

INTRODUCED: April 24, 2023

AN ORDINANCE No. 2023-133

To direct the conveyance of the City-owned real estate known as 3017, 3001, 2909, 2907, and 3101 North Arthur Ashe Boulevard and 2728 Hermitage Road, consisting of 60.966± acres, for nominal consideration to the Economic Development Authority of the City of Richmond.

Patrons – Mayor Stoney and Members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 8 2023 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the City-owned real estate known as 3017 North Arthur Ashe Boulevard, 3001 North Arthur Ashe Boulevard, 2909 North Arthur Ashe Boulevard, 2907 North Arthur Ashe Boulevard, 3101 North Arthur Ashe Boulevard, and 2728 Hermitage Road, consisting of approximately 60.966 acres, and identified as Tax Parcel Nos. N000-1510/009, N000-1510/020, N000-1510/011, N000-1510/012, N000-1512/001, and N000-1510/013, respectively, in the 2023 records of the City Assessor, being hereinafter referred to, collectively, as the “Property,” are hereby directed to be conveyed to the Economic Development Authority of the City of Richmond

AYES: 9 NOES: 0 ABSTAIN:

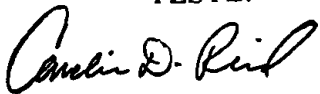
ADOPTED: MAY 8 2023 REJECTED: STRICKEN:

for nominal consideration for the purpose of facilitating the redevelopment of the area along North Arthur Ashe Boulevard and Hermitage Road known as the Diamond District.

§ 2. That, pursuant to section 8-65(b) of the Code of the City of Richmond (2020), as amended, the Chief Administrative Officer is hereby directed to execute, on behalf of the City, the deed and such documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the conveyance of the Property.

§ 3. This ordinance shall be in force and effect upon adoption.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Amelia D. Reed". The signature is written in a cursive, flowing style.

City Clerk




City of Richmond

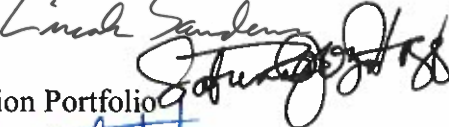
Intracity Correspondence

O&R REQUEST


DATE: April 24, 2023 **EDITION:** 1


TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor 

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer 

THROUGH: Sabrina Joy-Hogg, DCAO – Finance & Administration Portfolio

THROUGH: Robert Steidel, DCAO – Operations Portfolio 

THROUGH: Sharon L. Ebert, DCAO – Planning & Economic Development Portfolio 

FROM: Leonard L. Sledge, Director – Department of Economic Development

RE: Diamond District Development Agreement and Related Ordinances

ORD. OR RES. No. _____

PURPOSE: To approve the following series of ordinances associated with the Diamond District redevelopment Project:

1. An ordinance authorizing the CAO to execute the Diamond District Redevelopment Project Development Agreement by and between the City, RVA Diamond Partners LLC, and the Economic Development Authority (“EDA”), and its attachments, which include, among other things, a Grant Agreement concerning financing of the stadium and other public improvements.

2. An ordinance authorizing the City’s conveyance of the following parcels of surplus city-owned real estate to the Economic Development Authority.

Property Address	Tax ID	Acreage	Notes
3017 N Arthur Ashe Boulevard	N0001510009	4.015	Arthur Ashe Jr. Athletic Center
3001 N Arthur Ashe Boulevard	N0001510020	9.32	The Diamond (Operated by Navigators Baseball LP pursuant to Stadium Use Agreement approved via Ord. No. 2019-185)
2909 N Arthur Ashe Boulevard	N0001510011	12.15	Surface parking lot
2907 N Arthur Ashe Boulevard	N0001510012	19.1	Southwestern most parcel
2728 Hermitage Road	N0001510013	10.9	Southeastern most parcel
3101 N Arthur Ashe Boulevard	N0001512001	5.481	Recreation soft-ball/baseball field

REASON: Legislation is necessary to approve the above-referenced actions.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND:

Richmond 300: A Guide for Growth

The Richmond 300 Master Plan sets forth recommendations and policy to guide the future growth of the city. One main recommendation of the plan is to reimagine Priority Growth Nodes. Greater Scott's Addition is identified in the Richmond 300 plan as a Priority Growth Node, with the potential to capture a large portion of the city's future population growth, and in turn generate significant value to the surrounding neighborhoods and the city overall. Richmond 300 includes a Small Area Plan to guide the redevelopment of the Greater Scott's Addition Area, which includes Scott's Addition, the Sauer Center, the areas east and west of the Diamond District, and the Diamond District. Redeveloping the Diamond District in partnership with a development team is in alignment with the priority next steps outlined in the Master Plan to implement the vision for Greater Scott's Addition.

