

A RESOLUTION ELECTING TO PROCEED WITH NEGOTIATIONS WITH AHP DEVELOPMENT, LLC REGARDING THE POTENTIAL CONSTRUCTION OF NEW CITY HALL, PARKING GARAGE AND PUBLIC SAFETY FACILITIES, AND THE REDEVELOPMENT OF VACATED PROPERTIES.

WHEREAS, in May 2018 AHP Development, LLC (a subsidiary of Armada Hoffler Properties, Inc.) presented the City with an unsolicited proposal for the construction of a new City Hall, parking garage and public safety facilities, and the subsequent redevelopment of vacated properties; and

WHEREAS, the City received the proposal in accordance with the Virginia Public-Private Education and Infrastructure Act of 2001, as amended (the "PPEA"); and

WHEREAS, as required by the PPEA, the City gave public notice of the receipt of the proposal and provided the opportunity for other interested parties to submit competing proposals; and

WHEREAS, one additional proposal was received and subsequently withdrawn; and

WHEREAS, for decades the City has desired to relocate City Hall and public safety facilities from the waterfront area and to provide for the private development of the vacated waterfront properties; and

WHEREAS, as authorized by City Council Resolution R-18-33 adopted on November 27, 2018, City staff has reviewed the Armada proposal (as subsequently supplemented); and

WHEREAS, based on City staff's preliminary analysis, the proposal is worthy of further discussion to determine whether the parties can reach a detailed, comprehensive and binding agreement; and

WHEREAS, in furtherance of negotiating a binding agreement, the parties have prepared a non-binding Memorandum of Understanding in the form attached hereto as Exhibit A (the "MOU"); and

WHEREAS, the Armada proposal, if implemented in whole or in part through a binding Development Agreement, may result in the conveyance by the City of real property interests (fee or leasehold) in one or more of the following properties: 200 County Street, 801 Crawford Street, 801 Water Street, 206 High Street, 3701 Willett Drive, and/or other City-owned properties; and

WHEREAS, any final proposed Development Agreement will be subject to approval by City Council;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portsmouth, Virginia, that it hereby elects to proceed with negotiations with AHP Development, LLC regarding the potential construction of new City Hall, parking garage and public safety facilities, and the redevelopment of the vacated properties; and

BE IT FURTHER RESOLVED that the City Council makes a preliminary finding that the project, if developed in substantially in the form outlined in the MOU, will be in the public interest; and

BE IT FURTHER RESOLVED that the City Manager is authorized to execute a Memorandum of Understanding with AHP Development, LLC in substantially the form attached hereto as Exhibit A.

ADOPTED by the Council of the City of Portsmouth, Virginia, at a meeting held on February 26, 2019.

Teste:

City Clerk