

**Technical Assistance Program (TAP)
Report**

**Presented to the Department of
Economic Development
Prepared by ULI Richmond
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About ULI

ULI – the Urban Land Institute – is an international nonprofit research and education organization that promotes responsible land use and responsible leadership to enhance and sustain communities worldwide. Founded in 1936, the institute now has more than 30,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

Part of ULI's community outreach program is to offer professional services to evaluate specific issues. One of those programs is ULI's Technical Assistance Program (TAP). A TAP session is usually a day and a half long and brings together experts in the real estate and development industry to deal with three to four well defined questions related to a land use issue. The TAP is staffed by local ULI members and Fellows with ULI. Expenses are covered by the sponsor or contracting entity requesting ULI's services. Briefing books are provided to the TAP panel members prior to the TAP and a written report of the finding follows a few months following the event.

The Second and Marshall Streets TAP was requested through the City of Richmond's Department of Economic Development and Economic Development Authority; supported by the Richmond District Council of ULI, and coordinated by the TAP committee.

For more information about the Technical Assistance Program or to explore how a formal request can be made, please contact Adena Patterson, Chairman of the Richmond TAP committee.

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Acknowledgements

ULI-Richmond District Council would like to acknowledge those whose generous contributions made the 2nd and Marshall Street TAP a success. Thanks to the applicant and dinner sponsor, the Economic Development Authority, and to the EDAs representatives Richard Johnson and Anne Gordon Greever. We thank the City of Richmond's Department of Economic Development and Department of Community Development for their participation and assistance and especially to Carthan Currin, Rachel Flynn, Cary Brown, and Betty-Anne Teter. Special thanks to David Ruth at the National Park Service and to his staff for the gracious tours of the Maggie Walker National Historic Site and for the use of the visitor center as the post-TAP reception venue. Thanks to Chris Corrada, ULI-Richmond, and to East-West Partners, for their contribution of the special label wine. We especially thank Jack Berry for his helpful thoughts and for the use of the Greater Richmond Convention Center administrative board room and equipment. A grateful acknowledgement and thanks to Tom Underwood, General Manager of the Richmond Marriott, for providing the group with a the tour of the on-going renovations at the Richmond Marriott and for providing private dinner space and his marvelous chef for an unbelievable dinner at the Bluefire Steakhouse Restaurant. To all the Stakeholders who gave up their personal and professional time, we thank you for providing the TAP panel with invaluable information about the area, businesses, goals, and the community's needs and concerns. Thanks to the City of Richmond print shop for the quick production of the briefing books. A very special thank you to each of the panel members who generously shared their time, expertise, and talents for the benefit of the EDA, the City, and ULI-Richmond. Thanks to Tim Davey, Chair of ULI-Richmond District, who moderated the Stakeholder Meeting. A special thanks to the leadership of Laura Lee Garrett, chair of the TAP committee. Her guidance and cheerful presence made the whole process run smoothly. And finally, thanks to the ULI-Richmond TAP committee members Abbie Zwicke, Adena Patterson, Shane Cusick, and Muriel Rodriguez for their hard work and support throughout the TAP process. Any many thanks to all those unnamed persons who gave of their time but have not been named specifically in these acknowledgments.

The Panel

The Urban Land Institute (ULI) Richmond District Council's Technical Assistance Panel (TAP) was tasked by the City of Richmond Economic Development Authority (EDA) and in collaboration with the City of Richmond Department of Economic Development to suggest the highest and best use for a surface parking lot located at the corner of Second and Marshall Streets. The parking lot is owned and leased by the EDA. Armed with the TAP's suggestions, the EDA hopes to find a master developer to redevelop the property. To accomplish this task, the TAP committee assembled a panel of local business owners, architects, and private and commercial real estate professionals to analyze the property. Participating panelists are listed below followed by brief summaries of their individual qualifications.

