

# Town of Middleburg Information Sheet

## SALE OF HEALTH CENTER BUILDING

### ISSUES/OTHER CONSIDERATIONS:

- (1) Local governments are not intended to be nor do they make good landlords;
- (2) Utilizing Town staff to manage the upkeep, maintenance and rental of property not used for government purposes is not an efficient use of Town resources and reduces their available time to respond to citizen needs;
- (3) Having land in local government ownership removes it from the tax rolls; and,
- (4) Having land in private ownership encourages economic development and revitalization.

### SOLUTION:

Following the issuance of a Request For Proposals and the holding of a public hearing, the Middleburg Town Council unanimously voted to sell the Health Center Property, located at 14-16 South Madison Street, for adaptive re-use as a boutique brewery and tasting room (Old Ox Brewery), with the existing tenants being offered the option to remain in the building for as long as they chose. Under the letter of intent to purchase, certain uses are prohibited on the property and the Town is granted the right of first refusal should the property ever be re-sold.

The Council selected this proposal over the other submission, in addition to the bid being higher, because of its potential for significantly higher and immediate enhancement of downtown vitality, as well as the bidder's commitment to community engagement and educational initiatives.

The purchase price for the property is \$750,000. All proceeds will be used for charitable purposes and donations as specified in the deed which gifted the property to the Town.



### PROJECTED FINANCIAL IMPACT OF A SALE:

#### 5 Year Economic Impact Projections for a nano-brewery in Middleburg

|                                  |                 |
|----------------------------------|-----------------|
| Purchase Price                   | \$ 750,000.00   |
| Real Estate Taxes                | \$ 4,775.00     |
| Personal Property Taxes Business | \$ 2,000.00     |
| License                          | \$ 3,750.00     |
| Meals Tax                        | \$ 100,000.00   |
| Operations/Repairs/Maintenance   | \$ 380,000.00   |
| Rental Income Lost               | \$ (223,571.00) |
| Non-Profit Subsidies             | \$ 150,000.00   |
| Water                            | \$ 9,000.00     |
| Waste Water                      | \$ 9,750.00     |
|                                  | <hr/>           |
|                                  | \$ 1,216,954.00 |

For more information, to view the details of the sale, or to view the details of the redevelopment proposal, please contact:

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