



Albemarle County

Legislation Text

File #: 22-269, **Version:** 1

AGENDA DATE: 4/20/2022

TITLE:

Barnes Lumber Addendum to Crozet New Town Associates, LLC, Development Agreement

SUBJECT/PROPOSAL/REQUEST: Provide a comprehensive status update on the Barnes Lumber Project in Downtown Crozet, and approval of an addendum to the development agreement with Crozet New Town Associates, LLC.

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Walker, Hudson, DeLoria, Johnson, Abplanalp

PRESENTER (S): Doug Walker, Roger Johnson, Lance Stewart, Frank Stoner

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: In 2019, Albemarle County entered into a public-private partnership with Crozet New Town Associates, LLC, to redevelop the former Barnes Lumber site in Downtown Crozet (Attachment A). This site had been planned for redevelopment since 2006 but had not organically happened. The public-private partnership was the result of the Board of Supervisors, Economic Development Authority, and staff acting to catalyze the redevelopment of this site through infrastructure investment and additional support. The public-private partnership was a recognition that this project would likely not move forward in a desirable manner without the County's participation, if at all.

The partnership is governed by a Development Agreement that requires both the County and developer to provide financial and in-kind support. The Development Agreement includes five prominent elements of the overall project: predevelopment, road network, public plaza, financing, and downtown development. Attachment A provides an overview of the Development Agreement.

STRATEGIC PLAN: Thriving Development Areas - Attract quality employment, commercial, and high-density residential uses into development areas by providing services and infrastructure that encourage redevelopment and private investment while protecting the quality of neighborhoods.

DISCUSSION: To complete the Barnes Lumber project under the Development Agreement, additional funding is needed. The updated cost estimate for completing the road network now exceeds the original cost estimate that was developed more than three years ago. The most significant factors impacting the cost of the road network include the escalation of material costs, high demand for construction, increased labor costs, and unanticipated utility relocation expenses.

In order to accomplish the goals of the project, staff is proposing an addendum to the original Development Agreement to administer how the increased costs will be shared by the County and the developer. The proposed addendum enables the County to complete the road network, whereas the developer will provide

additional contributions to include paying for water and sewer utility installation, building a public restroom in a development adjacent to the public plaza, providing seed money to fund an Executive Director for the Downtown Crozet Initiative (a community development organization supporting the project), donating Right of Way (land) in the amount of approximately \$300,000, and covering expenses exceeding the new project budget (Attachment B).

In conjunction with this update on the Barnes Lumber site, staff will be providing an informational update on an adjacent County project known as The Square.

The Barnes Lumber redevelopment project will expand downtown Crozet in a manner consistent with the County Comprehensive Plan and the Crozet Master Plan. This project will contain mixed use development, build a central public plaza for gathering, create a Main Street, and utilize private investment for placemaking, redevelopment, and growing the commercial base.

BUDGET IMPACT: The budget impact will include the contribution of \$2.5 million to complete the road project. The source of these funds would be \$1 million from the American Rescue Plan Act and \$1.5 million from the Economic Development Investment Pool. Future appropriations will be brought to the Board of Supervisors as needed based on timing and appropriation requirements.

RECOMMENDATION:

Staff recommends the Board adopt the attached resolution (Attachment C) approving the proposed addendum to the Development Agreement (Attachment B) upon the County Attorney's approval as to form.

ATTACHMENTS:

- A - Development Agreement
- B - Proposed Addendum to the Development Agreement
- C - Resolution