

W01 – Public notice story

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The Virginian-Pilot

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### **Waterfront apartments and a new city hall: Developer wants to reshape downtown Portsmouth**

[https://www.pilotonline.com/government/local/article\\_9e7f3c06-393f-11e9-b014-bb9042078995.html](https://www.pilotonline.com/government/local/article_9e7f3c06-393f-11e9-b014-bb9042078995.html)

#### **PORTSMOUTH**

The developer of Town Center in Virginia Beach wants to build up to 200 new apartments on the Portsmouth waterfront in place of city buildings that would get new locations inland.hartley edit

City officials have been considering some version of the proposal from Armada Hoffler since May, according to city documents.

But they told the public little about the plans until this month. A Feb. 17 legal advertisement in The Virginian-Pilot's Bridges publication announces a public hearing Tuesday on "a proposal received for the construction of new City Hall and public safety facilities and the possible redevelopment of certain City properties." It doesn't mention the prominent developer or the proposed apartments, nor does it tell people where to find details on the city website.

A Nov. 27 council resolution directs staff to analyze a proposal the city received from a company seeking to build "a new city hall and public safety building." The resolution and related documents never mention Armada Hoffler or the apartments.

A Nov. 15 version of Armada Hoffler's proposal doesn't appear to have ever been posted on the city's homepage or social media accounts, and it's not linked to from the agendas for this week's City Council meetings. Instead, officials uploaded it to a rarely visited section of the city's website dedicated to the Virginia Public-Private Education Facilities and Infrastructure Act of 2002, which sets rules for such unsolicited proposals.

Under the deal, Portsmouth would rent its new city hall building from Armada Hoffler for 20 years for at least \$2.16 million per year, with an annual rental rate increase of 2 percent. It would also pay for new parking spaces there — under the cheaper of two options offered by the company, the city would pay \$18.4 million for 670 spaces. The building and parking would go on the site of the city's County Street parking garage, which would be demolished.

A new public safety building would go on the current site of Willett Hall, according to a report submitted by the city's director of economic development, Robert Moore.

A resolution the council is scheduled to vote on Tuesday would direct staff to negotiate an agreement with Armada Hoffer subsidiary, AHP Development LLC. The deal would not be final until another council vote, which by state law would have to be at least 30 days after Tuesday's public hearing.

But the resolution authorizes the city manager to sign a non-binding memorandum of understanding in the meantime.

Moore's report says nothing about the plan for 175 to 200 apartments and shops along the waterfront, saying only that the site of the current City Hall and police headquarters "could be redeveloped with new private uses."

The city has wanted to put apartments and commercial space on the city's waterfront for decades. Portsmouth's City Hall, police offices and jail — along with a parking lot — have long sat on a stretch along the Elizabeth River. For almost as long, people have wanted to move them.

Although the city has never made Armada Hoffer's plan widely available, the company said in its proposal that "no opposition from the government or public is known or anticipated due (sic) the project's consistency with city plans," citing the city's efforts to boost shoreline development.

Along with the apartments, Armada Hoffer's plan includes about 7,000 square feet of retail space at the site and parking spaces owned by the company. The garage attached to the new city hall would be tax exempt.

"The City of Portsmouth will see a significant increase of revenues via sales and real estate taxes which will become activated now that tax exempt functions have been relocated," the company wrote in its Nov. 15 pitch. "The beauty of downtown Portsmouth will be put on display, promoting ferry boat rides to and from downtown Norfolk for expanded entertainment."

State law requires such a proposal to be posted on "the responsible public entity's website" and encourages cities "to provide maximum notice to the public of the opportunity to inspect the proposals." But Portsmouth appears to have made no effort to inform the public beyond the steps that are legally required, including the newspaper ad announcing Tuesday night's public hearing.

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### **Speakers say they want more information on Portsmouth waterfront development plan**

[https://www.pilotonline.com/government/local/article\\_7d337e84-3a04-11e9-aa8e-87da1f2c9602.html](https://www.pilotonline.com/government/local/article_7d337e84-3a04-11e9-aa8e-87da1f2c9602.html)

PORTSMOUTH

Council members on Tuesday unanimously gave city staff the OK to negotiate a deal with a Virginia Beach developer who wants to put up to 200 new apartments on Portsmouth's waterfront in place of city buildings that would be moved inland.

At a public hearing before the vote, speakers urged city officials to share more information about the proposal before moving ahead. Sheriff Michael Moore took the lectern to ask the city not to shut down the jail as part of Armada Hoffler's plans, which officials have quietly been considering since at least May.

"We can only assume since we weren't included in that developmental plan ... that the plan is to shut down the jail," Moore told council members while about 50 of his employees stood inside the chambers. "Over 130 of our employees will be affected. They will lose their jobs."

City officials have been considering some version of the proposal from Armada Hoffler since May, according to city documents.

