



Legislation Text

File #: 18-0210, **Version:** 1

Resolution Approving A Downtown Hampton Master Development Agreement By And Among The City Of Hampton, Virginia, The Economic Development Authority Of The City Of Hampton, Virginia, The Hampton Redevelopment And Housing Authority, The WVS Companies, LLC, Saunders + Crouse Architects, LLC, or an Affiliated Entity, Pertaining to Several Properties in Downtown Hampton

PURPOSE/BACKGROUND:

The representatives for WVS Companies, LLC in partnership with Saunders + Crouse Architects, LLC via an unsolicited proposal presented an opportunity for development and the redevelopment of various properties in the downtown area of the city. Their proposal included the creation of new residential living units (owner occupied and rental), commercial development to include components of office, restaurants and other complementary aspects required for a vibrant downtown setting.

This development activity will include properties currently owned by the City of Hampton and The Hampton Redevelopment and Housing Authority. In the initial phase of this development, 9 parcels have been identified. The developer will purchase the parcels at assessed value except that, one parcel, the Carousel Park site, will be leased to the developer via a long term lease agreement with the Economic Development Authority. The terms and conditions of such lease will be negotiated during the due diligence period.

On May 15, 2018, The Economic Development Authority adopted a Resolution Approving A Downtown Hampton Master Development Agreement By and Among The City of Hampton, The Economic Development Authority of The City Hampton of Virginia, The Hampton Redevelopment and Housing Authority, The WVS Companies, LLC, Saunders + Crouse Architects, LLC, and an Affiliated Entity, Pertaining to Several Properties in Downton Hampton (attached).

On May 23, 2018, The Hampton Redevelopment and Housing Authority adopted a Resolution Approving A Downtown Hampton Master Development Agreement By and Among The City of Hampton, The Economic Development Authority of The City Hampton of Virginia, The Hampton Redevelopment and Housing Authority, The WVS Companies, LLC, Saunders + Crouse Architects, LLC, and an Affiliated Entity, Pertaining to Several Properties in Downton Hampton (attached).

Recommendation:

Conduct a public hearing and adopt the resolution.

WHEREAS, the City of Hampton, through its City Council, adopted a Downtown Hampton Master Plan in 2004 ("Master Plan") to serve as a platform to coordinate new public and private investment in Downtown Hampton in order to facilitate economic development and tourism and to enhance the quality of life of its residents;

WHEREAS, the Master Plan, which was most recently updated in June of 2017, identifies

specific development opportunities for land owned by the City of Hampton, the Economic Development Authority of the City of Hampton (the “EDA”), and the Hampton Redevelopment and Housing Authority (the “HRHA”) (collectively, the “Public Entities”);

WHEREAS, in March of 2016, the City received an unsolicited proposal from The WVS Companies, LLC and Saunders + Crouse Architects, LLC (collectively, “WVS-SC”) for a six-month purchase and development option on several parcels of publicly held property in Downtown Hampton, totaling approximately 16+/- acres (the “Downtown Properties”);

WHEREAS, in November of 2016, the Public Entities negotiated a term sheet (“Term Sheet”) which granted WVS-SC a six-month option on the Downtown Properties and required WVS-SC to conduct a study of Downtown development potential, market demand, and financial feasibility of development of the Downtown Properties;

WHEREAS, in June of 2017, at the conclusion of the six-month option period, WVS-SC presented a development strategy to the Public Entities and other Downtown stakeholder groups, including an offer to purchase a subset of the Downtown Properties that had been subject to the Term Sheet collectively containing 6.18+/- acres (the “Project Properties”), and to construct approximately 165+/- high-quality residential units and 11,950+/- square feet of commercial space upon those Properties;

WHEREAS, the Project Properties include the following five (5) parcels of property currently owned by the City: a portion of 602 Settlers Landing Road, known as Carousel Park, (LRSN 2002990) containing 5,000+/- square feet (0.11+/- acres); an unaddressed parcel between Eaton and Wine Streets (LRSN 2003047) containing 1.42+/- acres; 136 Kings Way (LRSN 2002977) containing 1.76+/- acres; an unaddressed parcel on Lincoln Street (LRSN 2003041) containing 0.72+/- acres; an unaddressed parcel on Lincoln Street (LRSN 2003243) containing 0.73+/- acres, all as further described on **Exhibit A**;

WHEREAS, the Project Properties also include the following four (4) parcels of property currently owned by the HRHA: an unaddressed parcel on S. King Street (LRSN 2002982) containing 1.09+/- acres; two parcels addressed 34 E. Queens Way (LRSN 2002881 and 2002882) containing 0.2+/- acres, and 32 E. Queens Way (LRSN 2002883) containing 0.15+/- acres as further described on **Exhibit A**;

WHEREAS, negotiations between the Public Entities and WVS-SC have culminated in a Master Development Agreement (the “Master Development Agreement”), which is attached hereto as **Exhibit B**;

WHEREAS, pursuant to the Master Development Agreement, WVS-SC or its affiliated entity (the “Developer”) shall purchase at assessed value, or lease at fair market value, as applicable, the Project Properties and construct improvements thereon which are consistent with the Master Plan;

WHEREAS, On May 15, 2018 the EDA and on May 23, 2018 the HRHA each adopted

resolutions approving the Master Development Agreement in substantially the same form and content as that which is attached as **Exhibit B**, with the condition that the Hampton City Council also approve the agreement;

WHEREAS, in accordance with Section 15.2-1800 *et seq.* of the Code of Virginia, a public hearing was held concerning disposition of the above-referenced City-owned parcels subject to the Master Development Agreement; and

WHEREAS, the City Council finds that the Master Development Agreement will stimulate the growth of Downtown Hampton through construction of additional residential units and commercial spaces, and that it is consistent with the policy goals of the City and in the best interest of the citizens of Hampton.

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

1. The City Manager or her designee is authorized and directed to execute, on behalf of the City, the Master Development Agreement in substantially the same form and content as that which is attached as Exhibit B, to execute any other related documents, and to perform other such acts as may be necessary and appropriate pursuant to the Master Development Agreement, including those not specifically recited, subject to the following pre-condition: (a) approval by the City's Director of Economic Development and the City Attorney, or their respective designees, of the entity affiliated with WVS Companies, LLC and Saunders + Crouse Architects, LLC, which will be a signatory to the Master Development Agreement, as well as receipt of all necessary information by the Developer related to such entity; and
2. This resolution will take effect immediately upon adoption.