

Pierceville plans presented

By Stephen Faleski
Staff Writer

Smithfield's Town Council and Isle of Wight County's Board of Supervisors met jointly in The

Smithfield Center on Dec. 22 to receive their first official look at former Smithfield Foods Chairman Joseph W. Luter III's plans to redevelop the former Pierceville and Little's Supermarket properties.

Luter purchased and razed the former Main Street grocery store and 1730s-era farmhouse at 502 Grace St. in 2020, proposing to transform the 50-plus acres into a mixed-use development.

Per the presented plans, the \$100 million first phase of the new development — which will be named “Grange at 10Main” — will include a 13,300-square-foot indoor/outdoor farmers market,

150 underground parking spaces, an additional 902 parking spaces above ground, 225 apartments, a hotel, 45 single-family homes and

• **See PIERCEVILLE, p. 6**

Pierceville

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duplexes and 33,350 square feet of commercial space.

The hotel and farmers market would both front along Main Street, with access roads connecting the development to Main, Grace and Cary streets. The apartment buildings would include three- and four-story elevations.

Luter and his son, Joseph Luter IV, have partnered with Venture Realty Group, the architectural firm Cox, Kliewer & Co. and the property management firm Drucker + Falk to make the proposed development a reality. According to Venture's presentation, the first phase of the development is projected to bring over \$933,000 in annual tax revenue to the town of Smithfield and an additional \$1.1 million in annual tax revenue to Isle of Wight County.

It's also projected to have an economic impact up-

wards of \$37 million on the town, and upwards of \$48 million on the county over a 30-year period assuming 2% annual growth—and create more than 60 new jobs.

The Luter family and Venture have offered to make a \$1 million cash contribution to the Smithfield Farmers Market, plus an additional \$1 million land contribution for green spaces and the farmers market, and to create public parking adjacent to the Christian Outreach Program building valued at \$700,000. In return, they're seeking public-private participation agreements from the town and county for a master infrastructure plan, and for the hotel, and a \$6 million toward the construction of the farmers market building.

According to Town Manager Michael Stallings, there is currently no set date for the matter to go before the

town's Planning Commission or Town Council.

Smithfield's Planning Commission was already planning to hold a public hearing in January on a proposed change to the town's zoning ordinance that would permit mixed-use developments like the Grange to exist.

Town staff had informed the commissioners in December that the "planned corporate office and research district" zoning designation specified in Article 3.J2 of the town's ordinance is not assigned to any parcel located within the town's borders, nor is any developer seeking that particular zoning designation. As such, they're proposing to replace the PCOR zoning option with one that would allow planned mixed-use development, or PMUD.

A draft of the proposed ordinance changes states the new zoning option would

allow single-family attached and detached dwellings, multi-family residential dwellings, bed-and-breakfast lodging, retail stores and other uses to coexist on a single parcel, provided the lot measures at least 5 acres in size.

It would also allow four- and five-story buildings, setting a maximum height of 60 feet except where the lot would border a residential district. All other zoning options in town currently cap buildings at a maximum height of 35 feet.

The listed business types would be by-right uses, meaning no Planning Commission or Town Council approval would be needed for a developer to pursue those uses once a parcel is successfully rezoned to PMUD. Some uses, however, such as schools, churches and accessory apartments within a residential dwelling

would still require special use permits.

The public hearing on the ordinance changes has been scheduled for Jan. 11 during the Planning Commission's regular scheduled meeting. The meeting will begin at 6:30 p.m. in The Smithfield Center at 220 N. Church St.

Should the proposed ordi-

nance changes be approved, Luter would still need to request his land be rezoned to PMUD, which would necessitate he present his development plans to the Planning Commission and eventually to Smithfield's Town Council for discussion.



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Pack resigns as PC chairman

By Stephen Faleski
Staff Writer

Randy Pack stepped down as chairman of Smithfield's Planning Commission Jan. 11,

and announced his intention to recuse himself from any future votes on the proposed "Grange at 10Main" mixed-use development.

• **See CHAIRMAN, p. 7**

Chairman

• Continued from p. 1

In his place as chairman is Charles Bryan, who served as the commission's vice chairman for a number of years. The commissioners' vote to name Bryan as Pack's successor was unanimous, with members Michael Torrey and Raymond Gibbs absent.

Julia Hillegass was then voted in, also unanimously, as the commission's new vice chairwoman.

Pack will remain on the commission as the Smithfield Town Council's liaison, but said he chose to step down from chairing the body due to a potential conflict of interest — telling his fellow commissioners it was “quite likely” he

would become involved in the hospitality aspect of the proposed development, should it be approved.