Under the developer's proposal, Portsmouth would rent its new city hall building from Armada Hoffler for 20 years for at least \$2.16 million per year, with an annual rental rate increase of 2 percent. It would also pay for new parking spaces there — under the cheaper of two options offered by the company, the city would pay \$18.4 million for 670 spaces. The building and parking would go on the site of the city's County Street parking garage, which would be demolished.

A new public safety building would go on the current site of Willett Hall, according to a report submitted by the city's director of economic development, Robert Moore.

The resolution approved Tuesday directs staff to negotiate an agreement with Armada Hoffler subsidiary, AHP Development LLC. The deal would not be final until another council vote, which by state law would have to be at least 30 days after Tuesday's public hearing.

But the resolution authorizes the city manager to sign a non-binding memorandum of understanding in the meantime.

"I think we have a lot of unanswered questions that the public needs to be apprised of," speaker Steve Carroll said during the public hearing. "That needs to be done before you enter a memorandum of understanding."

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## **Portsmouth may spend \$475,000 on plans for new city buildings — but wants public input first**

<https://www.pilotonline.com/news/portsmouth/vp-nw-portsmouth-design-new-city-hall-20190827-r1va2tedonfp3pxvklvynxkey-story.html>

Portsmouth officials proposed this week to set aside nearly half a million dollars to pay for plans for new city hall and public safety buildings. It's part of a vision to revive the city's coveted waterfront by moving government facilities inland, freeing up land for new apartments and shops along the river.

But after Councilman Paul Battle objected — he said he wants to hear more, and he wants to hear directly from developer Armada Hoffer — the group decided to hold a hearing next month to seek public input.

The proposal, made by Economic Development Director Robert Moore, calls for banking \$475,000 from the city's debt service fund balance. That money would go to Armada Hoffer to cover the cost of drafting the plans for new government buildings if the city chooses not to proceed.

On Monday, Moore gave council members a presentation on proposed sites for new city hall and public safety facilities, which he said would guide future decisions about the project's overall cost.

During the public hearing, which will be held at 6:30 p.m. on Sept. 9 in City Council chambers, speakers will be asked to weigh in on the different locations proposed by Moore, which are available online, linked from the agenda for Monday's work session.

A Nov. 15 version of Armada Hoffer's proposal is uploaded to a rarely visited section of the city's website dedicated to the Virginia Public-Private Education Facilities and Infrastructure Act of 2002, which sets rules for unsolicited proposals like the one the company made.

Under that iteration of the deal, Portsmouth would rent its new city hall building from Armada Hoffer for 20 years for at least \$2.16 million per year, with an annual rental rate increase of 2 percent. It would also pay for new parking spaces there — under the cheaper of two options offered by the company, the city would pay \$18.4 million for 670 spaces. The building and parking would go on the site of the city's County Street parking garage, which would be demolished.

That version of the plan included a pair of cost assessments. One option called for an initial investment of \$24 million in public money and \$84 million from the private sector. A cheaper option would cost the city \$18 million and private investors \$76 million.

But it's unclear what the overall proposed costs would be. City leaders have stressed that the plans are still rough and residents will be asked to weigh in routinely.

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**Portsmouth again delays a vote on developer's proposal to replace waterfront government buildings**

<https://www.pilotonline.com/government/local/vp-nw-armada-hoffler-vote-0912-20190911-kidke2zx6bbgbdq62x7jj6v7w4-story.html>

Portsmouth officials last month proposed setting aside nearly half a million dollars to pay for plans for a new city hall and public safety buildings designed by Virginia Beach developer Armada Hoffler.

City Council members were poised to take a vote at the time, but they decided to hold a public hearing on Monday before voting on it Tuesday. And after more than a dozen residents voiced concerns, council members decided to delay the vote once more.

At the hearing Monday, complaints were lodged against everything from the locations of the proposed buildings to the overall merits of the project to the city's planning process, which some residents found confusing.

"I've been in this city many, many years and seen us been thrown away too many times," Brighton resident Pat Burns said. "If you're voting tomorrow, that means you're not listening to anything."

Some residents complained that the developer's proposed sites for new buildings were still too close to the city's sinking waterfront. Others worried that moving the old facilities would hurt foot traffic for downtown restaurants.

Vice Mayor Lisa Lucas-Burke on Monday night said she wanted to stall the vote, and Mayor John Rowe, in an email sent to council members Tuesday, echoed her suggestion. The rest of the council agreed unanimously at a work session that day, but not without an argument first.

"I'm astounded that we are having all this conversation about a \$475,000 reserve fund for weeks now on a project that we agreed we wanted to discuss that's probably \$50 million plus," Councilwoman Elizabeth Psimas said. "Nothing's going to ever get built if we don't approve the financing for these buildings."

The proposal, made by Economic Development Director Robert Moore, calls for banking \$475,000 from the city's debt service fund balance. That money would go to Armada Hoffler to cover the cost of drafting the plans for new government buildings if the city chooses not to proceed.

For decades, the city has tried to revive its coveted waterfront by moving government facilities inland, freeing up land for new apartments and shops along the river.