Panelist	Specialty
Robert (Robin) W. Miller, Jr.	Panel Moderator. Rehabilitation and adaptive reuse of historic buildings
T.K. Somanath	Neighborhood revitalization, community development, affordable housing.
Margaret Freund	Rehabilitation and adaptive reuse of historic buildings
Chris Pine	Retail and mixed-use development
Doug Cole	Planning and design consulting
David Johannas	Architect
David Fuller	Hospitality consulting

Robert W. Miller, Jr., Monroe Properties

Robert "Robin" Miller is a Principal at Monroe Properties with over 30 years of experience in the real estate industry. Robin Miller specializes in identifying creative approaches to the rehabilitation and adaptive reuse of historic buildings. As a graduate of the United States Military Academy at West Point and Harvard University, Mr. Miller's varied educational background includes a professional engineer certification, a Masters in Public Policy, and a license as a real estate broker. With this knowledge he has successfully developed projects in five states throughout the country including a 125-acre master planned community in his hometown of Kingsport, Tennessee. In 1994, Mr. Miller came to Richmond with his experience and vision for improving urban communities and quickly became a leader in the redevelopment of historic buildings in the state of Virginia. Mr. Miller has completed over a dozen projects in downtown Richmond approximating \$100 million. He is also currently involved in large multiphase redevelopment projects in the historic cities of Staunton and Petersburg, Virginia.

T. K. Somanath, Better Housing Coalition

T. K. Somanath is President, CEO, of Better Housing Coalition, a nonprofit, community-based housing corporation. Mr. Somanath has become an advocate and a recognized voice for neighborhood revitalization and community development on the local, state, and national scenes. Under Mr. Somanath's leadership, Better Housing Coalition (BHC) has developed several award-winning, healthier, and more sustainable communities and has produced over 1,000 new and rehabilitated affordable homes, while providing quality services to thousands of residents, improving their quality of life in the Richmond metropolitan area. Before joining BHC, Mr. Somanath served as the Director of Development at Richmond Redevelopment & Housing Authority (RRHA) for 15 years and was responsible for developing affordable housing and other community- and neighborhood-oriented initiatives, including the redevelopment of a 300-acre neighborhood of about 2,500 families in the Richmond area.

Margaret Freund

Ms. Freund is the founder and owner of Fulton Hill Properties, LLC, a commercial property development and management company that specializes in rehabilitation of historic properties. She is responsible for many redevelopment projects in the city of Richmond including Haxall View and the Lady Byrd Hat Building. Ms. Freund was awarded the 2005 Vision of Architecture Design Award. She also earned an Award of Merit from the Virginia Downtown Development Association for Canal Crossing in 2004. Ms. Freund has a juris doctorate from Washington and Lee University and a bachelor's degree from the University of Massachusetts.

Chris Pine

Christopher Pine is the senior vice president of the Bond Companies. His primary focus is on site acquisition, development and tenant relations. Prior to joining Bond Companies, Mr. Pine was the vice president of real estate for Whole Foods Market. Mr. Pine was at the forefront of the company's expansion throughout North America and into the United Kingdom. He was responsible for the strategy, site acquisition and lease negotiation for more than one million square feet of retail space each year for the world's largest natural and organic foods supermarket. Before joining Whole Foods in September 2000, Mr. Pine held similar positions with Brinker International and Sutton Place Gourmet. He is a graduate of the University of California at Santa Barbara.

Doug Cole

Mr. Cole is cofounder of designforum, inc, in Richmond, Virginia. He is a strong proponent of infill projects, new urbanism, traditionally planned communities, and has been an activist for smart growth throughout his career. Prior to his time in Richmond, Mr. Cole was Principal at JSD Landscape Architects in Charleston, S.C. Three years after its founding, JSD was recognized by Landscape Architecture Magazine as one of the “top new firms of the ‘90s.” Mr. Cole’s goals are to continue to use his experience to mentor the absolute best talent in the profession, and to apply vision, innovation and creativity to ensure success for every project. He is a graduate of Virginia Tech.

David Johannas

Mr. Johannas has over 25 years of experience in architecture, interior projects, and planning throughout North America. His work encompasses a variety of innovations in urban design involving mixed-use, high-end residential and retail, with a particular interest in historic preservation and adaptive re-use. Architecture has been a life pursuit for Mr. Johannas. He has maintained fervor toward the design of buildings, responding to the fashion trends of modern architecture, while maintaining his own design philosophy. He has a wide range of experience with public and private sector clients in North American and has worked extensively in the Richmond area.