The Richmond 300 Master Plan describes the future vision of the Greater Scott's Addition as:

“Greater Scott's Addition is home to a series of neighborhoods that provide new employment and housing developments connected by a series of open spaces and a transportation network that support families and aging-in-place. The variety of housing options and employment in Greater Scott's Addition provide opportunities for low-income, moderate-income, and high-income households. The Diamond is demolished and a new multi-purpose stadium is constructed along Hermitage. Uses along Hermitage, a public plaza, and the crescent park complement the new stadium development. Visitors to Greater Scott's Addition have the option to safely arrive by foot, bike, transit, or car. Parking is centralized in a few parking garages to encourage users to park once and visit multiple destinations. The signature public park, a crescent park, between Ashe and Hermitage serves as a central convening space and is connected with greenways to multiple smaller public parks.”

The vision statement and plans for Greater Scott's Addition show the new baseball stadium along Hermitage; however, the new baseball stadium will be located at the edge of Ashe Boulevard and the CSX rail line, in the southwest corner of the Diamond District site.

The Future Land Use Plan designates the area of the neighborhood between N. Arthur Ashe Avenue and Hermitage Road as “Destination Mixed-Use,” which is described as being, “key gateways featuring prominent destinations, such as retail, sports venues, and large employers, as well as housing and open space. Located at the convergence of several modes of transportation, including Pulse BRT or other planned transit improvements.” Future development is envisioned to be mixed-use in nature, at higher-density, and transit-oriented, with ground floor uses that engage and enliven the street. Pedestrian, bicycle, and transit access are prioritized and accommodated.

The Diamond District property falls into two “districts” envisioned in the Greater Scott's Addition Small Area Plan and bifurcated by a series of open spaces:

Districts:

- Gateway District: Regional destination for offices, shopping, and entertainment with landmark architecture
- Ballpark and Entertainment District: Lively community integrated with entertainment and a new sports venue

Open Spaces:

- Ballpark and Plaza: Vibrant outdoor space activated by the baseball stadium

- Crescent Park: Signature urban public space with passive lawns and a relaxing atmosphere with integrated green infrastructure to support water quality (site for large-scale community events)

One of Primary Next Steps in the description of the Greater Scott's Addition Small Area Plan states "Request for Proposals: Issue a Request for Proposals to redevelop the City-owned land between N. Ashe Boulevard and Hermitage Road using the Greater Scott's Addition Framework Plan and including elements such as crescent park, low-income housing, breaking up super blocks to create a street grid incorporating features that support walking, biking, and transit such as engaging architecture, public space, sidewalks, street trees, buildings built to the street, and street furniture." Other Primary Next Steps call for marketing Greater Scott's Addition, incorporating green infrastructure in the redevelopment of the area, build a mixed-income community with housing at various price points, including units for low-income households, and creating a series of parks, including a signature crescent park.

Public Engagement

In preparation for issuing the solicitation to select a developer to partner with the City to fulfill the vision outlined in Richmond 300, the City hosted numerous public meetings as part of the Richmond 300 process generally, and four meetings specifically about the Greater Scott's Addition Area to guide the creation of the Small Area Plan. The City also hosted two surveys specific to Greater Scott's Addition and garnered over 1,300 responses. The meetings and survey responses aided the City in drafting the vision and primary next steps as well as the district and open space plans included in Richmond 300 to guide the redevelopment of Greater Scott's Addition. The draft Greater Scott's Addition Small Area Plan was presented to the community in February 2020 and the final Plan was adopted as part of Richmond 300 in December 2020. The City based the development of the Diamond District solicitation goals on the content Richmond 300. During the process to rezone several hundred acres of land in Greater Scott's Addition, the City hosted two public meetings and received generally positive feedback on the proposed rezoning. The rezoning was approved by City Council in July 2021. City staff gave update presentations on the solicitation process at six City Council meetings from October 2021 to August 2022. The City hosted a public meeting about the solicitation process on June 8, 2022.

Solicitations for Development Team Proposals

In October 2021, the City launched www.rvadiamond.com to begin marketing the redevelopment opportunity to prospective development teams. Also in October 2021, the City launched www.rva.gov/economic-development/diamond to share information about the redevelopment process with the Richmond community.

