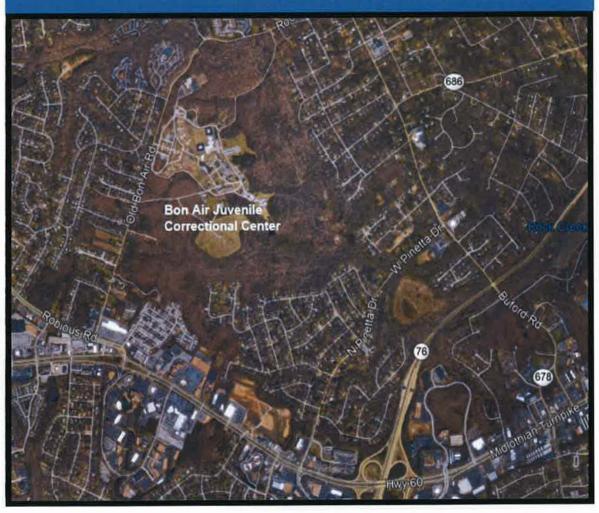


Department of General Services



# REPORT ON BON AIR JUVENILE CORRECTIONAL CENTER CHESTERFIELD COUNTY, VIRGINIA December 1, 2018



#### **Introduction**

Item C-47, Paragraph F.3.b. of Chapter 2, 2018 Acts of Assembly, directs the Department of General Services ("DGS") to report to the Chairman of the House Appropriations Committee, the Chairmen of the Senate Finance Committees and to the Governor, the fair market value and the highest and best use for property located at 1900 Chatsworth Avenue, in the Bon Air community of Chesterfield County.

#### **Property Description**

The subject property consists of approximately 427 acres of land located in northern Chesterfield County, approximately seven (7) miles southwest of downtown Richmond. The property was acquired by the Commonwealth in four separate tracts over the period between 1914 and 1927. The Department of Corrections operated facilities on the property until 1991, when the property was transferred to the Department of Youth and Family Services (now the Department of Juvenile Justice). Currently supporting operations of the Bon Air Juvenile Correctional Center, approximately 80 acres of the property is improved with 38 institutional buildings including 2 schools, 4 administration buildings, a dining hall, an infirmary, 6 maintenance buildings, 18 dormitory style detention buildings and 6 ancillary support buildings. In addition, a sanitary landfill and communications tower compound operated by Chesterfield County encumbers approximately 27 acres of the property. With the exception of those improvements, the property is considered the largest remaining undeveloped parcel of land in the Bon Air community. The above described property and associated uses are illustrated on the Site Location Plan attached at Appendix A, and on the Campus Map attached at Appendix B.

The Bon Air Juvenile Correctional Center is currently the only correctional center operated by the Department of Juvenile Justice (DJJ). The facility has an operational capacity to serve 272 individuals, and currently houses approximately 206 youth committed to DJJ's care and custody. In contemplation of the projected closing of the Bon Air facility, the 2018 Acts of Assembly funded construction of a 60-bed facility to be located in Isle of Wight County, and directed that DGS determine options for a second facility to be located in Central Virginia.

#### **Coordination with Chesterfield County**

As directed by the above referenced legislation, DGS met with the Chesterfield County Administrator, Director of Economic Development, Director of Planning and select members of the County Board of Supervisors. The County Administrator and staff were generally supportive of redevelopment of the property for residential uses. They explained pending zoning changes and offered potential redevelopment alternatives for the property including a mix of single-family detached, attached and low-rise condominium, or some type of senior living community (possibly a continual care community having independent, assisted and full nursing care).

#### **Zoning and Land Use**

Chesterfield County is in the process of updating its Comprehensive Plan, which update includes a change of zoning for the subject property from "Agricultural" to "Suburban Residential II". The updated zoning will permit single-family dwellings and condominiums having an overall density of 2–4 dwellings per acre.

Although the property contains approximately 427 acres, approximately 30% of the land is environmentally constrained by floodplains, wetlands and associated Resource Protection Areas and another 27 acres is encumbered by the sanitary landfill and communications tower compound operated by Chesterfield County. Setting aside environmentally constrained land for passive recreational uses, and the property encumbered by the county, approximately 282 acres remains available for potential development.

#### **Highest and Best Use**

The highest and best use for the majority of the property consisting of 400 acres is to demolish existing structures and redevelop the land as a mixed product residential development consistent with Chesterfield County Suburban Residential II zoning. As suggested by the Chesterfield County Director of Planning, this could include single-family detached, attached and low-rise condominium, and some type of senior living community (possibly a continual care community having independent, assisted and full nursing care).

The remaining 27 acres encumbered by a communications tower compound operated by Chesterfield County and a sanitary landfill formerly operated by and continuously maintained and monitored by Chesterfield County, should be conveyed to the county.

#### **Valuation and Marketing Impacts**

An appraisal completed in November of 2018, values the property based on its highest and best use as rezoned to permit a mix of residential products consistent with Chesterfield County's Suburban Residential II zoning.