David Fuller

Mr. Fuller, Managing Director of the HVS Washington, D.C. office, has over 17 years of experience in real estate valuation, investment analysis, and consultation. He has a diverse background in the valuation of hotel, commercial, and mixed-use properties nationwide, with extensive experience in market value appraisals, property portfolio consulting and management, investment advisory service, and consulting studies for securitization-equity-based and mortgage-backed transactions. Mr. Fuller’s consulting and valuation experience encompasses the research and analysis of real estate markets throughout the Mid-Atlantic and appraisals of hotel properties across the United States. His bank of appraisal assignments includes hotels and motels, industrial facilities, shopping centers and malls, office buildings, subdivisions, golf courses, condominiums, and apartment complexes. Mr. Fuller is a Designated Member of the Appraisal Institute (MAI) and a member of the Appraisal Institute Board of Directors, as well as a State Certified appraiser in several states. In addition, Mr. Fuller proudly serves on several community boards, including the Board of Directors for the Cleveland Park Club of Washington, D.C.

The Stakeholders

Local businesses and organizations considered interested/relevant parties to any significant changes that may occur at Second and Marshall Streets were identified as Stakeholders. Stakeholders were invited to meet with the Panel to discuss the history, challenges, concerns, and needs of the property. The following Stakeholders were in attendance:

Stakeholder	Business/Specialty
Bill Martin	Director, Valentine Museum
Evelyn Glazier	Greater Richmond Partnership
Carthan Currin, Betty-Anne Teter, and Brendan Williamson	City of Richmond, Department of Economic Development
Jack Berry	Director, Greater Richmond Convention Center
David Ruth	National Park Service
Rowena Fratarcangelo	Greater Richmond Partnership
Anne Greever	Economic Development Authority
Ron Stallings	Walker Row Partnership
Charles Finley	Historic Jackson Ward Association
Oliver Singleton	President of Metropolitan Business League located in Jackson Ward
Morton Gulak	Virginia Commonwealth University

Other Stakeholders who were identified but could not participate included:

- City Council
- Richmond Coliseum
- Consolidated Bank
- Richmond Redevelopment and Housing Authority
- Virginia Supportive Housing

Stakeholder Feedback

A brief summary of issues and concerns raised by the Stakeholders is outlined below. These comments were made part of the evaluation of the property's highest and best use.

- First floor retail that respects the architecture of the community and help make the community walkable is important.
- There is a need to create an inviting environment between the Coliseum and Jackson Ward so that people feel safe. This would include businesses/restaurants that are open mid-week as well as weekends.
- It is important to keep the parking needs of the neighborhood in mind.
- While there is some need for density in any redevelopment of the site, the community believes the building should not be too tall and should relate to the buildings in the area. The actual number of floors that the community would tolerate was the subject of some debate, without a definitive conclusion.
- The Stakeholders felt it was important to look at this site in conjunction with other development on Marshall Street and elsewhere in the neighborhood. The site should not be developed in isolation. In the same vein, the Stakeholders believed it is important to provide a development that will appeal to both the tourists at the Convention Center as well as neighborhood residents.
- This site's relationship to the Convention Center should address the need to provide more restaurants and hotels in the area.

Questions for TAP Panel

1. What are the “linkages” that can be created between the Convention Center one block east; the Virginia Biotechnology Park to the north; Virginia Commonwealth University – both Monroe Park campus and VCU Health Systems downtown campus; Broad Street Retail and Gallery district; hotel and office space markets (such as the Jackson Place Office Building), as well as the adjacent residential neighborhood of Jackson Ward including North Jackson Ward (Gilpin Court)?
2. What would be a recommended redevelopment concept for the subject site? Consider the recommended redevelopment concepts in light of area market conditions, Richmond’s Downtown Master Plan, and the recommendations outlined in the two prior TAPs conducted in this area – “6th Street Marketplace” and “Jackson Place and North Jackson Ward?”
3. Once the highest and best use is determined for the property, what method(s) would you recommend the Economic Development Authority use to attract the best developers and investors to build and fund the project?
4. After determining the recommended highest and best use, please outline the pros and cons of a sale of the property as compared with a long-term ground lease?
5. Are there other recommendations from the panel to improve the attractiveness and marketability for the subject site, i.e. infrastructure needs, streetscape improvements, land use, and current zoning considerations as relating to the newly adopted downtown master plan?