On December 28, 2021, the City issued the Request for Interest (RFI) outlining the opportunity for redevelopment, the redevelopment site and goals, and the evaluation process and criteria. The RFI also included five appendices: Market Analysis, List of City-owned

and VCU-owned parcels, Greater Scott's Addition Small Area Plan (excerpt from Richmond 300), Ballpark Feasibility Analysis, and Anticipated Minimum Community Benefits Requirements.

The City established an Evaluation Panel to review the RFI responses and announced the members of that panel on February 15, 2022. The Evaluation Panel members included:

Evaluation Panel Members:

- James P. Duval – Investment and Debt Portfolio Manager, Finance Department
- Sharon L. Ebert – Deputy Chief Administrative Officer, Planning and Economic Development
- Karol Kain Gray – Senior Vice-President and Chief Financial Officer, Virginia Commonwealth University
- Katherine Jordan – Council Member, Second District
- Ann-Frances Lambert – Council Member, Third District
- J.E. Lincoln Saunders – Chief Administrative Officer
- Leonard L. Sledge – Director, Department of Economic Development
- Caprichia Smith Spellman – Director, Office of Community Wealth Building
- Robert C. Steidel – Deputy Chief Administrative Officer, Operations
- Stephen M. Willoughby – Director of Emergency Communications

Facilitator/Project Manager

- Maritza Mercado Pechin – Deputy Director for Equitable Development

Advisors

- Lynne S. Lancaster – Deputy Director, Department of Public Works
- Matthew A. Welch – Senior Policy Advisor, Planning and Economic Development Portfolio

External Advisors

- Davenport
- AECOM
- Legal Counsel

On February 15, 2022, the City received 15 responses to the RFI from the following teams:

- 4Most Sport Group
- Acquest Realty Advisors, Inc.
- Diamond District Gateway Partners
- Diamond Legacy Partnership
- Edgemoor-Gotham Ballpark Partners

- Jair Lynch Real Estate Partners
- MAG Partners
- Metropolitan Virginia VIII, LLC
- Richmond Community Development Partners
- Rising Tide RVA, LLC
- RVA Diamond Partners LLC
- Turnbridge Equities
- Urban Atlantic
- Vision300 Partners, LLC
- Weller Development Company and LMXD

The Evaluation Panel reviewed the RFI submissions and on March 23, 2022 announced that six teams had been invited to submit responses to a Request for Additional Information (RFAI). The RFAI stage had not been contemplated in the initial timeline presented in the RFI. The RFAI stage was added to the process because the City had received such a robust response to the RFI and needed more information before proceeding the RFO stage. The teams invited to respond to the RFAI were:

- Diamond District Gateway Partners
- MAG Partners
- Richmond Community Development Partners
- RVA Diamond Partners LLC
- Vision300 Partners, LLC
- Weller Development Company and LMXD

On April 25, 2022, the City received a submission from each of the aforementioned RFAI invitees. The Evaluation Panel review the submissions.

On May 10, 2022, the City announced that three teams had been selected as finalists. The three finalist teams were:

- Richmond Community Development Partners
- RVA Diamond Partners LLC
- Vision300 Partners, LLC

The City issued a Request for Officers (RFO) to the three finalist teams on June 3, 2022. The City hosted a public meeting to share information about the process to date, the RFI/RFO goals, and the key principles in successful public-private partnerships.

On June 28, 2022, the City received a submission from each of the aforementioned finalist teams. On August 8, 2022, the City announced that it was continuing negotiations with Richmond Community Development Partners and RVA Diamond Partners LLC.

In the month of August, the City continued to meet with Richmond Community Development Partners and RVA Diamond Partners to negotiate the terms of the project and vet the team's financial projections. Based on the proceedings of these conversations and the

reviews of the RFI, RFAI, and RFO submissions, the Evaluation Panel selected RVA Diamond Partners LLC as the preferred development team to partner with the City to redevelop the Diamond District site in a manner that aligns with the vision set in Richmond 300, the Greater Scott's Addition Small Area Plan, and the goals set forth in the RFI, RFAI, and RFO.

On September 26, 2022, City Council unanimously adopted Resolution No. 2022-R055 in order to "select RVA Diamond Partners LLC as the developer of the Diamond District and express the Council's support for certain proposed minimum business terms and conditions in relation to the development of the Diamond District." The Resolution "authorized and requested" the CAO and the City Attorney "to prepare and negotiate for Council's consideration and approval by ordinance, the definitive agreements necessary to consummate a transaction" between the City and RVA Diamond Partners LLC for development of the Diamond District. The Administration has worked with the City Attorney's Office and outside legal counsel to prepare and negotiate the Development Agreement and attachments thereto and are now requesting Council's approval or such transactional documents via ordinance.