Former Smithfield Foods Chairman Joseph W. Luter III purchased and razed the 1730s-era Pierceville homestead and the former Little's Supermarket in 2020, and presented plans in 2021 for turning the 50-plus-acre site into the proposed “Grange” development, which would include a hotel, farmers market with restaurant space, and housing.

“We may be involved in the restaurants in the development and potentially the hotel,” Pack told The Smithfield Times via email

Jan. 12. “No deals have been inked yet and we are simply in the discussion phase.”

Pack and his brother, Brian, are principals of Pack Brothers Hospitality, which owns and operates two local hotel, restaurant and marina businesses: Smithfield Station and the Surry Seafood Co. The Pack brothers are also working to develop a similar establishment at Fort Monroe in Hampton, and hope to add Luter's development to their list of local investments.

“I will not vote on anything with that project ... I plan to be very transparent in my interest in the Luter property,” Randy Pack told

his fellow commissioners and attendees at the Jan. 11 meeting.

Pack then confirmed to the Times that he also plans to abstain from any votes or discussions that arise at the Town Council level concerning Luter's development.

Smithfield, to date, has only been provided with renderings of the proposed development, and has yet to receive an official application from Luter for rezoning or any permits that would need the Planning Commission's or Town Council's approval.

Developer gave \$1M to Youngkin

By Stephen Faleski
Staff Writer

The company proposing to redevelop the former Pierceville and Little's Supermarket properties was the largest donor to Gov. Glenn Youngkin's gubernatorial

campaign last year — aside from Republican Party affiliates and Youngkin himself.

LSMP LLC — which Town Attorney William Riddick III created for former Smithfield Foods Chairman Joseph W. Luter III in 2020 while representing him in

his efforts to acquire and raze the former Main Street grocery store and 1730s-era farmhouse — gave Youngkin's campaign \$1 million in October, according to the Virginia Department of Elections' campaign finance records.

The company's name is an

abbreviation for Little's Super Market Property.

The records list an address of 19259 Farm Road, Smithfield, for LSMP LLC. According to Isle of Wight County tax records, the address belongs to a parcel owned by ROSF LLC — another company

Riddick created in 2006.

According to State Corporation Commission records, Riddick filed paperwork on Dec. 27 to change ROSF LLC's principal office from 200 Commerce St. —

• **See DEVELOPER, p. 5**

Developer

• Continued from p. 1

the address of Smithfield Foods' corporate headquarters — to Joseph W. Luter IV at the Farm Road address.

The principal office of LSMP is actually 932 Laskin Road, Suite 200, in Virginia Beach, according to the SCC. The address belongs to the office of Sean Roberson, a real estate agent with Broadsight Realty & Property Management.

Luter IV, the son of the former Smithfield Foods chairman, has been working with his father on the design of the proposed mixed-use Pierceville development, which they're proposing to name "The Grange at 10Main" for its location at the intersection of Main Street and Route 10.

But the \$1 million donation by LSMP LLC to Youngkin was "not a contribution I made," Luter IV told The Smithfield Times by phone Jan. 19.

The younger Luter said he supports Youngkin, and acknowledged having contributed \$35,000 personally toward the governor's campaign last year. According to campaign finance re-

ports, Luter made separate contributions of \$25,000 in July and \$10,000 in October. He also said he knows the identity of the million-dollar donor but was "not at liberty" to disclose that person's name, nor comment on the donation.

According to an analysis by the Virginia Public Access Project, the \$1 million from LSMP was the fourth largest contribution to Youngkin overall. The three donors who contributed more than LSMP were the Republican Party of Virginia, at \$3.3 million, the Republican Governors Association at \$10.7 million and Youngkin himself at \$20 million.

LSMP made no other political donations aside from the \$1 million to Youngkin.

Luter III gave an additional \$25,000 personally to Youngkin's campaign in July. Luter III was unable to be reached via phone by press deadline.

The Smithfield Times also contacted Riddick on Jan. 24, asking whether he has continued to represent Luter III or IV and whether he knew who made the

million-dollar donation via LSMP.

"I cannot answer those questions," Riddick replied via email.

He did, however, confirm his continued status as the registered agent for ROSF and LSMP.

Contributions from Isle of Wight County residents in last year's gubernatorial race overwhelmingly favored Republican Gov. Glenn Youngkin over his Democratic challenger, former Gov. Terry McAuliffe. Isle of Wight donors — 89 in total — contributed roughly \$1.08 million to Youngkin's campaign versus the 16 who gave \$22,310 to McAuliffe's.

