

Hanover County & Ashland News

\$37.6M bond issue

Winding Brook development land value 'under water'



2011, JOE MAHONEY/TIMES-DISPATCH

A bond was issued in 2007 to develop infrastructure in the Winding Brook area by Lewistown Road and Interstate 95 in Hanover County.



Edwin Gaskin

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Winding Brook development land value 'under water' BY CINDY HUANG
Richmond Times-Dispatch

Hanover County Economic Development Director Edwin Gaskin told the Board of Supervisors on Wednesday that the \$37.6 million bond issued by the Community Development Authority to develop the Winding Brook area is in default and in need of restructuring.

“The land value is functionally and financially underwater in relation to the debt burden,”

The \$37.6 million bond was issued in 2007 to develop infrastructure in the Winding Brook area by Lewistown Road and Interstate 95 to attract commercial development.

After Bass Pro Shops opened in 2008, a struggling economy slowed the development that stretches more than 100 acres. The bond was restructured in 2011.

Hanover Supervisor W. Canova Peterson IV, Mechanicsville District representative, emphasized Wednesday that the county has no financial obligation to these bonds because they're not issued by the county.

But he explained that the county has an interest in developing the area.

“We don’t want to sit here with brown fields that can’t be developed,” Peterson said.

Gaskin said property owners and bondholders are requesting to restructure the bonds once again because there has not been as much commercial development as was anticipated.

“We are coming out of the recession,” Gaskin said. “It was not a good time to launch development.”

“Going forward, without restructuring, the situation can only get worse,” Gaskin told the Board of Supervisors. “It’s like a slow-motion train wreck.”

Gaskin said the bond assessments valued the property to be about \$300,000 per acre on average. The restructuring would lower that value to about \$100,000 per acre on average, making the land more marketable.

Bill Huck, a stakeholder in the Lewistown area, said restructuring is necessary because property owners are paying more in bond assessment than the value of their property.

“You can’t squeeze any more blood from the rock,” Huck said.

Because of this discrepancy, Huck said, the property becomes unattractive for developers and unprofitable for property owners.

“Because of the recession, there’s a decline in value,” said Huck, whose real estate investment company, Common Bond Capital Partners LLC, owns 43 acres of land in the Winding Brook development.

The Board of Supervisors voted to hold a public hearing June 25 on possibly restructuring the bonds.

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