



Virginia Alcoholic Beverage
Control Authority



DEPARTMENT OF
GENERAL SERVICES
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News Release

For Immediate Release:

March 2, 2018

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ABC, DGS announce developer, preferred location under consideration for ABC office, warehouse

~ Separate facilities would be constructed at Mechanicsville location ~

Richmond, VA – The Virginia Alcoholic Beverage Control Authority (ABC) and the Department of General Services (DGS) today announced the selected developer and preferred location being considered for a new ABC headquarters and warehouse. The preferred site is located at the intersection of Pole Green Road and I-295 in Mechanicsville.

A separate, 95,000-square-foot office building and an approximately 315,000-square-foot warehouse will be built on the site, which is located approximately 10 miles from ABC's existing administrative offices and warehouse. A team led by H&M Company, a Jackson, Tennessee, engineering and construction firm that specializes in design, construction and financing of distribution centers, manufacturing facilities, industrial buildings and office locations nationwide, has been chosen to develop the project.

The selection of the preferred site and development team follows a competitive process that involved more than a dozen proposals from private development teams. The process began last winter when the General Assembly directed DGS and ABC to develop a plan to

provide cost-effective, turnkey options for ABC's warehouse and administrative offices. DGS issued Requests for Proposals in June 2017 asking private developers to submit plans that could include leasing existing facilities, building new facilities, or renovating the agency's current office and warehouse location on Hermitage Road in Richmond.

Fifteen development teams submitted proposals ahead of the August deadline, and twice the submitted proposals were narrowed through evaluation and developer interviews. In December ABC and DGS chose to continue negotiations with H&M.

After careful consideration of available sites recommended by H&M, the ABC and DGS team chose the Mechanicsville site because it was the most cost-effective and best fit ABC's needs. ABC and DGS continue to finalize the development package, pursuant to the process set forward in the 2017 Acts of Assembly.

"Enhanced facilities will allow Virginia ABC to continue its steady increase in revenue, and consequently, its significant contribution to the commonwealth's general fund," said Travis Hill, Chief Executive Officer of Virginia Alcoholic Beverage Control Authority. "This project will provide Virginia ABC with the platform to continue its growth as a modern retailer, providing excellent service and selection to the consumer while generating revenues that support other programs for the citizens of Virginia. Teaming with DGS and H&M, Virginia ABC looks forward to initiating the next steps in this transformative process."

"The competitive process used to relocate ABC operations allowed ABC and DGS to leverage the expertise of the real estate development community," said Joe Damico, Director of the Department of General Services. "We believe the turnkey approach directed by the 2017 Acts of Assembly has resulted in a cost-effective and efficient solution for ABC's needs now and in the future."

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The Virginia Alcoholic Beverage Control Authority (ABC) is a major source of revenue for the commonwealth, contributing more than \$2 billion to the general fund in the last five years. The agency currently operates 370 state stores. Its Bureau of Law Enforcement oversees more than 17,000 ABC licensed establishments while the Hearings and Appeals Division considers more than 700 cases each year. The agency also provides alcohol education and prevention programs for people of all ages. Now marking its 84th year, ABC remains committed to progress and innovation in carrying out its control, service and revenue mission.

The Department of General Services (DGS) provides laboratory, procurement, real estate, vehicle management, graphic design, engineering, architectural services, mail and surplus property services, as well as Capitol Square facility and grounds operations, security, and maintenance. Primarily serving state agencies, institutes of higher education, local governments, and nonprofits; DGS also serves the businesses and citizens of Virginia.