

July 11, 2016

**VIA E-MAIL: [thomas.wolf@leclairryan.com](mailto:thomas.wolf@leclairryan.com)**  
**AND U.S. MAIL**

Thomas M. Wolf, Esquire  
LeClair Ryan  
919 East Main Street  
Twenty-Fourth Floor  
Richmond, Virginia 23219

Re: Charlottesville Parking Center, Inc.

Dear Tom:

I am writing to follow up on my letter to you dated June 30 and to respond to certain statements in the letter from Mayor Signer and other members of City Council to my client dated July 6, 2016. Specifically, the Mayor recited an “offer” made to CPC to acquire its interest in the Water Street Garage and asserted that the City was awaiting response from CPC. What the City actually communicated to CPC was an ultimatum to accept \$2.8 million or face a forcible taking of its property by eminent domain.

As you are well aware, I wrote to you prior to the July 4 holiday, informed you of our engagement and specifically stated that any effort to take CPC’s interest in the Water Street Garage would be strenuously and vigorously defended. Apparently, by this statement the Mayor was referring to the fact that I did not specifically state we reject the City’s \$2.8M “offer.” However, clearly this was understood as you have proceeded to engage an appraiser and have been quoted in the media as stating that the City is proceeding with a pre-condemnation valuation of the subject property.

Presumably the City is familiar with Virginia law relating to eminent domain and is cognizant that pursuant to Virginia Code §25.1-204(E)(1) prior to initiating any eminent domain proceeding, it is required to undertake a bona fide effort to acquire by negotiation. This process is initiated by making an offer to the landowner which is specified in the statute as the greater of the appraised value or the tax assessment on the property.

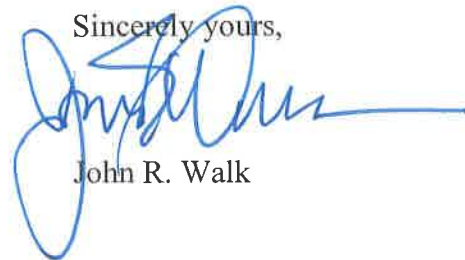
The City's tax assessment on CPC's parking spaces is \$7,146,100. In addition, per Virginia Code § 25.1-417, the City is prohibited from leaving CPC with any uneconomic remnants. Thus, we believe that attempting to take only the parking spaces without also taking the office space which CPC purchased in order to manage the parking deck would be illegal. The City's current assessment on the office space is \$1,849,400. Thus, the minimum offer consistent with Virginia Code requirements the City is obligated to make to CPC as a condition to invoking its power of eminent domain is \$8,995,400.

By mentioning these figures, CPC in no way concedes that taking its interest in the garage would be consistent with constitutional and statutory requirements related to eminent domain. Among other things, the Virginia Constitution was recently amended specifically to prohibit the use of eminent domain for "economic development." Moreover, we do not concede that \$9 million would in fact be just compensation for the City's threatened take as it would not include, for example, lost profits or damage to CPC's adjacent residual property, both of which would be recoverable items of just compensation.

As we have stated, any effort to involuntarily take CPC's interest in the Water Street Garage will be strenuously defended. However, addressing solely the Mayor's contention that CPC has failed to respond to the City's purchase offer, there is no reason for CPC to respond to an illegal offer and it has refused to do so. If and when the City communicates an offer consistent with Virginia Code requirements, CPC will respond promptly.

I have not responded to the balance of the Mayor's comments as it is evident these were directed primarily to the media and not to CPC.

Sincerely yours,



John R. Walk

JRW/me