According to the Virginia Public Access Project's database of political contributions from the 2021 election cycle, Isle of Wight donors who gave Youngkin \$1,000 or more were:

- LSMP LLC: \$1 million
- Joseph W. Luter IV: \$35,000
- Smithfield Foods: \$10,000
- Hallwood Enterprises Inc.: \$5,000
- Isle of Wight County

- Republican Party: \$1,400
- Jedidiah Coburn: \$2,352
- Charles B. Pond III: \$1,700
- William H. Riddick III: \$1,500
- Roderick Hallum: \$1,339
- Terry Ringler: \$1,050
- A. Dwight Doggett Jr.: \$1,000
- Brian Pack: \$1,000
- David R. Stafford: \$1,000
- R2 Facilitation: \$1,000

Isle of Wight donors who gave McAuliffe \$1,000 or more were:

- Smithfield Foods: \$15,000
- Surai Inc.: \$2,500
- Michael S. Haigh: \$1,500

There were no contributions of \$1,000 or more from Surry County residents or companies.

Here's a link to VPAP's complete list of Isle of Wight donors to Youngkin: <https://tinyurl.com/mtrkku58>

Here's a link to VPAP's complete list of Isle of Wight donors to McAuliffe: <https://tinyurl.com/2ua667h4>

Cost reduced for new farmers market

By Stephen Faleski
Staff Writer

Former Smithfield Foods Chairman Joseph W. Luter III and his son have proposed cutting an underground parking lot from their plans to build a permanent home for the Smithfield Farmers Market.

Luter offered in December to donate land and contribute \$1 million toward the construction of the proposed 13,300-square-foot indoor/outdoor building — provided Smithfield and Isle of Wight County jointly raise another \$6 million toward the project.

Replacing the 150 planned underground parking spaces with just over 100 above-ground ones would cut roughly \$4 million from the project's cost, according to the former chairman's son, Joseph W. Luter IV — thereby reducing the request of each locality to \$1.35 million under a 50-50 split, or \$2.7 million in total.

Luter IV presented the revised plans at a special Jan. 27 meeting of Smithfield's Town Council, which County Administrator Randy Keaton and two members of Isle of Wight's

• See **PARKING**, p. 6

Parking

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Board of Supervisors — Chairman Rudolph Jefferson and District 5 Supervisor Dick Grice — attended on behalf of the county.

The meeting took place two days after a board meeting where the supervisors had balked at the prospect of a \$3 million 50-50 split and voted to table the Luters' request.

The facility would be located at the western entrance to the town's historic district on land formerly occupied by the now-raised Little's Supermarket and 1730s-era Pierceville farmhouse. The elder Luter purchased both properties in 2020, proposing to transform the 50-plus acres into a mixed-use development.

The development, which the elder Luter proposes to name "The Grange at 10Main" for its location at the intersection of Main Street and Route 10, would include restaurant space in the farmers market building, a hotel, 225 apartments, 45 single-family homes and duplexes, and 33,350 square feet of commercial space.

Per the December plans, the farmers market building would have fronted along Main Street. Now, with the underground parking eliminated, the building would be set back from the road to allow for an above-ground parking lot with access via Grace Street and via a new

road that would connect to Main Street.

The farmers market, a currently seasonal effort by Smithfield's and Isle of Wight's shared tourism department, typically brings 45 to 50 vendors to the Bank of Southside Virginia parking lot, where it's held weekly on Saturdays in the spring, summer and fall months. The proposed structure would not only accommodate these vendors but also allow the event to eventually become a year-round, full-time market, according to Tourism Director Judy Winslow.

"We would expand that gradually," Winslow said.

Officials then inquired about the possibility of historic graves being located on the former Pierceville land.

"We have an idea where they could be," Luter IV replied.

"This is likely my father's final project to the town ... The projects he's done for this town, I think, speak for themselves," he added.

During Luter III's tenure as Smithfield Foods' chairman, the Fortune 500 company spent millions of dollars on improvements to the town's historic district — including the expansion of Smithfield's YMCA, which bears his name, the construction of The Smithfield Center and Smithfield Little Theatre. In 2009, Luter per-

