



City of Petersburg City Owned Property Update

Department of Economic Development
Cynthia Boone, Program Coordinator
July 8, 2021

Overview

- Background
- Revisions adopted by City Council
(December 8, 2020)
- Clarification on Purchase Agreement, Development Agreement, Claw Back Provision and Impact Statements
- City Owned Property Sold
(March 2019-December 2020)
- Proposals recieved
(December 8, 2020- present)
- Current City Owned Property
- Conclusion

Background

March 19, 2019 - City Council approved the Disposition Guidelines and list of surplus properties

December 8, 2020 - The City Council approved revisions to the Disposition Guidelines

May 19, 2019

Guidelines

- Staff provided guidance on the process for disposition of City Owned real estate property to include:
 - Identification of the process for accepting and evaluating proposals to purchase City owned real estate property
 - Development of the Purchase Agreement
 - Development of the due diligence period
 - Development of the claw back provisions
 - Development of the requirements for the buyer to submit a Development Agreement and approval process
 - Process for the presentation, review and adoption by City Council
- Surplus list adopted by City Council that identified City-owned real estate property that were available for disposition

December 8, 2020

Revisions Overview

- General restructuring of the City's Disposition Process
- Language that provides guidance to City staff to negotiate the purchase price
- Staff outlined action steps for the following items:
 - Purchase Agreement
 - Receipt of Earnest Deposit
 - Due Diligence Period
 - Development Agreement review and approval process

Assessment Form and Requested Documentation

- Complete top portion of Assessment Form
- Submittal of a Business Plan/Executive
- Summary/Development Scope
- Site Plans (Development Outline to include drawings and renderings)
- Budget and Pro Forma
- Financial Statement from financial institution
- Business Portfolio (experience)
- Negotiation starts at the assessed value of the property but no less than half (total investment, contingencies, environmental issues).

Purchase Agreement & Development Agreement Clarification

- Staff prepares a packet for the City Council to review at the time of the consideration of the adoption of the ordinance to execute the Purchase Agreement. This packets outlines the proposed use of the property. Staff pre-assessment ensures compliance with zoning and the Comprehensive Land Use Plan.
- The Purchase Agreement and the Development Agreement is included into the deed of the property to ensure compliance with the agreements.
- Once the Purchase Agreement is executed, the developer must submit to staff a Development Agreement within the 120-day due diligence period.
- The Development Agreement is reviewed and approved by the City attorney prior to staff presentation to the City Council.
- In the circumstance when a development agreement is not approved and closing does not occur, the buyer is refunded 9% of the earnest deposit and the City retains 1%.

Claw Back Provision

- In the circumstance when the property is sold but not developed in accordance with the Development Agreement, ownership reverts back to the City per the reverter clause (claw back provision) in the Purchase Agreement.
- The City retains the purchase payment, and the property with any improvements.

Impact Statements

- After the purchase agreement is executed by the City Manager, the proposal, if applicable, a due diligence period will commence.
- During the due diligence period, impact statements will be requested from relevant City departments.
- The impact statements will be presented to the City Council along with the Development Agreement.
- Impact Statements will provide the City Council and City Staff better quantitative and qualitative insight into the impact of developments on City services, such as the public schools, utilities, etc.

Residential and Commercial Property Sold



915 West High St



115 Harrison St



714 Commerce St



Park and Ride

CITY OWNED PROPERTY SOLD (MARCH 2019-DECEMBER 2020)						
Developer	Parcel Number	Address	Assessed Value	Purchase Price	Site Plan	Claw Back Date
Faris al-Sanabani	011-340001	108 Washington St E	\$177,290	\$135,000	Cigar Lounge	08/31/2021
Mirosław Wapniarz/David Budych	024-070019	915 West High St	\$27,100	\$1,375	Residential Single Family	04/30/2021
JC Bynum (12 parcels)	031-250032 030-260004 030-260003 030-160006 030-260001 031-400001 031-250041 031-250040 031-250038 031-250034 031-250033	804-806 Bolling St 411 Shore St 520 Shore St 524 Shore St 525 Shore St 530 Shore St 516-18 Shore St 725 Wilson St 729 Wilson St 735 Wilson St 745 Wilson St 747Wilson St	\$84,600	\$1,200	Residential Single Family	10/31/2022
Nate Cuthbert	011-250002	20 W Tabb St	\$670,000	\$200,000	Boutique Hotel	09/31/2019 with options to extend
Hansco SSI, LP	010-010007	308 University Blvd	\$166,800	\$100,000	Multi-family Residential	10/31/2019
C.A. Harrison Companies, LLC (3 parcels)	012-290001 011-330010 023-040800	380 E Washington St 326 E Washington St 400 E Washington St	\$1,782,000	\$750,000	Hotel	Council Action
High St Lofts, LLC	023-050800	602 Commerce St	\$30,300	\$10,000	Parking	03/30/2022
Anthony & Terrida Monroe	024-280037	107-09 West St S	\$6,500	\$1,500	Parcel Extension	N/A
Amigos Commercial Truck & Auto Repair	023-060004	714 Commerce St	\$10,700	\$5,000	Commercial	04/30/2021
Dart Investment Group, LLC	045-060006	901 Halifax St	\$33,000	\$5,000	Residential Single Family	11/30/2021
Robert Davis	022-150801	115 Harrison St	\$27,000	\$1,700	Creamery and Crepe Shop	12/31/2021
Total Revenue to the City		23	\$3,015,290	\$1,210,775		

