



Legislation Text

File #: 20-0159, **Version:** 1

Resolution Approving the Terms of a Cooperation Agreement Between the Economic Development Authority of the City of Hampton, Virginia, and the City of Hampton, Virginia, Authorizing the Execution and Delivery of Said Cooperation Agreement for the Acquisition and Exchange of 108 S. King Street and 15 Rudd Lane; and the Transfer of Funding of Certain Financial Support Committed for the Construction of a New Seafood Agricultural Research and Extension Center at the Downtown Waterfront

PURPOSE/BACKGROUND:

See Discussion.

Discussion:

The Economic Development Authority of the City of Hampton, Virginia (the “EDA”) was created for the purpose of promoting industry and developing trade by inducing manufacturing, industrial, and commercial enterprises to locate in the City, as well as to promote and encourage the creation and development of new businesses in the City through, *inter alia*, the acquisition and leasing of real property and the provision of loans and grants. The City’s Downtown Master Plan endorses the creation of waterfront connections between the core downtown and the waterfront, and envisions a multidisciplinary education, scientific, research, training, and education center with ancillary economic development that all revolve around the City’s seafood heritage and working downtown waterfront. The EDA owns that certain parcel of land comprised of 0.186± acres on the Downtown waterfront commonly referred to as 15 Rudd Lane (LRSN: 2002535; the “EDA Property”), on which all improvements, other than a foundational slab, have been wholly demolished and removed. Virginia Polytechnic Institute and State University (“Virginia Tech”) has operated its Seafood Agricultural Research and Extension Center (“Old Seafood AREC”) on the Downtown waterfront since 1975, most recently located on that certain parcel owned by the Foundation and adjacent to the EDA Property comprised of 0.626± acres, commonly referred to as 108 South King Street (LRSN 2002985; the “Foundation Property”; the EDA Property and the Foundation Property each a “Property,” collectively the “Properties”).

Part of the Seafood AREC’s vision is to provide education, scientific, and technical guidance, support and leadership to the commercial seafood and aquaculture industries throughout Virginia and the United States. The Downtown has a thriving seafood heritage and a working waterfront, being home to some of the oldest seafood distributors in the United States, including: Sam Rust Seafood founded in 1938, Graham and Rollins Seafood founded in 1942, and L.D. Amory & Co., Inc. founded in 1917, all of which would substantially benefit from the presence of the Seafood AREC. The Seafood AREC’s current building is prone to recurrent flooding that endangers the existing laboratory

facilities and on-going research projects. The EDA and the City, in conjunction with Virginia Tech and the Foundation seek to cooperatively redevelop the Old Seafood AREC in a resilient building (the “New AREC Facility”).

The City, EDA, and the Foundation agree that to promote and facilitate the Downtown waterfront and to best situate the New AREC Facility, so that the New AREC Facility may be more resiliently situated, and the City and EDA, in accordance with the City’s Master Plan, can develop a pedestrian and visitor-friendly waterfront destination, the EDA will sell a portion of the EDA Property to the Foundation and the Foundation will sell a majority of the Foundation Property to the EDA, on those certain terms and conditions set forth in that certain Omnibus Agreement agreed to by the parties. The Foundation has agreed to construct the New AREC Facility substantially in conformance with those certain building elevations approved by the EDA and the City, and the Foundation, and the EDA have agreed to share certain costs and to provide certain infrastructure and building improvements that will ultimately enhance the New AREC Facility and the entire Downtown waterfront, as further set forth the Omnibus Agreement.

The funds necessary to support the contribution to the Foundation were appropriated in the Fiscal Year 2020 to the Downtown Investment Accounts in the Capital Projects Fund, and through this resolution will be transferred to the EDA pursuant to the Cooperation Agreement.

Impact:

See discussion.

Recommendation:

Approve the Resolution.

WHEREAS, the Economic Development Authority of the City of Hampton, Virginia (the “EDA”) was created for the purpose of promoting industry and developing trade by inducing manufacturing, industrial, and commercial enterprises to locate in the City, as well as to promote and encourage the creation and development of new businesses in the City through, *inter alia*, the acquisition and leasing of real property and the provision of loans and grants;

WHEREAS, the City’s Downtown Master Plan endorses the creation of waterfront connections between the core downtown and the waterfront, and envisions a multidisciplinary education, scientific, research, training, and education center with ancillary economic development that all revolve around the City’s seafood heritage and working downtown waterfront;

WHEREAS, the EDA owns that certain parcel of land comprised of 0.186± acres on the Downtown waterfront commonly referred to as 15 Rudd Lane (LRSN: 2002535; the “EDA Property”);

WHEREAS, Virginia Polytechnic Institute and State University (“Virginia Tech”) has operated its Seafood Agricultural Research and Extension Center (“Seafood AREC”) on the Downtown waterfront since 1975, most recently located on that certain parcel owned by the Virginia Tech, Inc. and adjacent to the EDA Property comprised of 0.626± acres, commonly referred to as 108 South

King Street (LRSN 2002985; the "Foundation Property"; the EDA Property and the Foundation Property each a "Property," collectively the "Properties");

WHEREAS, part of the Seafood AREC's vision is to provide education, scientific, and technical guidance, support and leadership to the commercial seafood and aquaculture industries throughout Virginia and the United States;

WHEREAS, the Seafood AREC's current building is prone to recurrent flooding that endangers the existing laboratory facilities and on-going research projects;

WHEREAS, the EDA and the City, in conjunction with Virginia Tech and the Foundation seek to cooperatively redevelop the Seafood AREC in a resilient building;

WHEREAS, the City, EDA, and Foundation agree that to promote and facilitate the Downtown waterfront and to best situate the new Seafood AREC, the EDA and Foundation intend to exchange all or portions of their respective Property so that the a new Seafood AREC may be more resiliently situated and the City and EDA, in accordance with the City's Master Plan, can develop a pedestrian and visitor-friendly waterfront destination; and the City agrees to provide certain funding and support to the EDA to provide to the Foundation and assist with the cost of the construction of a new Seafood AREC;

WHEREAS, negotiations between the EDA and the Foundation have culminated in an "Omnibus Agreement" ("Agreement");

WHEREAS, the City Council has determined that the terms negotiated with the Foundation are acceptable;

WHEREAS, a cooperation agreement is necessary for the City to cooperatively provide personnel and strategic support as necessary for the EDA to fulfill the obligations and exercise certain rights under the Agreement, and to provide sufficient funds to the EDA, subject to appropriation, to perform and administer the EDA's obligations under the Agreement; and

WHEREAS, the funds necessary to support the EDA were appropriated to the City's Fiscal Year 2020 Capital Fund.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Hampton, Virginia, that it (1) approves the terms of the cooperation agreement attached hereto; (2) authorizes the City Manager or her Authorized Designee to execute and deliver to the EDA the cooperation agreement and any and all other agreements or other instruments that are in substantial compliance with the aforesaid documents with such modifications as agreed to by the city staff and the City Attorney; and (3) transfers \$2,221,622.00 appropriated to the Downtown Investments Account of the Fiscal Year 2020 Approved Capital Fund to the EDA so that the EDA may fulfill its financial obligations under the cooperation agreement.