Certain additional ordinances to (1) create the anticipated Community Development Authority, (2) create a special revenue fund for the incremental revenues dedicated to bond repayment, and (3) authorize VCU to convey the Sports Backers Parcel to the EDA will require City Council approval at a future date.

FISCAL IMPACT / COST: See attached Fiscal and Economic Impact Analysis.

FISCAL IMPLICATIONS: See attached Fiscal and Economic Impact Analysis.

BUDGET AMENDMENT NECESSARY: No

REVENUE TO CITY: See attached Fiscal and Economic Impact Analysis.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: April 24, 2023

CITY COUNCIL PUBLIC HEARING DATE: May 8, 2023

REQUESTED AGENDA: Regular

RECOMMENDED COUNCIL COMMITTEE: Organizational Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: Planning Commission

AFFECTED AGENCIES: Economic Development, Planning and Development Review, Budget and Strategic Planning, Finance, Public Works, Public Utilities, Office of Minority Business Development, Office of Community Wealth Building, Parks and Community Facilities

RELATIONSHIP TO EXISTING ORD. OR RES.: Res. No. 2022-R055 (“To select RVA Diamond Partners LLC as the developer of the Diamond District and express the Council’s support for certain proposed minimum business terms and conditions in relation to the Development of the Diamond District.”)

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS:

Diamond District Redevelopment Project Development Agreement
Fiscal and Economic Impact Analysis

STAFF:

Sharon L. Ebert, DCAO for Planning and Economic Development
Leonard L. Sledge, Director of Economic Development
Maritza M. Pechin, Deputy Director for Equitable Development
Matthew A. Welch, Senior Policy Advisor for the Planning and Economic Development Portfolio

MEMORANDUM

TO: Lincoln Saunders, Chief Administrative Officer
Sharon Ebert, DCAO of Planning and Economic Development
Sabrina Joy-Hogg, DCAO of Finance and Administration
Robert Steidel, DCAO of Operations
Leonard Sledge, Director of Economic Development
Sheila White, Director of Finance
City of Richmond

FROM: David Rose, Senior Vice President and Manager of Public Finance
Roland Kooch, Jr., Senior Vice President
Jimmy Sanderson, Senior Vice President

DATE: April 24, 2023

RE: Summary of the Fiscal and Economic Impact Statement & Analysis of the Proposed Diamond District Project (the “Project”) and Professional Observations

CC: Maritza Pechin, Deputy Director for Equitable Development, City of Richmond
Matt Welch, Senior Policy Advisor, City of Richmond

Overview

Davenport & Company LLC, in our capacity as Financial Advisor to the City of Richmond (the “City”), has prepared the Fiscal and Economic Impact Statement & Related Analysis as required by City code for the introduction of the Project documents to City Council.

We have worked closely with a number of key stakeholders on the proposed project for several months. As a result, our analysis and professional observations incorporate key input from a variety of these stakeholders, among others.

For summary purposes, we have provided our Professional Observations on several critical areas of the Fiscal and Economic Impact Statement & Related Analysis to be considered with the proposed Project.

Professional Observations

1. Impact on the City's Annual Operating Budgets

- The proposed Project generates a significant positive impact on future City budgets. Over the life of the proposed Project, projected revenues are estimated to be approximately \$1.8 Billion. The estimated debt service and operating expenditures approximate \$757 Million over the 45 year life of the Project. As a result, the Net Benefit (surplus of revenues over expenditures) is approximately \$1.1 Billion over the 45 year life of the Project.
- The Project will immediately produce meaningful annual additional funding to the City's schools capital program through the 1.5% meals tax for schools. In addition, the Convention Center will benefit from new lodging tax that will contribute to its long-term fiscal sustainability.
- The Net Benefit (surplus of revenues over expenditures) to the City approximates \$16.5 Million through FY 2035.
- The positive annual cash flows average approximately \$2 Million per year in the initial build-out years for Phase I (the planned Project contemplates four phases). Any annual cash flow shortfall negative is de minimis and due to public safety and operational expenses coming on line in the early years of the Project. The negative annual cash flow during the build-out period approximates the \$1-\$2 Million range for three to four years. This amount equates to approximately 10¢ - 20¢ for every \$100 of revenues of the City's total annual budget, which is a rounding error. For context, the City's General Fund Budget in FY 2024 grew by approximately \$110 Million from FY 2023.