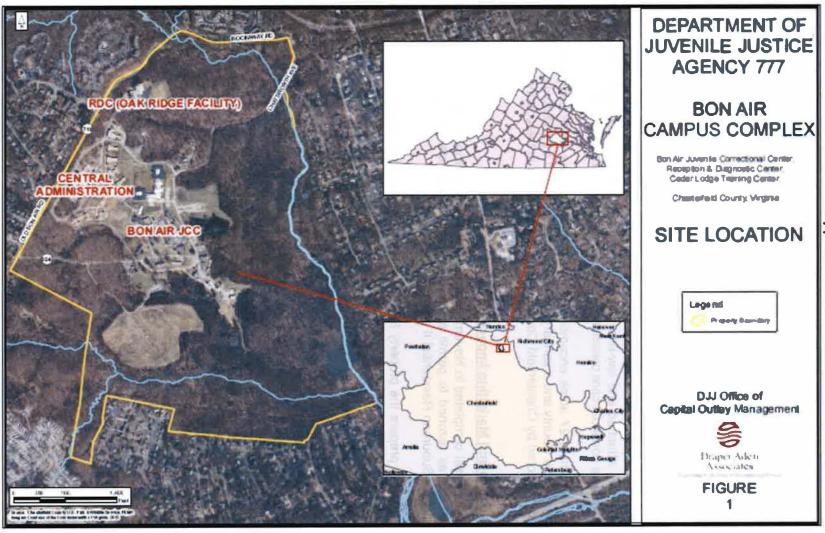
In order to prepare the property for redevelopment, existing buildings, security fencing and ancillary structures will need to be removed. Assuming the existing road network and parking areas remain in place and only the structures and fencing are razed, demolition costs are estimated at \$2,783,621 as presented on <u>Appendix C.</u>

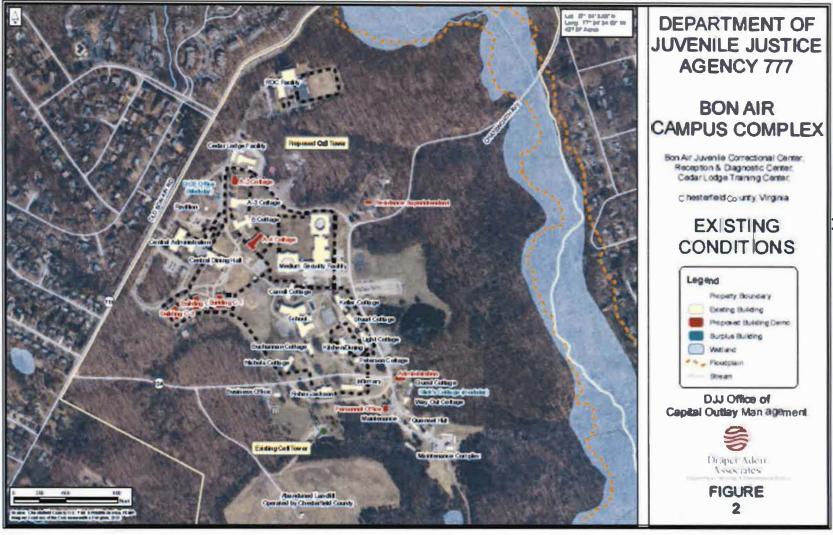
The Department of Treasury reports outstanding bond financing encumbering the property as of FYE 2019 amounts to \$9,723,000. Assuming no additional bond financing occurs against the property, the principle amount will decrease approximately 6%-8% annually over the following four years. If the property were to be sold, an analysis with bond counsel and a financial advisory firm would be conducted regarding tax remediation. Depending on how much principle remains at that time, results could range from no action, defeasing a portion or all of the bonds, or potentially using all of the sale proceeds towards another project. If defeasance is the result, the cost would consist of the cost of escrow securities (or a combination of any cash and escrow securities to be held on hand by the escrow agent) that would be based on market conditions as of the property sale. The escrow securities and/or cash would be held in escrow to pay interest on the bonds until they become callable and the principal to be redeemed at the call date(s). In addition, there would be transactional costs such as bond counsel, financial advisory fees and escrow agent costs.

#### **Attachments**

- Appendix A Site Location Map
- Appendix B Beaumont Campus Map
- Appendix C Demolition Estimate

December 1, 2018





### **Appendix C**

## DEMOLITION ESTIMATE BEAUMONT JUVENILE CORRECTIONAL CENTER POWHATAN COUNTY, VIRGINIA

#### **ESTIMATE**

Demo Existing Buildings at Bon Air Demolition contractor as lead contractor			Grand Total  Markup  Sub-Total		\$	2,783,621
					\$	, 1.00 2,783,621
Demolish WWTP	1	EA	\$	40,000.00	\$	40,000
Remove 900-1000 gal. fuel tanks	8	EA	\$	7,500.00	\$	60,000
Demolish more sturdy buildings	277,709	SF	\$	9.00	\$	2,499,381
Demolish less sturdy buildings	15,740	SF	\$	6.00	\$	94,440
Demolish Secure perimeter fencing	11,225	LF	\$	8.00	\$	89,800

This estimate does not include costs for project management, inspections, testing, hazardous substance handling or clean-up, archeological studies, or other contingencies.