The parking lot is located in downtown Richmond. The parking lot is half a block west from the Greater Richmond Convention Center, next to the recently renovated Marshall Street Apartments (located at the corner of N. 3rd and Marshall), and one block north of Broad Street. The parking garage for the Convention Center is located generally diagonally across from the site. A recently renovated four story office building (2c Condominiums) and a recently constructed office building (Jackson Center) are located half a block north of the site. A series of townhouses/apartments/and commercial uses adjoin the northern part of the parking lot across an alley. Other renovations continue, including the conversion of the Southern Aid Building into condominiums. Behind the Marshall Street Apartments and facing 3rd Street, are two older/historic structures that were the original Bliley's Funeral Home hearse garage.

The parking lot is located within the Jackson Ward National Historic District. Jackson Ward is a multi block area with a significant number of 19th century residential buildings and structures that served as neighborhood hub of Black professional and entrepreneurial activities for the period. Fraternal organizations, cooperative banks, insurance companies, and other commercial and social institutions of that era can be found within the Jackson Ward Historic District. Many homes of a number of individuals of exceptional vision and talent, including Maggie Walker, are located within the Historic District. The Maggie L. Walker National Historic Site is one prominent home located within the district and only a few blocks north of the site. The Jackson Ward community has been working hard to bring development, restoration, and renovation projects to the District. Any development in the area should relate to the context and needs of the various intersecting groups that make up the vicinity. There is a wide range of building size and massing in the area, ranging from the multi-block monolithic Convention Center to the one and two story townhouses and commercial structures across the street.



Overview

The Economic Development Authority (EDA) has owned the parking lot located at the corner of 2nd and Marshall Streets in historic Jackson Ward for a number of years. The parking lot lease has recently changed, and in keeping with the EDAs purpose, the EDA requested assistance from the ULI TAP committee to create a TAP panel that could help them formulate a vision and options for the redevelopment of the surface parking lot. Based on the TAP panel's vision and suggestions, the EDA hopes to select a master developer that will plan, finance, and design and construct a development featuring a use or combination of uses that will be compatible with the architectural style and character of this section of the City's downtown and north of Broad Street.



2nd and Marshall Streets Parking Lot Site



Restaurants/commercial uses across the street from parking lot.



Looking toward the Convention Center and Convention Center parking garage. City Hall in distance.



Marshall Street Apartments (Former Fraternal Order of Eagles Building)

Looking north across alley to back of townhouses located on same block as the parking lot. Jackson Center Office building is located on next block and can be seen over townhouses. The 2c Condominium building is seen at the far left.



Front of townhouses located on corner of 2nd and Clay Streets. The backs of these townhouses abut the Site.



Site – Looking towards 2nd Street from alley next to Marshall Street Apartments



Looking toward Broad Street from Site



Crocker's Spot Restaurant – Jackson Ward



Maggie L. Walker Historic Site

Bliley's Funeral Home – old Hearse Garage on 3rd Street, behind the Marshall Street Apartments and across from the Convention Center.



Background

The City of Richmond's new Master Plan suggests a change to a Form-Based zoning code that is geared more toward design than land use. Currently, the City of Richmond's zoning ordinance may not contain a zoning classification that will allow for the type of development recommended by the TAP; however the City is supportive of a combination of uses that encourage a higher and better use and design than may otherwise be permitted under the current zoning classification. As such, the current zoning district limitations were not given significant consideration during the TAP's review and deliberations.

The City's vision for the area has changed due to the current market conditions and the site's proximity to major economic drivers such as the Convention Center, Coliseum, Virginia Biotechnology Park, and VCU. The City recognizes the opportunity to create a variety of development concepts and is prepared to incorporate a compatible proposed development into the new Master Plan.



