



June 7, 2022

To the Honorable Council  
City of Norfolk, Virginia

**Item Number: R-01**

**Re: MacArthur Center Mall - Acquisition of Ground Lease**

Dear Ladies and Gentlemen:

The attached ordinance approves the City's acquisition of the ground lease for MacArthur Center Mall. The NRHA owns the underlying fee and the City owns the parking garages. If this acquisition is approved, the City/NRHA would own the mall, land and improvements. The purchase is subject to the leases of existing tenants, the majority of which are relatively short-term. The short-term nature of the leases and the owners' right to relocate will allow the City, if deemed desirable, to reconfigure and redevelop this area. Immediately, the City will operate the mall and this ordinance appropriates the funds to acquire and operate. The total appropriation is \$18,000,000. The recommendation is that the Council approve this strategic acquisition.

Respectfully,

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Bernard A. Pishko  
City Attorney

BAP:lm  
Attachment

Form and Correctness Approved:

*BAP*

Pursuant to Section 72 of the City Charter, I hereby certify that the money required for this item is in the city treasury to the credit of the fund from which it is drawn and not appropriated for any other purpose

By: *Jack E. Lord*  
Office of the City Attorney

Contents Approved:

*Anthony R. Burtch*

By: \_\_\_\_\_  
Budget and Strategic Planning

*Christine Garczynski*

Christine Garczynski, Director of Finance

NORFOLK, VIRGINIA

## Ordinance No.

AN ORDINANCE AMENDING THE FY2023 ANNUAL APPROPRIATIONS ORDINANCE (NO. 48,751) SO AS TO APPROPRIATE AND AUTHORIZE THE EXPENDITURE OF FUNDS IN THE AMOUNT OF UP TO \$12,000,000 FROM THE CITY'S UNASSIGNED GENERAL FUND BALANCE RESERVE, TO RE-APPROPRIATE AND AUTHORIZE THE EXPENDITURE OF FUNDS IN THE AMOUNT OF UP TO \$3,000,000 IN THE CITY'S CAPITAL IMPROVEMENT FUND, AND TO AUTHORIZE THE EXPENDITURE OF FUNDS IN THE AMOUNT OF UP TO \$3,000,000 HERETOFORE APPROPRIATED IN THE LAND ACQUISITION FUND FOR THE PURCHASE OF CERTAIN REAL PROPERTY INTERESTS LOCATED GENERALLY AT 300 MONTICELLO AVENUE IN NORFOLK, VIRGINIA AND TO INCLUDE THE COSTS OF MAINTENANCE, MANAGEMENT, SECURITY AND OTHER SERVICES AS ARE REQUIRED BY THE CITY TO CLOSE UPON THE PURCHASE AND TO COMMENCE OPERATION OF THE PROPERTY.

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BE IT ORDAINED by the Council of the City of Norfolk:

Section 1:- That the FY2023 annual appropriations ordinance (No. 48,751) is amended and reordained so as to add Section 14 subparagraph (nnnnn), (ooooo) and (ppppp) in their entirety to read as follows:

(nnnnn) That, the sum of up to twelve million dollars (\$12,000,000.00) from the Unassigned General Fund Balance Reserve is hereby appropriated and authorized for expenditure for the purchase of certain real property interests located generally at 300 Monticello Avenue in Norfolk, Virginia, and for the costs of

maintenance, management, security and other services as are required by the City to close upon the purchase and to commence operation of the property.

(ooooo) That, the sum of up to three million dollars (\$3,000,000.00) in the Capital Improvement Fund is hereby re-appropriated and authorized for expenditure for the purchase of certain real property interests located generally at 300 Monticello Avenue in Norfolk, Virginia.

(ppppp) That the sum of up to three million dollars (\$3,000,000.00) heretofore appropriated in the Land Acquisition Fund is hereby authorized for expenditure for the purchase of certain real property interests located generally at 300 Monticello Avenue in Norfolk, Virginia, and for the costs of maintenance, management, security and other services as are required by the City to close upon the purchase and to commence operation of the property.

Section 2:- That this ordinance shall be in effect from and after the date of its adoption.

EXHIBITS: None

CERTIFICATION OF FUNDING	
Account No.: <u>4000-2-3174-5560-FY22</u>	Amount: <u>\$1,000,000</u>
Account No.: <u>4000-2-3174-5551-FY22</u>	Amount: <u>\$788,000</u>
Account No.: <u>4000-2-3174-5551-FY23</u>	Amount: <u>\$1,212,000</u>
Account No.: <u>2150-73-100-5551-754</u>	Amount: <u>\$3,000,000</u>
Account No.: <u>Assigned General Fund Balance</u>	Amount: <u>\$12,000,000</u>