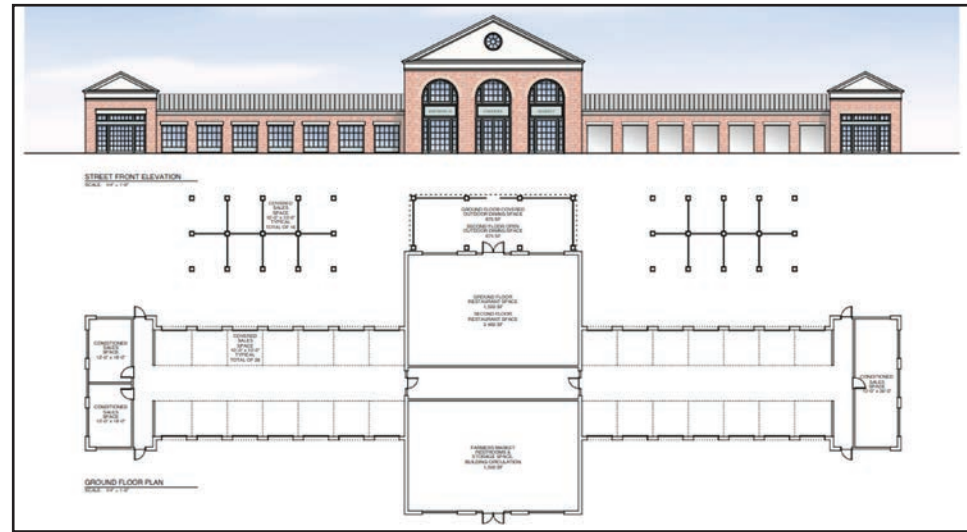
sonally contributed over \$5 million toward the town's purchase and development of Smithfield founder Arthur Smith's 18th century Windsor Castle homestead into what is now known as Windsor Castle Park. He also contributed funding to the Luter Sports Complex on West Main Street, which opened in 2018.

The conversation then turned to potential conflicts of interest among town officials. Town Councilman Randy Pack, who also serves on Smithfield's Planning Commission, had disclosed his business interest in the proposed restaurant and hotel at the commission's Jan. 11 meeting.

Town Attorney William Riddick III, in 2020, had also represented the elder Luter in his efforts to acquire and raze the former Little's Supermarket and Pierceville properties.

At the Jan. 27 meeting, Pack reiterated the pledge he'd made earlier that month to recuse himself from any Planning Commission or Town Council vote on the Luters' development. Riddick then spoke against any implication that he was "acting inappropriately," which he called "unfounded."

"I have no relationship with (the Luters) at all — none," Riddick said.



A rendering of the farmers market at The Grange on Main.

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'Grange at 10Main' opponents organize

By Stephen Faleski
Staff Writer

More than 20 Smithfield residents gathered at the 1750 Courthouse on Main Street

Feb. 12 to air their concerns about plans to develop land at the edge of the town's historic district.

The group's purpose – in the words of its de facto orga-

nizer, Elizabeth Hopkins – is to coordinate and speak “with one voice” when opposing the project proposed by former

• **See OPPONENTS, p. 8**

Opponents

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Smithfield Foods Chairman Joseph W. Luter III.

Luter has not submitted an official application to the town for rezoning or permits but has shared preliminary plans with members of Smithfield's Town Council and Isle of Wight County's Board of Supervisors. The development, which would be named "The Grange at 10Main" for its location at Main Street and Route 10, is proposed to include a 13,300-square-foot permanent farmers market, 225 apartments, a hotel, 45 single-family and duplex homes, 33,350 square feet of commercial space and over 1,000 parking spaces.

Luter acquired the 50-plus acres in 2020 and razed the former Little's Supermarket and the 1730s-era Pierceville farmhouse.

Luter has offered to contribute land and \$1 million toward the construction of the proposed farmers market building if the town and county jointly raise an additional \$2.7 million.

Hopkins, a resident of Grace Street, worries that taking the farmers market away from its present, seasonal location in the Bank of Southside Virginia's parking lot will hurt downtown businesses that currently benefit from the foot traffic the market brings.

"I believe moving the farmers market, the businesses around here will die," she said.

One week prior to the meeting, members of the group distributed flyers

at the doorsteps of downtown homes announcing the meeting's date, time and location – and providing a list of "talking points."

For Nick Blevins, another Grace Street resident, the choice of the 1750 Courthouse as the group's meeting place is symbolic.

In the 1930s, he explained, the U.S. Postal Service planned to purchase the old courthouse and demolish it to build a new post office. According to Segar Cofer Dashiell's book "Smithfield: A Pictorial History," a group of residents led by Emily Delk Simpson intervened and organized a local chapter of the Association for the Preservation of Virginia Antiquities – now known as Preservation Virginia – to save and restore the old courthouse and its detached brick clerk's office. The post office now stands at the corner of Main and Institute streets, while the old courthouse is now owned by Historic Smithfield Preservation LLC.

