



CITY OF HARRISONBURG OFFICE OF THE CITY MANAGER

ERIC D. CAMPBELL, CITY MANAGER
409 SOUTH MAIN STREET, HARRISONBURG, VA 22801
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February 26, 2020

Barry Kelley, CEO
Matchbox Realty
202 N Liberty St, Suite 101
Harrisonburg, VA 22802

RE: Proposed Sale of City Property Adjoining 157 North Main Street

Dear Mr. Kelley,

As you know, any sale or transfer of City property requires approval from City Council. To that end, I have discussed our negotiations over the sale of City property to assist with your prospective redevelopment or renovation of 157 North Main Street with City Council and would like to provide a formal summary of the City's position at this juncture.

City Council made clear in our discussions that any agreement for the sale of the property must be designed to mitigate any disruption to the current residents and to minimize any impact on the availability of affordable housing in the downtown area.

At this juncture, there are two issues which must be addressed in any proposal to purchase the City property:

1. Any sale of City property must be accompanied by assurances that all existing tenants have found adequate alternative housing. City Council is unwilling to entertain any offer that might result, directly or indirectly, in any existing tenant's loss of housing.
2. We understand that there are several tenants who have resided at the property for more than three years. At the completion of redevelopment or renovation, City Council would like to see that you make a good faith effort to offer these long-term tenants displaced by this project the opportunity to return. Preferably, this would take the form of rent for any returning tenants being frozen at its current level for the first year after their return to the building.

Addressing these issues to the satisfaction of City Council will be in addition to the purchase price of the land (+/- 1,300 sq/ft), which our real estate office has appraised to be between \$24-\$28 per square foot.

If you are amenable to addressing these issues, I am happy to continue discussing specific details of your proposed purchase of City land adjoining 157 North Main Street and potential methods of addressing City Council's concerns.

Please advise my office of your response at your convenience.

Sincerely,



Eric D. Campbell
City Manager

Eric) I am ready to proceed under these terms.

Thanks
Bam K. Keller