Council members in February unanimously gave city staff the OK to negotiate a deal with Armada Hoffler. The resolution they approved authorized the city manager to sign a non-binding memorandum of understanding, though a final deal has not been reached.

At a public hearing before that vote, speakers urged city officials to share more information about the proposal before moving ahead. Sheriff Michael Moore took the lectern to ask the city not to shut down the jail as part of Armada Hoffler's plans.

A February 2019 story about the city's memorandum of understanding with Armada Hoffler »

A Nov. 15 version of the developer's proposal is uploaded to a rarely visited section of the city's website dedicated to the Virginia Public-Private Education Facilities and Infrastructure Act of 2002, which sets rules for unsolicited proposals like the one the Armada Hoffler made.

Under that iteration of the deal, Portsmouth would rent its new city hall building from Armada Hoffler for 20 years for at least \$2.16 million per year, with an annual rental rate increase of 2 percent. It would also pay for new parking spaces — under the cheaper of two options offered by the company, the city would pay \$18.4 million for 670 spaces. The building and parking would go on the site of the city's County Street parking garage, which would be demolished.

That version of the plan included a pair of cost assessments. One option called for an initial investment of \$24 million in public money and \$84 million from the private sector. A cheaper option would cost the city \$18 million and private investors \$76 million.

But it's unclear what the overall proposed costs would be. City leaders have stressed that the plans are still rough and residents will be asked to weigh in routinely.

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### **After public outcry, Armada Hoffler ends talks to develop Portsmouth's waterfront**

<https://www.pilotonline.com/government/local/vp-nw-armada-hoffler-kills-deal-20190918-afrpm7zvnrgqvdx4vkte-story.html>

Blaming "controversy and division," a Virginia Beach-based developer has killed its proposal to develop Portsmouth's waterfront.

In a letter sent Tuesday to Economic Development Director Robert Moore, Armada Hoffler Executive Vice President Bernard Shumate said the company is withdrawing plans to move city buildings inland and make room for private construction along the river. The problem, the developer said, is that it's not getting enough support from the city.

Moore did not respond to a request for comment and a spokeswoman for Armada Hoffler declined to elaborate on behalf of the company Wednesday afternoon.

Residents have urged public officials for months to slow down and negotiate more openly. And in response, City Council members have twice stalled a vote in recent weeks to set aside nearly half a million dollars to pay for the company's designs for a new city hall and public safety buildings.

At a hearing last week, more than a dozen people complained about everything from the locations of the proposed buildings to the overall merits of the project to the city's planning process, which some residents have found confusing. Others had pleaded for more information at a February meeting where council members voted to OK a non-binding memorandum of understanding with the company.

“The process needs to be a little bit more refined,” said first year Councilman Shannon Glover, who also felt lost at times. “We need to make sure everyone’s speaking the same language.”

The city received an unsolicited development proposal from Armada Hoffler in May 2018 through a process set by the Virginia Public-Private Education Facilities and Infrastructure Act of 2002. A Nov. 15 version of the company’s proposal was uploaded to a rarely visited section of the city’s website dedicated to that process.

Under that iteration of the deal, Portsmouth would have rented its new City Hall building from Armada Hoffler for 20 years for at least \$2.16 million per year, with an annual rental rate increase of 2 percent. It would have also paid for new parking spaces at a cost of at least \$18.4 million. The building and parking would have gone on the site of the city’s County Street parking garage, which would be demolished.

That version of the plan included a pair of cost assessments. One option called for an initial investment of \$24 million in public money and \$84 million from the private sector. A cheaper option would have cost the city \$18 million and private investors \$76 million.

Before The Virginian-Pilot reported about the Nov. 15 proposal, Armada Hoffler’s plans were not widely available. In that document, the company said “no opposition from the government or public is known or anticipated due (sic) the project’s consistency with city plans,” referring to broader efforts to boost shoreline development.

Since then, members of the public — joined by Sheriff Michael Moore, who took the lectern in February to ask the city not to shut down the jail as part of the company’s plans — have demanded more transparency.

Vice Mayor Lisa Lucas-Burke, who first suggested tabling the latest vote, said she felt disheartened that Armada Hoffler would pull out so soon after the public began to weigh in. She said she wanted council members to spend more time studying the proposal and considering comments from residents.

“We believe that both Partners in a Public Private Partnership need to be fully committed in order to achieve success,” Shumate wrote in Tuesday’s letter, citing successful projects with other cities. “Our expectation was that taking this step in fulfilling your published vision would be celebrated by the City of Portsmouth and embraced by the leadership. However, it is clear that our proposal and your preliminary acceptance of same has led to controversy and division.”

Like his peers, Councilman Bill Moody said he was disappointed.

“I don’t think any company likes their integrity being questioned,” Moody said, “especially when they’re going to invest in your city.”

The city and the developer never reached a final deal, and, ultimately, Portsmouth did not commit to paying Armada Hoffler any money.