The courthouse location is meant as "inspiration as we go forward with this," Blevins said. "This isn't about obstructing progress. This is about working with us if the developer wants to do something."

But others weren't quite so optimistic about the group's chances to resolve their concerns amicably.

"We have to at least consider hiring an attorney to prepare motions for injunction," said Bill Harris,

another Grace Street resident, who, like Hopkins and Blevins, has spoken on the Pierceville project at recent Town Council and Planning Commission meetings.

The group is planning to again meet at the courthouse on March 5 at 4 p.m.



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AG won't probe alleged Smithfield Town Council 'conflicts' on Luter project

By Stephen Faleski
Staff Writer

Virginia Attorney General Jason Miyares has no authority to probe into the controversy over a proposed mixed-use development at the western edge of Smithfield's historic district, a letter from his office contends.

Isle of Wight Commonwealth's Attorney Georgette Phillips, however, hasn't said whether she'll begin her own investigation.

Smithfield resident Mark Gay, representing a preservation group, wrote to Miyares on Feb. 21 requesting an "immediate investigation" into alleged conflicts of interest among Smithfield Town Council members and Town Attorney William Riddick III concerning the "Grange at 10Main" development former Smithfield Foods Chairman Joseph W. Luter III and his son, Joseph W. Luter IV, plan to build on 50-plus acres at Route 10 and Main Street.

Gay then wrote to Phillips on March 9 asking that she "work with the citizens of Smithfield to remove conflicted Council members and/or Town Staff."

The elder Luter acquired the land in 2020 before razing the former Little's Supermarket and a 1730s farmhouse known as Pierceville. Riddick represented Luter in both sales.

In his letter to Miyares, Gay stated he was writing "on behalf of several hundred local residents." He signed it as executive director of Preserve Smithfield Inc., a nonprofit organization formed from community opposition in 2015 to a previous developer's plans for Pierceville.

The Luters' proposed \$100 million development would consist of a 13,300-square-foot permanent farmers market, three- and four-story apartment buildings with a total of 225 units, 45 single-family homes and duplexes, a hotel, 33,350 square feet of commercial space and more than 1,000 parking spaces.

Smithfield Town Councilman Randy Pack disclosed in January that he planned to become involved in running the restaurant and possibly the hotel, and said he'd recuse himself from voting on the matter in his capacity as a councilman or as the council's liaison to the town's Planning Commission. Riddick, however, denied having any continued relationship with either Luter.

"I have no relationship with them at all — none," Riddick had said during a Jan. 27 Town Council

meeting with the Isle of Wight County Board of Supervisors.

The special meeting had been called to discuss Luter III's offer of land and \$1 million toward the farmers market building if the town and county could jointly raise another \$2.7 million.

According to State Corporation Commission records, Riddick filed paperwork as recently as Dec. 27 to change the address of ROSF LLC, a company he'd created in 2006, to Luter IV at 19259 Farm Road.

The Farm Road address was listed as the address for LSMP LLC, the company Riddick created for Luter III to purchase the Little's and Pierceville properties, on a Virginia Department of Elections report showing LSMP had made a \$1 million contribution to Gov. Glenn Youngkin's campaign in October. Luter IV, speaking to the Times in January, denied making the \$1 million donation and confirmed he knew the identity of the donor but was "not at liberty" to disclose that person's name, nor comment on the donation.

"We request an advisory opinion, if not restraining action," Gay wrote in his letter to Miyares.

Stephanie Hamlett, special counsel to Miyares, replied to Gay's letter on Feb. 25, denying both requests.

The attorney general may issue opinions "only when requested to do so by certain state and local officials," she writes, while local government conflicts of interest would be "within the purview of the Commonwealth's Attorney" for Isle of Wight County.

Gay's letter to Miyares had specifically accused Town Council members and Riddick of violating the Hobbs Act of 1946, a federal anti-extortion statute.

According to the U.S. Justice Department's website, the Hobbs Act was created to combat racketeering — the act of creating a problem for the purpose of solving it for a price — but the statute is also frequently used in connection with cases involving public corruption. To prove a violation of the Hobbs Act, the government must show a public official has obtained a payment to which he or she was not entitled, knowing that the payment was



Miyares

made in return for official acts.

"A violation of the Hobbs Act of 1946, if any, would be a matter for the Federal Bureau of Investigation as it is a federal crime," Hamlett writes.

Gay then wrote to Phillips that Riddick's "demonstrated behavior and declarative statements show he is behaving less an advisor to Town Council, giving legal counsel where necessary and requested, and more like someone who works for the project developer."

