

# Old Blacksburg Middle School Development Agreement Fact Sheet

Ordinance 1875 approves a development agreement between Midtown Partners, LLC (“Midtown”) and the Town of Blacksburg (“Town”) for the redevelopment of the Old Blacksburg Middle School site (“OBMS site”). The OBMS site was the subject of a 2011 master plan for redevelopment that was performed by the Town and Montgomery County, Virginia, and the Town later affirmed these principles by resolution in 2015 (“Resolution 7-D-15”). The Town has participated with Midtown in a coordinated planning effort to determine the future use of the site in a manner consistent with the Comprehensive Plan, the 2011 master plan and Resolution 7-D-15.

## **Relationship to Rezoning Request**

The development agreement is a companion document to the rezoning request. The rezoning application is requesting that the OBMS site be re-zoned into a 10.59 acre Downtown Commercial and a 10.54 acre Planned Residential district. The development agreement is the business plan for the cooperative redevelopment of the OBMS site. The agreement will need to be approved by both the Town and Midtown. The Town has worked hard to arrive at a commercially reasonable agreement with appropriate protections for the Town. The Town Council will vote on both the development agreement and the rezoning request at the same meeting following a public hearing.

## **Parking Garage Construction and Financing**

The development agreement calls for the Town of Blacksburg to construct a parking garage on the OBMS site with at least 300 spaces. Spaces will be available to office tenants and the public. The Town plans to construct this garage in conjunction with the construction of a new police department headquarters on the OBMS site. New revenues generated from the OBMS site (real estate, meals and lodging taxes) and a special service district will fund the garage. A special service district is created to provide additional services (such as public parking) in a district; an additional tax is imposed in the district.

Current concept plans include a parking garage with 327 spaces. Current construction estimates for the garage, including contingency funds, are at \$9.1 Million. The construction will be financed using \$6.6 Million in Town funds from new revenues generated by the development of the OBMS site and \$2.5 Million in funds from an additional special service district tax on properties within the project. The special service district will levy an additional \$0.20 real estate tax within the district. The additional special service district tax is intended to expire once the debt on the parking garage has been paid.

It is anticipated that the Town can pay its \$6.6 Million debt within 17 years from new revenues generated by the project. It is anticipated that the special service district will collect enough revenue to pay the \$2.5 Million in debt within 22 years. These are based on conservative estimates.

The Town will own and operate the parking garage upon its completion.

### **Police Station Construction**

The Town is planning to construct its new police station along Clay Street on the OBMS site. W.M. Jordan Company was selected by the Town through a PPEA process (Public-Private Education and Infrastructure Act) to work towards a Comprehensive Agreement to design and construct the police station and parking garage. The police station and parking garage are currently in the conceptual design phase. It is anticipated that the police station will be approximately 36,000 square feet and the parking garage will contain 327 parking spaces. Funding for the police station is included in the Town's adopted Capital Improvement Program and in the 2019-2020 recommended Operating Budget.

### **Exchange of Properties**

Two existing parcels of Town property (on Eheart Street and Clay Street) will be exchanged with Midtown to provide land on Clay Street for construction of the parking garage and police station. The Town will grant a .94 acre parcel along Eheart Street and a .38 acre parcel to Midtown. Midtown will convey two parcels (.73 acre and .51 acre) back to the Town along Clay Street for the construction of the parking garage and police station. The Town will also receive the 1.7 acre plaza and event space and the 3 acre Central Park as part of the project.

### **Construction of Infrastructure**

Midtown will construct New Church Street, Midtown Way and install a new traffic signal at the intersection of Main Street and Eheart Street. Midtown will also construct bicycle and pedestrian improvements as outlined in the rezoning application. The Town may assist by applying for VDOT revenue sharing funds for some of the proposed improvements. The development agreement addresses the timing and coordination of this work.

### **Development Timelines**

Midtown is committing to timelines for the commercial/office development on the front office parcel (DC Parcel 2A) and the hotel parcel (DC Parcel 6). The Town is committing to timelines to begin construction on the police station and parking garage. If approved, site grading and infrastructure construction is expected to commence shortly after the Town Council vote on the rezoning and development agreement.

### **Main & Eheart Plaza, Event Space and Central Park Area**

Midtown will construct improvements for the Plaza, Event Space and Central Park areas and donate these to the Town. The Town will approve the design of these areas. Improvements to the plaza and events space will be constructed by Midtown up to a cost ceiling of \$2 Million

### **Central Stormwater Collection Facility**

Midtown will construct a central underground stormwater collection facility located beneath the event space. All parcels on the site will have access to the facility. Costs of constructing the facility will be

allocated to each parcel. The Town's share (if any) of the cost of the stormwater facility is still under negotiation.

### **Architectural Design Approval Process for Downtown Commercial Buildings**

The development agreement establishes an architectural design review process for buildings located in the downtown commercial area of the project. The Town will review building designs and building materials for their consistency with the rezoning application and the pattern book. Building designs will be provided to the Historic or Design Review Board and the Planning Commission for review and comment. Plans will then be presented to the Town Council for review and comment. The Town Council will authorize the Town Manager to either approve the architectural elevations or will issue comments to Midtown for design changes. The Town will have 45 days to approve or issue comments on architectural elevations.

### **Parking Utilization Agreement**

The Town and Midtown plan to enter into a priority parking use agreement for Midtown's use of a minimum of 200 spaces in the Parking Garage for an initial period. The parking utilization agreement will require each user of a parking space to pay the Town a market-rate parking fee per space on a monthly or annual basis. The remaining spaces in the garage will be available for additional leases or for hourly public parking at the Town's discretion.

### **Encouragement of Long Term Residents**

The development agreement encourages long term residents on both for-lease and for-sale residential units. The agreement prohibits four-bedroom, four-bathroom units, by-the-bedroom leases and requires residents to prove that they earn sufficient income to lease the property on their own without a guarantor. On-site management is also required for rental units.

For-sale units are required to be part of a homeowners association that requires that purchasers affirm their intent to live in the unit and that they are not acquiring the property as a rental property. Properties can only be leased for a period of 12 months, and any leases and tenants must be registered with the homeowners association.