



City of Richmond
Navy Hill Development Proposal
Work Session Minutes

900 East Broad Street
Richmond, VA 23219
www.richmondgov.com/cityclerk

Monday, October 14, 2019

10:00 AM

Council Chamber, 2nd Floor - City Hall

Councilmembers Present

The Honorable Cynthia Newbille, President
The Honorable Andreas Addison
The Honorable Parker Agelasto
The Honorable Michael Jones
The Honorable Kristen Larson (late arrival)
The Honorable Ellen Robertson

Absent

The Honorable Chris Hilbert, Vice President
The Honorable Kim Gray
The Honorable Reva Trammell

Staff Present

Meghan Brown, Interim Council Chief of Staff
William Echelberger, Council Budget Analyst
Jamie Isley, Assistant City Clerk
Allen Jackson, City Attorney

Council President Cynthia Newbille called the meeting to order at 10:10 a.m., and presided.

Upon the President's request, Assistant City Clerk Jamie Isley provided information on the appropriate manner in which the Council Chamber is to be evacuated in the event of an emergency.

Follow-up Q&A from Council Members and October 7th Work Session

Interim Council Chief of Staff Meghan Brown provided an update regarding responses to inquiries from the Monday, October 7, 2019, Navy Hill Development Proposal (NHD) Work Session. Ms. Brown stated that she will provide a legible printed copy of the itemized thirty-year debt service Microsoft Excel spreadsheet. A copy of the material provided has been filed.

Councilor Kristen Larson arrived at 10:12 a.m. and was seated.

Councilor Andreas Addison arrived at 10:12 a.m. and was seated.

Leonard Sledge, Economic and Community Development director, responded to several inquiries pertaining to the NHD project.

Project Financing; Economic Impact, Impact to City Operations and Project Timeline

David Rose, Davenport & Company senior vice president and co-head of public finance; Roland Kooch Jr., Davenport & Company senior vice president, and James Sanderson, Davenport & Company senior vice president, provided a presentation and answered questions regarding the proposed Navy Hill Development (NHD) project, which included information regarding the projected

annual cash flow impact to the city per year and an overview of bond issues. A copy of the presentation and information provided has been filed.

Mr. Rose and James Duval, Department of Finance investment and debt portfolio manager, stated that Council will be provided with the total number of outstanding debt, the current interest rate that the city is paying on the Coliseum and any total outstanding debt beyond 2032.

Councilor Parker Agelasto departed the meeting at 11:00 a.m.

Bill Corrado, Citigroup Global Markets, Inc. public finance director, and Kent Lawrence, J.P. Morgan managing director, presented an overview of the NHD project financing which included information regarding bond structures, credit considerations, a summary of MuniCap, Inc. projections, annual debt service and case studies regarding tax increment financing (TIF) districts. A copy of the presentation and information provided has been filed.

Mr. Rose stated that he will provide a thirty-year analysis regarding debt service payments and increased interest rates.

Sharon Ebert, Department of Economic and Community Development deputy chief administrative officer, was available to answer questions regarding the proposed second Dominion Energy, Inc. tower and stated that she would provide additional information regarding revenue sources and Dominion Energy, Inc.'s commitment to building a second tower.

Susan Eastridge, Navy Hill District Corporation developer and Concord Eastridge chief executive officer, was available to answer questions regarding the proposed second Dominion Energy, Inc. tower.

Mr. Rose was available to answer questions regarding the proposed second Dominion Energy, Inc. tower.

Arthur Anderson II, McGuireWoods, LLP partner, informed Council of which proposed NHD ordinances addressed the issues raised by members.

Keenan Rice, MuniCap, Inc. president, provided an overview of the expected revenues from the NHD project and explained plans for the ten blocks north of Broad Street. Mr. Rice stated that he would provide an itemized list of the dollar amounts relative to the percentages of expected arena revenues. A copy of the presentation and information provided has been filed.

President Cynthia Newbille recessed the meeting at 12:07 p.m. for a scheduled break.

President Cynthia Newbille reconvened the meeting at 1:10 p.m.

Councilor Michael Jones arrived at 1:12 p.m.

James Duval, Department of Finance investment and debt portfolio manager, responded to several questions posed by Councilor Parker Agelasto prior to his departure regarding city-owned parking decks.

Leonard Sledge, Department of Economic and Community Development director, stated that the Department of Public Works will provide information regarding revenue from the city-owned parking lots.

Arthur Anderson II, McGuireWoods, LLP partner, informed Council of which proposed NHD ordinances addressed the issues raised by members.

David Rose, Davenport & Company senior vice president and co-head of public finance, and Roland Kooch Jr., Davenport & Company senior vice president, presented information regarding TIF districts and non-recourse revenue bonds. A copy of the presentation and materials has been filed.

Mr. Sledge stated that city administration will provide information on the fiscal impact to city departments in terms of vital service cost increases over time.

Mr. Rose stated that he will provide additional itemized information regarding the total percentage of debt service for the ten blocks north of Broad Street.

Council Discussion and Q&A

Interim Council Chief of Staff Meghan Brown stated that she would request that presentations be received in advance.

Councilor Parker Agelasto arrived at 2:01 p.m. and was seated.

President Cynthia Newbille stated that she will assist in ensuring the request for a process change within Council's Rules of Procedure regarding the receipt of presentations is considered and that all materials submitted to Council are complete.

Adjournment

There being no further business, the meeting adjourned at 2:17 p.m.

CITY CLERK