When Riddick and Tammie Clary, the town's director of planning and community development, had proposed an ordinance change in December to replace Smithfield's unused "planned corporate office and research" zoning option with "planned mixed-use development," or PMUD, the town's Planning Commission had initially voted to table the matter indefinitely so that it could not be used to advance Luter's development plans.

According to Pack, it was Riddick and Clary who'd pushed for the matter to come back on the Planning Commission's Feb. 8 meeting agenda.

Riddick and Clary had initially presented the PMUD option as a means of creating a denser, more walkable South Church Street corridor, a goal the

commissioners are considering in their ongoing process of revising the town's comprehensive plan. At the Feb. 8 meeting, Pack and Riddick acknowledged the Luters would likely use it to move their project forward.

"Now, we have a property owner who wants and needs this," Riddick had said, "and so the question is, does that make it the wrong thing to do?"

Without a PMUD zoning option, Riddick argued, the Luters would likely never be able to make a formal application for their proposed development.

The Planning Commission has yet to take any vote on the proposed PMUD zoning, and the Luters have yet to apply for rezoning or permits for their "Grange" development.

Riddick, after receiving copies of Gay's letters, said the town would "welcome any investigation that might be forthcoming."

"All discussions about this proposed development to date have been held in open meetings and in accordance with state law," Riddick said. "I am confident that no member of the Town Council or Town Staff, including myself, has acted inappropriately or illegally."

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Artful Living

Isle of Wight supervisors name task force to study proposal for new farmers market

By Stephen Faleski
Staff Writer

Isle of Wight supervisors voted April 7 to name Chairman Rudolph Jefferson and Dick Grice as its representatives on a task force that will evaluate the costs versus benefits of funding former Smithfield Foods Chairman Joseph W. Luter III's proposed permanent farmers market.

Chris Morello, the county's director of economic development, has also been tapped to represent his department and the county's

Economic Development Authority. Smithfield's Town Council, which will also have two seats at the table, has yet to name its representatives.

County Attorney Bobby Jones and Town Attorney William Riddick III will serve as non-voting members of the task force.

Luter has offered to donate land and contribute \$1 million toward the construction of the proposed 13,300-square-foot indoor/outdoor building — if Smithfield and Isle of Wight County jointly raise

another \$2.7 million. The new building would be part of the "Grange at 10Main" mixed-use development he's proposed for 50-plus acres at Main Street and Route 10 on the western edge of Smithfield's historic district.

The "Grange" would also include three- and four-story apartment buildings with a total of 225 units, a hotel, 45 single-family and duplex homes, 33,350 square feet of commercial space and over 1,000 parking spaces.

The supervisors formed

the task force in March after discussing a fiscal impact study in closed session prepared by Ted Figura Consulting for LSMP LLC, the company Riddick set up for Luter in 2020 to allow him to purchase the former Little's Supermarket and 1730s-era farmhouse known as Pierceville. Luter has since razed both structures, leaving 56.8 available acres for the "Grange."

According to the study, in return for the \$1 million contribution and the land, the developer is requesting the two localities not only

"purchase and operate" the new farmers market but "provide an economic development incentive" for the hotel and "purchase the development's infrastructure and utilities through a participation agreement."

"It is confidently projected that The Grange at 10Main will generate sufficient revenue to support this public participation, after all variable costs of government service to the new development are paid," the study states.

For the county, the study projects annual revenues

of \$1.1 million and annual costs of just over \$581,000 during the development's "stabilization period," resulting in a 1.9-to-1 benefit-to-cost ratio.

During the same stabilization period, the study projects annual revenues of nearly \$670,000 and annual costs of \$260,500, resulting in a 2.57-to-1 benefit-to-cost ratio for the town.

According to Assistant County Administrator Don Robertson, the task force likely won't start meeting until its town representatives are named.

‘Grange at 10Main’ housing costs would exceed market median

By **Stephen Faleski**
Staff Writer

Would former Smithfield Foods Chairman Joseph W. Luter III’s proposed “Grange at 10Main” development help alleviate Smithfield’s lack of affordable housing, or would it exacerbate the problem?

Luter purchased and razed the former Little’s Supermarket and 1730s-era Pierceville farm in 2020, proposing in 2021 to turn the 56.8 acres at the western edge of Smithfield’s historic district into a mixed-use development named for its location at Main Street and Route 10, which would include a permanent farmers market, a hotel, three- and four-story apartment buildings, single-family and duplex homes, commercial space and more than 1,000 parking spaces.