Key Assumptions

While the EDA and the City provided the overall objectives for the project, the specific transaction structure for the creation of the proposed development plan is not set. As such, the EDA requested that the TAP consider the additional assumptions:

- The EDA is willing to entertain opportunities to partner with development of a master plan.
- The EDA wishes to maximize the short-term and long-term revenue generated by the property. This could be accomplished through a variety of scenarios.
- The 2nd and Marshall Streets location is a prominent site that could have an important impact on the surrounding area given the site's importance to downtown and its proximity to many economic drivers.
- The EDA envisions a sustainable development that offers quality and architecturally compatible development that will incorporate an appropriate amount of green space and public areas

Key Development Objectives

Key development objectives include the following:

- To help support, anchor, and energize the Marshall Street and 2nd Street corridor and surrounding area historically known as Jackson Ward.
- To provide a landmark development concept that incorporates an urban plan that compliments the current architectural design and scale of the surrounding area and downtown Richmond.
- To serve as a catalyst for the revitalization of the array of independent, locally owned businesses and vacant storefronts along 2nd and Marshall Streets as well as the surrounding areas.
- To stimulate the economic vitality of this portion of downtown Richmond through the appropriate types of private investment and job creation for area residents.
- To create a better link between the north and south of Broad Street.
- To create a dynamic commercial environment that successfully integrates a variety of uses that complement the existing corridor.
- To provide uses compatible with interests of neighborhood residents, nearby employees and visitors.
- To set a high standard of urban and architectural design that will result in buildings that are constructed with quality materials and details that are historically compatible and that provide for the continuation of the features exhibited in the historic Jackson Ward Community.
- To complete the project in an expeditious fashion.
- To further the goals contained in the City's comprehensive Master Plan, the City's Strategic Plan and any other matters of record.
- To incorporate in the redevelopment of up to 75 parking spaces currently being provided on the property for the Jackson Center Office Building located one block north on 2nd Street.

Discussion and Guiding Principles

Process Overview

In advance of the meeting, panelists were provided briefing books containing pertinent demographic information, maps, questions, and background for review. On the initial meeting day the panel took a walking tour of the subject site, received a presentation of the City's updated Master Plan, and met with Stakeholders. Day two involved discussion of the questions provided by the EDA and the City and the development of the TAP recommendations. The TAP committee and panel collaborated to create a power point presentation that was shared with the EDA, Department of Economic Development, City of Richmond Community Development Department, and the Stakeholders.

Guiding Principles

After the site tour and meeting with Stakeholders, the Panel developed some guiding principles for their recommendations:

- Blocks around the site will change over time
- The small site drives up development costs
- Current B-4 zoning will/could change
- Maximum seven stories with step backs
- Parking on-site (exceed zoning)
- Architecturally compatible with neighborhood
- Relationship/transition between Jackson Ward, Broad Street, and the Convention Center—needs to blend with all.

Linkages

- Connectivity between Broad & 2nd Streets Corridors
- Encourage relationship with surrounding uses – Convention Center, Coliseum, Jackson Ward, VCU
- Make 2nd and Marshall Streets two-way streets
- City install infrastructure improvements – sidewalk improvements, street trees, and lighting down 2nd Street
- Linkages create safer and secure streets
- Create special surface treatment for sidewalks to create a “transition” into Jackson Ward

Recommendations

The TAP panel developed two different development recommendations for the property.