Proposals Pending Closing as of May 25, 2021

Developer	Parcel Number	Address	Assessed Value	Purchase Price	Site Plan	Reverter Date	Next Step
Waukehaw Development, Inc (8 parcels)	011-030001 011-020002 011-020006 011-020004 012-010001 011-040002 011-040003 011-020801	429 Fifth St 209 Rear River St 275 River St 209 River St 433 River St 236 River St 240 River St 501 Second St	\$493,200	\$100,000	Riverfront Festival Site	Pending Closing	Recording of Plat by the City
PB Petersburg (46 parcels)		Ward 5 Lots, 1000 Diamond St	\$5,670,029	\$510	Multi and Single Family Residential	Pending Closing	Title Work
Hansco SSI, LP	009-010005	627 Rear South St N	\$87,600	\$1,000	Parking Lot for Residential Housing	Pending Closing	Development Agreement
Total Revenue to the City		56	\$6,250,829	\$101,510			

Total City Owned Property Sold (March 2019-December 2020)

Total Sold	Assessed Value	Purchase Price
79	\$9,282,119	\$1,312,285

Proposals approved by City Council as of May 18, 2021

Developer	Parcel Number	Address	Assessed Value	Purchase Price	Site Plan
BLW Solutions (2 parcels)	024-220019 024-220018	1203 W Washington St 1157 W Washington St	\$40,900	\$20,450	Residential Single Family
Ravenscroft Ventures, LLC (9 parcels)	031-060020 031-060019 031-060018 031-050006 031-060016 031-050007 031-050008 031-050010 031-050011	427 Harrison St 429 Harrison St 431 Harrison St 432 Harrison St 437 Harrison St 438 Harrison St 440 Harrison St 450 Harrison St 452 Harrison St	\$71,400	\$71,400	Residential Single Family
Little Kung Fu Wudang Daoist Temple of VA (4 parcels)	012-080014 012-080014 012-080015 012-080016	105 N Burch St 109 N Burch St 113 N Burch St 115 N Burch St	\$26,400	\$13,200	Daoist Temple
Total Revenue to the City		15	\$138,700	\$105,050	

