "Agreement") with Craig Davis Properties, Inc. ("CDP") on May 21, 2014 and as amended on April 26, 2017 (collectively, the "Agreement"), which grants to CDP an option to purchase approximately 11+/- acres in the HRC North Campus (the "Property") for further development by CDP at the price of \$110,000.00 per acre. CDP has since exercised its right to purchase the Property for the total agreed upon purchase price of \$1,235,410.00 ("Gross Purchase Price").

Under the terms of the Agreement, the Authority shall pay for the costs of the public infrastructure improvements outside of the boundaries of the Property, up to the value of the Gross Purchase Price plus an additional grant in the amount of \$428,000.00 ("Authority Grant"). The City Council previously appropriated the Authority Grant to the Authority, however the Authority does not currently have sufficient funds to fully fund the costs of said infrastructure. The Gross Purchase Price shall be funded by CDP in cash in the amount of \$1,173,481.10 ("Cash Proceeds"), \$44,299.00 which is on deposit with the City, and \$1,129,182.10 to be paid by CDP upon closing. The remaining balance of \$61,928.90 shall be credited to the Developer based on amounts previously paid by CDP for infrastructure improvements at the Property. The Authority requests that the Cash Proceeds from the sale of the Property be appropriated from the Economic Development Fund to the Authority to be used by the Authority to finance the remaining costs of the construction of the public infrastructure needed to serve the development.

Discussion:

The proposed development is a transformative shift to the new live-work-play environment for 21st century business parks. CDP will construct a 300 unit multi-family development and approximately 30,000 square feet of commercial retail space. This concept creates a vibrant, attractive atmosphere in which to minimize impacts on transportation infrastructure, generate private investment, and attract technology focused businesses and its corresponding workforce.

Impact:

This advances the development of Hampton Roads Center North campus and furthers the economic vitality of the City.

Recommendation:

Approve Resolution

WHEREAS, the Economic Development Authority of the City of Hampton, Virginia (the "Authority") is the owner of property located within Hampton Roads Center North Campus ("HRC North Campus");

WHEREAS, the Authority has previously constructed roadway improvements and other infrastructure improvements in HRC North Campus to facilitate and encourage development;

WHEREAS, the Authority entered into a Land Disposition, Option, and Development Agreement (the "Agreement") with Craig Davis Properties, Inc., a North Carolina Corporation (the "Developer") dated May 21, 2014 and amended on April 26, 2017 to, *inter alia*, give the Developer the option to purchase and develop approximately 11+/- acres in the HRC North Campus (the "Property");

WHEREAS, the Agreement provides that the Authority shall pay for the costs of infrastructure improvements outside of the boundaries of the Property ("Infrastructure Improvements"), which includes public streets, water and sanitary sewer lines and storm water drainage;

WHEREAS, the Developer has now exercised its right to acquire the Property for the gross purchase price of \$1,235,410.00 ("Gross Purchase Price");

WHEREAS, the Developer has further invested \$61,928.90 ("Prepaid Infrastructure Costs") of its own funds to pay the costs of the Infrastructure Improvements and has asked and the Authority has agreed that said amount shall be credited against the Gross Purchase Price, with the remaining balance of \$1,173,481.10 ("Cash Proceeds") to be paid in cash;

WHEREAS, the Developer previously deposited with the City \$44,299.00 with the agreement that said payment would be applied to a future purchase, and will pay the remaining balance of the Cash Proceeds in the amount of \$1,129,182.10 upon closing on the sale of the Property;

WHEREAS, the Cash Proceeds are needed by the Authority to fund the Infrastructure Improvements it is obligated to pay under the Agreement; and

WHEREAS, the City of Hampton will benefit from additional development in HRC North Campus in the form of real estate, sales, personal property and other taxes.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia as follows:

1. That it acknowledges and agrees to the the sale by Economic Development Authority of the City of Hampton, Virginia of approximately 11+/- acres in the Hampton Roads Center North Campus to Craig Davis Properties, Inc., with cash proceeds in the amount of \$1,173,481.10 to be paid by Craig Davis Properties, Inc and deposited in the City's Economic Development Fund;
2. That the sum of \$1,173,481.10 shall further be appropriated from the Economic Development Fund to the Economic Development Authority of the City of Hampton, Virginia; and
2. That it approves of the the use of said funds by the Authority to finance infrastructure improvements on the property transferred to Craig Davis Properties, Inc.