Development Concept #1

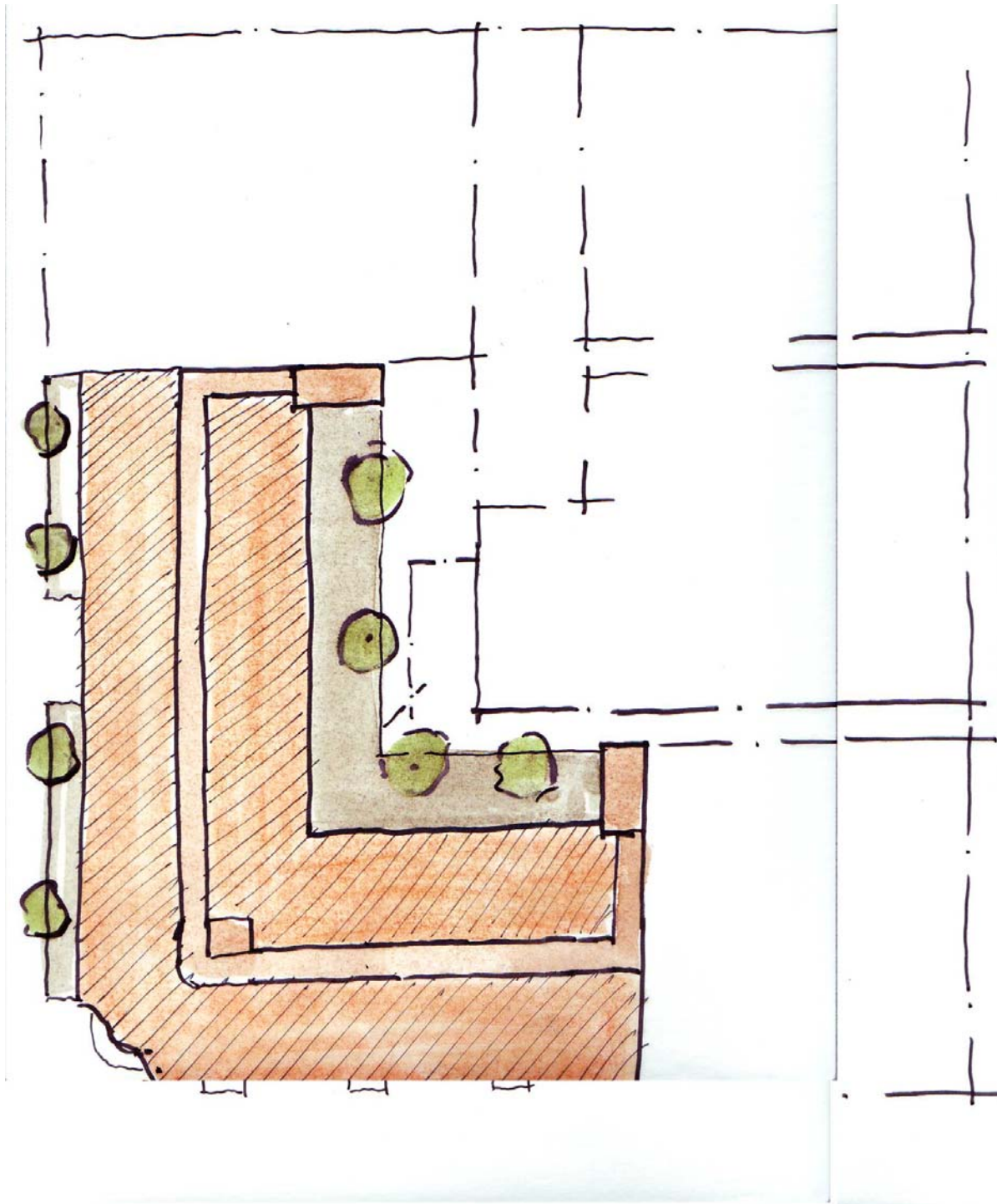
The first suggestion (Development Concept #1) included first floor retail built to evolve over time. The structure would step back from the street with a potential for a terrace and rooftop garden. In addition, this would include split structured parking for 80 spaces (the zoning requires 28). Above the retail space would be four stories of residential or hotel. If developed as apartments, the TAP panel recommended 110+/- apartments including studio spaces. If developed into hotel space, the panel recommended a 150+/- room unique, extended-stay hotel. A hotel would also use valet and/or off-site parking.