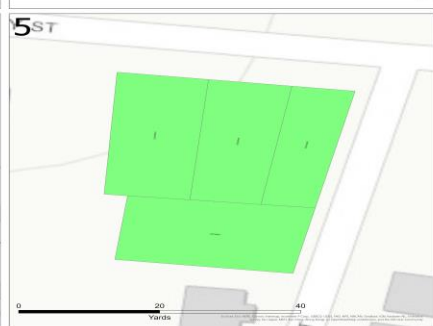
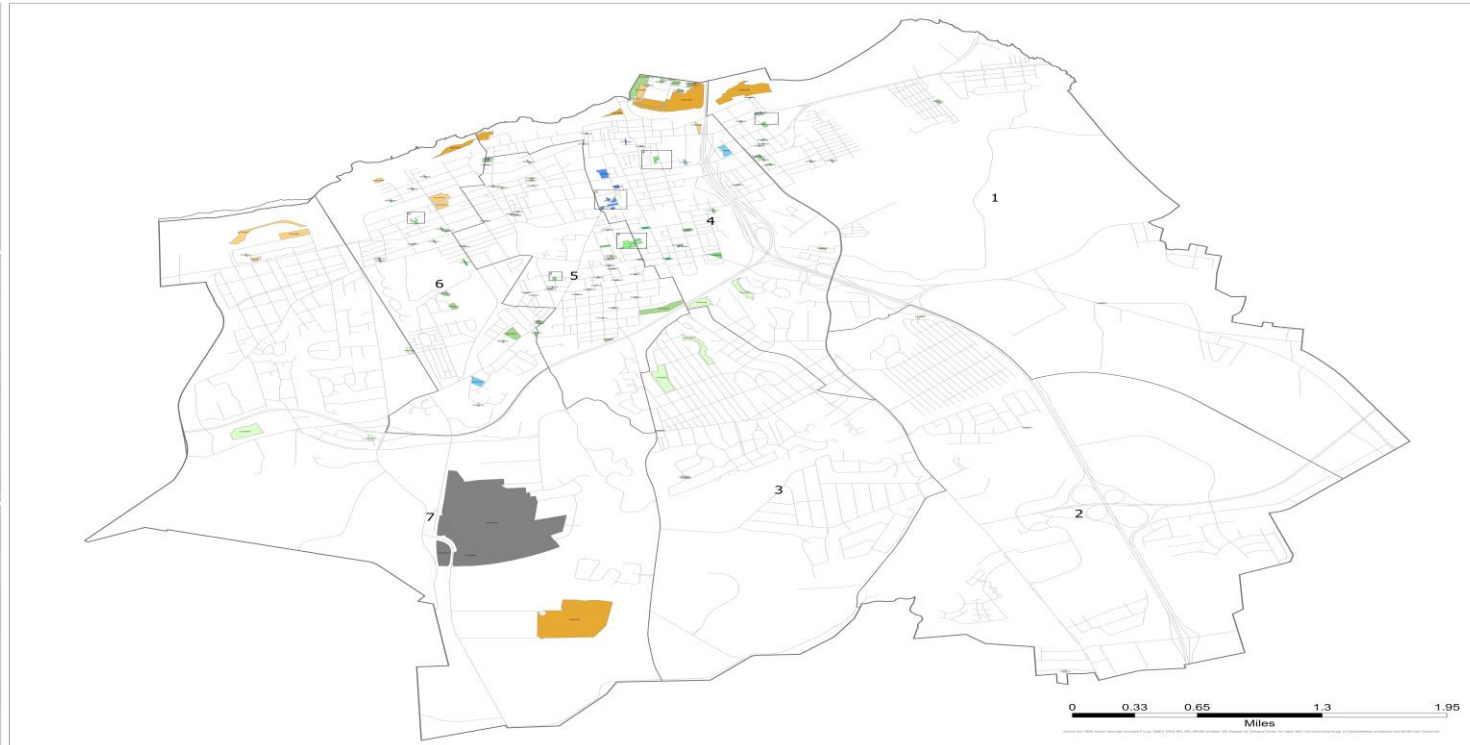
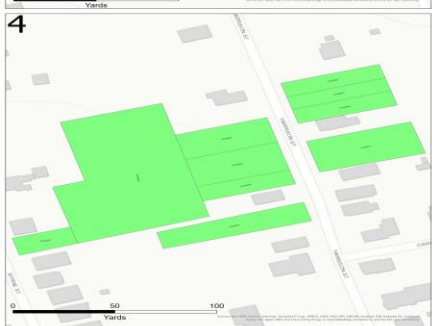
Total City Owned Property
Sold (December 2020- May
18, 2021)

Total Sold	Assessed Value	Purchase Price
15	\$138,700	\$105,050

Current City Owned Property

Zoning	Total Parcels	Total Assessed Value
Industrial	23	\$3,050,200
Commercial	32	\$110,558,283
Residential	124	\$4,050,600
Total	179	\$117,639,083

*Includes properties to be considered for conservation easement and properties that don't meet the minimum requirements for development per the zoning ordinance



Vacant City-Owned Properties in Petersburg 3/10/2021

ZONING

- General Commercial
- Central Commercial
- Light Industrial
- Heavy Industrial
- Single-Family Residence, Minimum 75' Frontage/8000 SQ Ft
- Single-Family Residence, Minimum 50' Frontage/5000 Sq Ft
- Two-Family Residence, Minimum 60' Frontage/6000 Sq Ft
- Multiple-Dwelling District
- Office/Apartment District
- Agricultural



Conclusion

Since March 19, 2019

- Number of properties sold - 94
- Value of properties - \$9,404,819
- Revenue to the City - \$1,417,335

Since the revised guidelines were approved on December 8, 2020:

- The process has been streamlined to be make it
 1. More accessible to potential developers
 2. Beneficial to the City and taxpayers
- Presented to City Council complete and concise packets from developers which assisted Council in their review of the proposals
- Increased revenue to the City by negotiating the purchase price for no less than half the assessed value
- Continued updates by staff to the City Council

Economic Development Team

Reginald Tabor, Director of Planning and Community
Development

Jeremy Tennant – Director of Neighborhood Services

Sergei Troubetzkoy, Tourism Manager

Cynthia Boone- Program Coordinator

Questions?

Thank you !

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