

**News****Petersburg owns 450 properties**[Print Page](#)

**PETERSBURG** — *The City of Petersburg is one of the largest property and building owners in the city, with more than 450 holdings worth more than \$95 million.*

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Published: Sunday, October 12, 2008 4:16 AM EDT

PETERSBURG — The City of Petersburg is one of the largest property and building owners in the city, with more than 450 holdings worth more than \$95 million.

However, some of the 450 properties do include things that you would expect a city to own, such as schools, courthouses, government office buildings, and utility structures. Also, the city does own large tracts of lands intended for future development or land that serve as rights of ways.

But the city has been on buying spree in recent years. All told, the city's real estate purchases total nearly \$17.2 million, with much of it coming in the past decade, according to city records. The total value of all city-held property is an estimated \$95 million.

The city's foray into the residential real estate market is part of an intentional strategy on the part of Petersburg's government. And much of the city's push into the residential real estate market has come in the last five years, according to city records.

Since 2003, the city has purchased a total of 115 properties for \$5.9 million. While there are some big-ticket items such as \$600,000 for the historic SouthSide Station rail depot and adjacent property in Old Towne, much of the purchases are for residential properties and/or lots that were bought for under \$50,000.

Petersburg's total assessed value of land and property is \$2.02 billion and the city owns about 5.5 percent of that total.

While those properties aren't generating taxes right now, City Manager B. David Canada says that the properties are worth something to the city's future.

Canada said that the properties have been purchased in areas targeted for neighborhood redevelopment, especially around the city's elementary schools. The goals were two-fold — remove or reduce blight and to accumulate the aggregate properties into a "critical mass" for redevelopment purposes.

"It's not an uncommon practice or strategy," Canada said.

All purchases of property must first be approved by City Council, Canada said.

Virginia Local Initiatives Support Corporation Community Partnerships Manager Veronica Jemmott agreed with Canada that other cities have indeed used the strategy of purchasing properties for redevelopment purposes across the nation.

"Sometimes cities provide funding for redevelopment, but in Petersburg's case, because the city has few dollars it can lend to community redevelopment, it can allocate property instead of dollars," Jemmott said.

Virginia LISC acts as a bridge between corporations, government, and developers interested in increasing the supply of high quality affordable housing. By coordinating the available money with current project demands and by identifying and/or helping to create the most efficient, highest producing members of the development community, Virginia LISC leverages available dollars into single family, multi-family, community, and commercial developments with far greater reach and impact than would be possible through individual effort.

Canada said that while many of the property purchases were made before the city became involved with Virginia LISC — many times with funds from the state or the Cameron Foundation — the goal was the same: redevelopment.

Canada said the redevelopment work is already visible in some areas.

The tobacco sheds that became the Anchor Industrial Park on West Washington Street were given to the city by Brown and Williamson Tobacco when it closed, Canada said.

"We improved the properties, and numerous employers now operate out of the tobacco sheds," Canada said.

One of those companies that made the move was the Seward Luggage Company. It relocated from High Street to the former tobacco company buildings and their former buildings on High Street were given to the city. The city has since sold a couple of the properties and the city is in talks to sell one of the remaining buildings.

The city believes it is making good investments on the behalf of the public.

For the assessed \$95 million in property the city owns, it has only paid about \$17 million for the properties, Canada said. "There has been a minimal investment on the city's part and substantial redevelopment," he said.

In the past, the city has been able to acquire properties for far below their assessed value at real estate auctions, but that market has changed, Canada said. Now that the market has shifted, it is a better time to sell the properties, he said.

But not all city properties are former industrial properties. Many are residential.

Canada said the majority of those have been purchased as part of an overall strategy of redevelopment. Canada specifically mentioned that the city owns several properties in the Ross Court area. Jemmott said that LISC is working with a developer to begin some redevelopment work in that area of the city. She added that the city-owned property helps to make the area attractive to developers.

However, some critics have pointed to the condition of city owned properties as a detractor of renewed development in the city.

At a recent City Council meeting, Michael Edwards said that he has rarely seen the city maintain the grass in lots it owns close to the Appomattox River.

"I think the only time that I saw the city come to mow the properties was before the Virginia State University homecoming and before Nostalgiafest," Edwards said.

The city tries to maintain its properties, but that has been a challenge, Canada said.

The biggest impediment to the city maintaining its own properties is that the city diverts resources to maintain the properties of others, Canada said.

"We frequently have to go out and cut the grass for [absentee property owners] and secure buildings that their owners haven't properly secured," Canada said. He said the city has to board up and cut grass on so many properties, it diverts resources from the city's own buildings.

"We do maintain our properties and are attempting to employ a tried and proven strategy to encourage redevelopment," Canada said. "That is a hard process."

A recent efficiency study on Petersburg governments says the city's acquisition of properties is increasing the workload for the Department of Public Works. The city should add the estimated cost to maintain the property as part of the purchase cost, the report says.

An enterprise fund should be established and the money for maintenance would go into that fund. That will "ensure that the city has the resources to adequately maintain any new properties it acquires and that the total cost of property acquisition is considered when making purchasing decisions," the report says.

Canada said the city spends so much time maintaining the properties of others that it has asked state lawmakers for help.

"The city for several years has requested enabling legislation to create a register of vacant or abandoned buildings," Canada said. "The fee that we can charge though is insufficient to cover the administrative cost."

Currently the maximum fee that can be charged is \$25. Canada said the city has received support for increasing that fee from Del. Rosalyn Dance, D-63rd, and Del. Riley Ingram, R-62nd.

"We would hope that the fee would encourage the owners to look at redevelopment," Canada said.

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