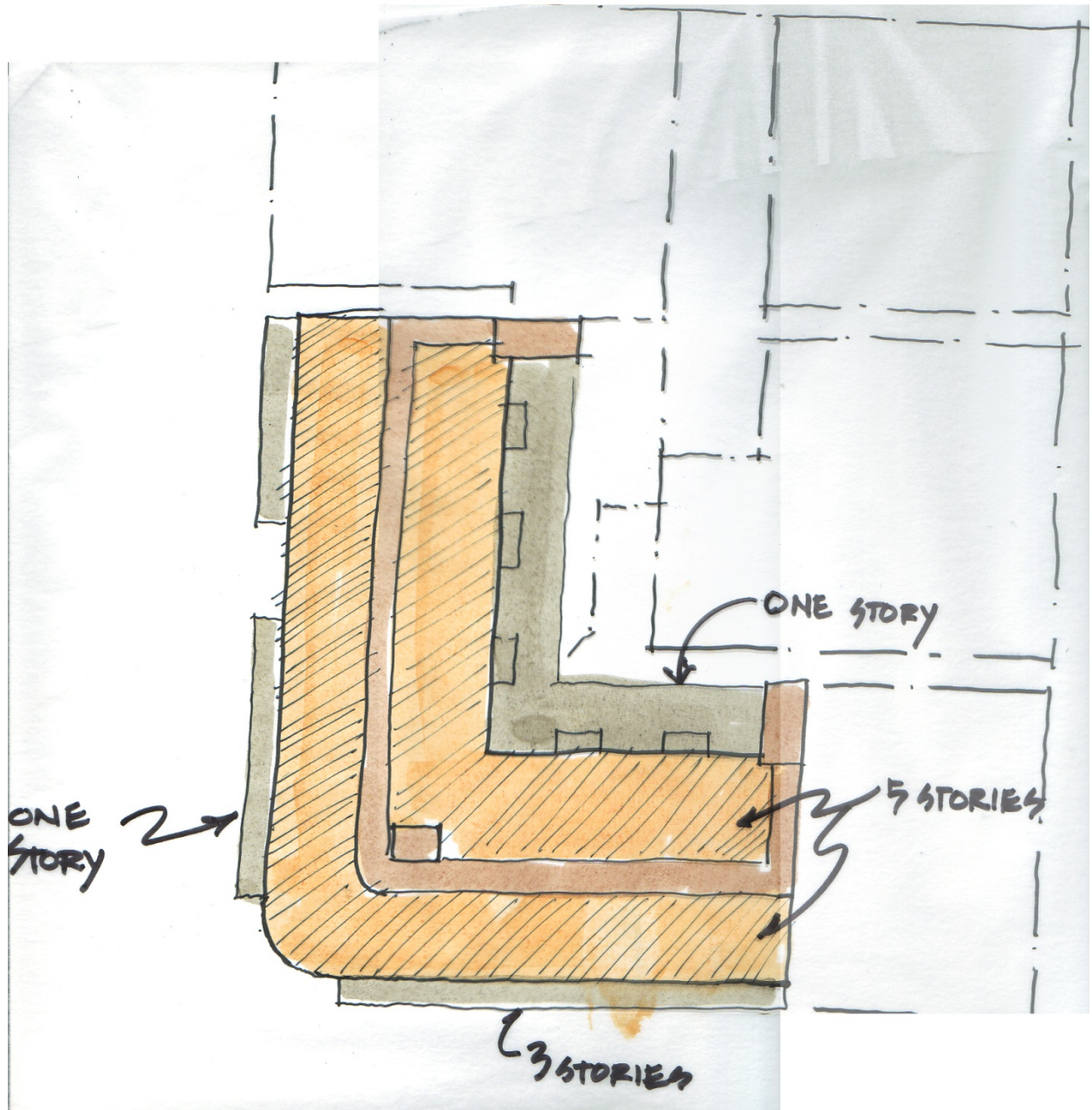
1st Floor



2nd and 3rd Floors

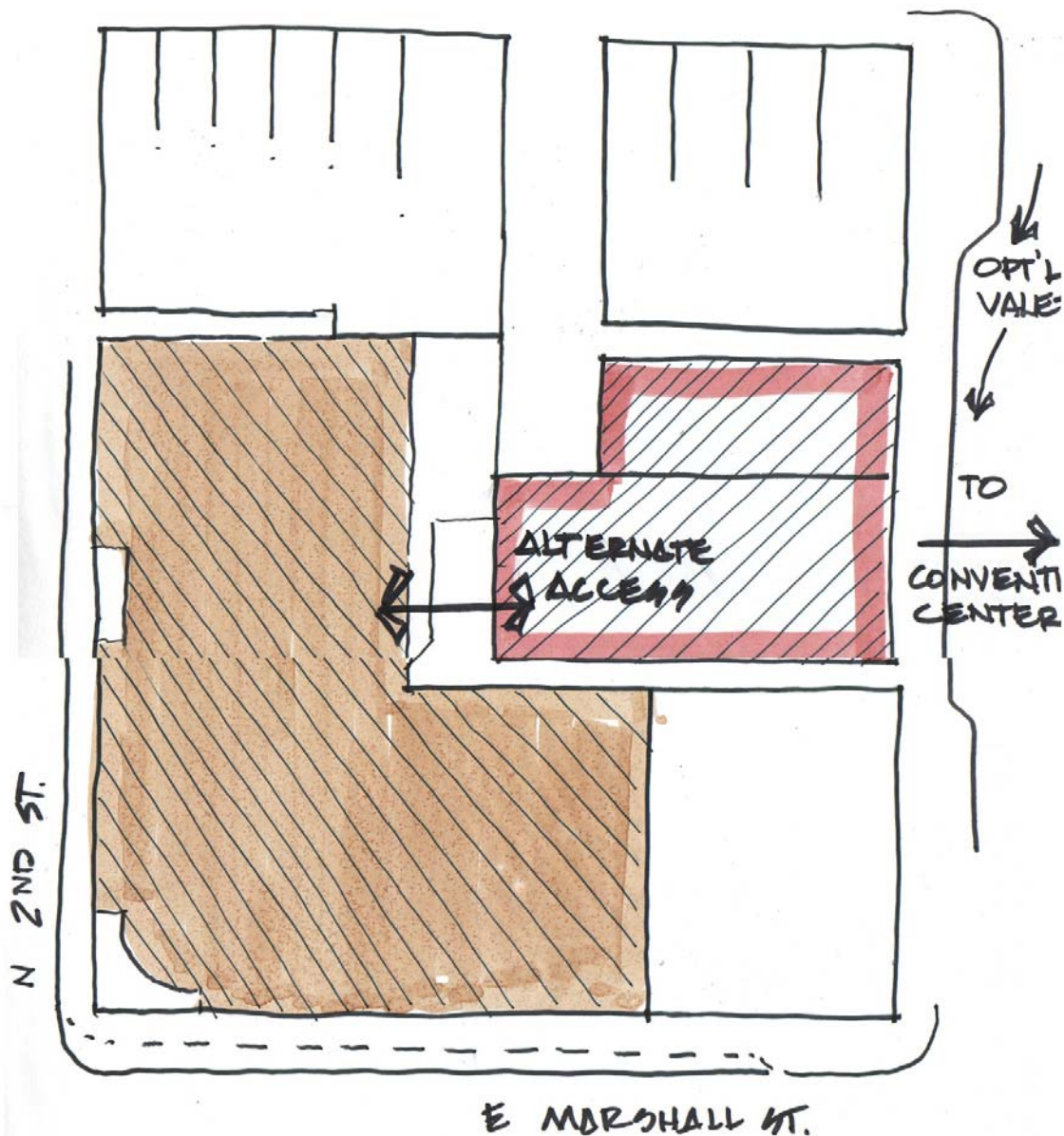


4th and 5th Floors



Development Concept #2:

Development Concept #2 assumes that the EDA/City will purchase the historic buildings on 3rd Street previously used as the garage for Bliley Funeral Homes. This concept includes the preservation and adaptive reuse of the historic building. As in Development Concept #1, Development Concept #2 included first floor retail on 2nd and Marshall Streets and a stepped back building. The potential uses for Development Concept #2 are the same as Development Concept #2. The Bliley's Garage provides a 3rd Street patron access to the building, lobby, and restaurant use. This development concept provides greater connectivity to the Convention Center.



Additional Recommendations

Developers and Investors

- RFQ:
 - Broad based
 - Narrow the pool from the RFQ for the RFP
 - Include design specifics and development parameters in RFQ
- The Property is in an Enterprise Zone. Should be accentuated.
- Historic tax credits potential if you can use the old garage
- Other financial incentives may be available through the EDA and City of Richmond

Sale v. Lease

- Ground Lease
 - Least favorable for the developer
 - Limits interest in the project and the end product
 - More acceptable for hotel use
 - Advantage for taxes
 - Predictable and long-term income to the EDA
- Joint venture
 - Long term income
 - More control over development
 - Involve others
- Sale
 - Limited control over development
 - Current market conditions will not optimize return
 - Only receive money at sale

Miscellaneous other concepts that should be considered

- Streetscape improvements necessary
- Smart Car, Segway, bike co-op and locate access to them on-site
- Vista/visual relationship to Jackson Ward
- Green roof and other sustainable design elements
- Consider providing a percentage of the units as workforce housing
- Consider including a percentage of employees for the use from the local neighborhood