Luter’s son, Joseph W. Luter IV, wrote to Smithfield’s Town Council in 2020 that his father envisioned “a high-quality development” with multifamily housing “for all income levels.”

But according to a fiscal impact study prepared by Ted Figura Consulting for LSMP LLC, Luter’s holding company for the Grange project, one-bedroom apartments in the development would rent for \$1,525 a month — well above the median \$995 monthly rent

the 2020 Census listed for Smithfield.

The study estimates the average sale price of the single-family homes at \$575,000 — nearly double the \$299,200 median value the Census lists for owner-occupied Smithfield homes. Even the duplexes would carry an average sale price upward of \$500,000.

“Average household incomes are projected to be about \$78,400 for apartment dwellers and about \$109,650 for residents of the single-family community,” the study states.

While neither Luter has made a formal application for rezoning or permits to date, Smithfield Planning Commission Chairman Charles Bryan said on April 14 it was his understanding that the intent of Luter’s project was to provide “young professionals that work in this community” with “some place to live.”

But would they be able to afford what’s proposed?

In 2020, the median annual household income for all ages in Smithfield was \$83,977, according to Census data. Per person, it was \$43,680.

For Isle of Wight County as a whole, the 2020 median household income for all ages was slightly lower at \$77,870, but still higher than the statewide \$76,398 median. Per person, county

residents earned a median of \$39,024.

County residents ages 22-24 earned an average salary of \$32,808 in 2021, according to data supplied by Isle of Wight County’s Department of Economic Development. For ages 25-34, the average salary was \$46,080.

“Locally and nationally, we are seeing more first-time Millennial and Gen Z buyers,” said Smithfield-based Realtor Jay Hassell, referring to people born in the 1980s, 1990s and early 2000s. The two generations, he said, make up about 30% of the current housing market.

According to Hassell, the current average home price in Isle of Wight County and the city of Suffolk is \$278,000 for townhomes and duplexes, and \$360,000 to \$405,000 for detached single-family homes.

Fannie Mae and Freddie Mac, two federal government-controlled companies that provide money for the U.S. housing market by buying residential mortgages and packaging pools of those loans for sale to investors, were offering 2.73% interest rates for homebuyers with a 740-759 credit rating as of January, Hassell said. Over the past three months, interest rates have risen to 5.23%.

“As rates go up, it’s not going to create less demand,

but it will change the ‘buying power’ and it will force most buyers to move down in the pricing brackets,” Hassell said.

A \$400,000 home at January’s 2.73% interest rate, he explained, would equate to a monthly mortgage payment of \$1,550. At the current 5.23% rate, monthly mortgage payments for the same home, at the same sale price, would rise to \$2,120.

For the average earner in Isle of Wight or Suffolk, “that would limit the buyer to about a \$1,972-per-month payment” factoring in the mortgage principal, interest and taxes, Hassell said.

That payment, at the current 5.23% interest rate, he said, would limit the buyer to a home in the \$250,000 to \$300,000 range — giving them roughly \$100,000 less buying power than they would have had a year ago.

There are only 27 detached and attached homes in that price range currently available for sale in Isle of Wight County and Suffolk. Of these, only seven are located in Isle of Wight, he added.

“The average buyer in Isle of Wight and Suffolk can no longer afford the average home in the area,” Hassell said. “Finding a home they can afford just got a lot tougher in this already tight housing market.”

A Feb. 16 draft of Smithfield’s new comprehensive plan, which is slated for adoption later this year, further alleges a racial disparity in Smithfield’s housing market. According to the draft plan and the Census, 12%-17% of Smithfield’s residents live below the poverty line, compared to 9%-10% statewide.

Across the United States, “Black residents are more likely to fall below the poverty line,” and “that trend is more prevalent in Smithfield,” the plan states. In the town, 9.2% of white residents and 31% of Black residents fall below the poverty line, compared to 10.3% of white residents and 21.2% of Black residents living in poverty nationwide.

According to the fiscal impact study, the Grange “may seek” financing through the U.S. Department of Housing and Urban Development, in which case 20% of the apartment units would be set aside as affordable housing for households earning 80% of the area median income — in Smithfield’s case, \$67,000 or less. But “no presentation is made to this effect.”

HUD defines “affordable” to mean no more than 30% of an occupant’s gross income going toward housing costs, including utilities. According to the draft comprehensive plan, 44.4%

of Smithfield’s apartment dwellers already pay 35% or more of their income in rent.

Despite the high rents, Smithfield has seen a shift of five percentage points in its breakdown of renters versus homeowners. In 2010, 75% of Smithfield’s residents were homeowners and 25% were renters. By 2019, the town’s share of renters had increased to 30% and its share of homeowners had fallen to 70%.

“The increase in Smithfield is twice the national average, and may be the result of increased home prices and lack of affordability,” the plan states.

According to the Census, housing growth in Isle of Wight County has far outpaced the state and the region. In 2020, the number of housing units in Isle of Wight rose by 16,441, or 12.4%, compared to 2010. Meanwhile, the number of housing units in Southside Virginia rose by only 1.4% during the same time period compared to 7.6% statewide.

“While interest rates are rising, and despite new construction efforts, we still have a shortage of almost 2 million homes (nationwide),” Hassell said, “which means we are likely to see an unbalanced seller’s market for years to come.”

Smithfield pledges \$1.4M to new farmers market at the 'Grange'

By Stephen Faleski
Staff Writer

Following a closed session to discuss "contract negotiations," Smithfield's Town Council voted on Oct. 5 to commit up to \$1.4

million toward moving the Smithfield Farmers Market to former Smithfield Foods Chairman Joseph W. Luter's proposed "Grange at 10Main" development.

Luter has offered land and a \$1 million contribution toward

building a permanent home for the market, conditioned on the town and Isle of Wight County jointly raising another \$2.7 million. The new indoor/outdoor farmers market building would anchor Luter's planned 56.8-acre

mixed-use development, named for its location at Route 10 and Main Street.

As of July 25, Luter's preliminary plans called for the market to include 24 roughly 113-square-foot indoor vendor booths and four

roughly 348-square-foot walled-off storefronts. December 2021 plans called for additional covered booths and open space outdoors. The more than 13,000-square-foot

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Market

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building would also include indoor bathrooms and one or two restaurants.

Town Councilman Randy Pack abstained from both the closed session and subsequent vote. He'd recused himself in February from any future vote on Luter's proposal, noting he and his brother, Brian, are among the interested parties in running the proposed restaurant space. The Pack brothers currently co-own and operate the Smithfield Station restaurant, hotel and marina and a similar establishment in Surry County named the Surry Seafood Co.

All other Town Council members voted in favor of the \$1.4 million commitment, contingent on Luter securing all necessary approvals for the Grange. Luter's son, Joseph W. Luter IV, in an advertisement in the May 4 edition of *The Smithfield Times*, said that his father anticipated submitting a formal plan for the development within the next 90 days, but to date, town officials have yet to receive the formal application, Mayor Carter Williams told the *Times* by phone Oct. 12.

According to Williams, Luter and his son are waiting for Isle of Wight County to make a similar commitment of tax dollars before they'll submit any official request for rezoning or permits.

The Luters' preliminary Grange plans as of December had called for a \$100 million first phase, which

would include the farmers market, a hotel, three- and four-story apartment buildings, single-family and duplex homes, commercial space and more than 1,000 parking spaces.

"I hope it does move forward," Williams said, noting that there's "a good possibility" the Smithfield Farmers Market won't be able to return to the Bank of Southside Virginia parking lot next year.

The market's lease will expire in March and the bank has yet to renew it. If Luter's Grange plans don't get approved, "the next question is where could we put a farmers market?" Williams said.

The county and town each appointed members to an intergovernmental task force earlier this year for the purpose of evaluating Luter's cost-sharing proposal. The group met for the first time in August. At that meeting, town and county officials expressed support for moving the farmers market to the Grange, but neither the task force's county nor town members had come to a consensus as to what dollar amount to contribute.

According to a fiscal impact study prepared by Ted Figura Consulting for Luter's LSMP LLC holding company for the project, Luter is requesting the town and county not only "purchase and operate" the new farmers market but also "provide an economic development incentive" for the hotel, and "purchase the

development's infrastructure and utilities through a participation agreement."

According to Town Manager Michael Stallings, the Oct. 5 closed session was held because "discussing the terms in public session could adversely impact our bargaining position." The meeting's agenda cited Virginia Code 2.2-3177 A29, which allows for an exemption from open meeting requirements under Virginia's Freedom of Information Act for "discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract."

Though Luter's offer had been previously discussed openly at the intergovernmental task force meeting, the cited exemption "does not have a 'no prior conversation' limitation," unlike some of the other allowed FOIA exemptions, said Megan Rhyne, executive director of the Virginia Coalition for Open Government.

"It would not be at all unusual for everyone to know that an offer had been made, but that wouldn't negate the need to talk in private about the reasonableness of that offer, any counter offers or whether that offer was above or below the public body's bottom line," Rhyne said. "Those conversations may not be suitable for the developer — as well as the public — to hear."