2. Impact on Debt Capacity

- The full build out of the Project, is projected to be a positive to the City's Legal Debt Capacity under Virginia Law by adding approximately \$154 Million of additional Legal Debt Capacity.

3. Impact on Rating Agencies

- We believe the National Credit Rating Agencies will look very favorably on this proposed Project.
- Specifically, the Project will have a meaningful impact on the City's demographics, quality of life, long-term financial sustainability all with limited City debt exposure.

4. Impact on Essential City Services (police, fire, emergency services, public works, utilities)

- As noted above and included in the Fiscal and Economic Impact Statement & Analysis, the City has provided Davenport with estimates of increased operating expenditures for critical city services and as such are already factored into our analysis.

5. Impact on Richmond's marketability/quality of life

- The proposed Project provides a myriad of key quality of life enhancements for current and future residents of the City including but not limited to a first class ball-park, affordable housing, shopping, and job creation.

DAVENPORT & COMPANY

Member NYSE | FINRA | SIPC

Fiscal and Economic Impact Statement & Related Analysis Diamond District Project

City of Richmond, Virginia



April 24, 2023

Introduction



- The enclosed information provides the Fiscal and Economic Impact Statements that are required by City Code to be submitted to City Council upon the introduction of Ordinances for the Diamond District Project.
- Section A: Contains the Fiscal Impact Statement required by City Code Section 2-303 and related financial analysis.
- Section B Contains the Economic Impact Statement required by City Code Section 2-304 and related financial analysis.

Executive Summary



- The Diamond District Project (the “Project”) is a \$2.44 Billion transformational project that will revitalize approximately 67 acres in the heart of the City adjacent to the vibrant Scott’s Addition area.
 - The mixed-use Project will include residential (market rate and affordable) housing, commercial office, retail space, restaurants, and a hotel.
 - The aggregate planned Phase I investment approximates \$627.6 Million.

- The Project will result in a new Stadium for the Squirrels that will meet Minor League Baseball standards and provide an enhanced baseball experience and expanded uses beyond baseball. The new Stadium will also be used by the VCU Baseball team.

- The Non-Recourse CDA Revenue Bonds will provide approximately \$80 Million of the \$110 Million in funding for the Stadium. Additional Sources include:
 - The Developer is providing \$20 Million of Non-Recourse subordinate loans in connection with the Stadium, which will be repaid after the payment of the CDA Revenue Bonds and meeting specified targets; and
 - The Sale of Phase I Land by the City to the Developer will also provide approximately \$10 Million of Equity (cash) for the Stadium.

- The City will receive approximately \$68.3 Million for the Sale of 67 acres of Land to the Developer of the Project.



Executive Summary

- The Project is projected to provide a Net Benefit (surplus of Revenues versus Debt Service/Expenses) ranging from \$1.01 Billion to \$1.07 Billion⁽¹⁾ through the projection period ending in FY 2068 (after maturity of the related CDA Revenue Bonds for Phase IV).
 - In the first twelve years (two years of construction plus ten years after the completion of the Stadium) through FY 2035, the Net Benefit to the City approximates \$16.5 Million.
 - Nine of the first twelve years are cash flow positive averaging in excess of \$2 Million per year.
 - Only three of the first twelve years are slightly cash flow negative averaging approximately \$900,000 per year.
 - These figures do not include the sale of the Land.

- The full build-out of the Project, will have a positive effect on the City's Debt Capacity.
 - The Project is projected to add approximately \$154,421,000 of additional Debt Capacity under Virginia Law.
 - The \$23,700,000 to be used for public infrastructure investment in the Diamond District will be programmed into the CIP through FY 2028.
 - Of the \$23.7 Million, approximately \$18,000,000 of the G.O. Bonds is directly related to the City's Storm Water Enterprise system – to the extent that this becomes self supporting through user rates and charges, then this amount would not count against the City's Debt Capacity.

- The incremental revenue from the expanded district may be used to lower the need for City G.O. Bond financing, and to support infrastructure improvements to the area.

Notes:

(1) Based on CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets as shown under Scenario 1 herein.



A: Fiscal Impact Statement per City Code Section 2-303



Section 2-303(a)

- a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*
- The sources of the information within this statement include:
 - Financial Projections the Diamond District Project (the “Project”) prepared by MuniCap, Inc. which incorporates assumptions from RVA Diamond Partners (the “Developer”);
 - Preliminary Revenue Bond Plan of Finance estimates provided by Loop Capital Markets, which include assumptions with respect to:
 - Interest rates,
 - Reserves and Credit Features,
 - Annual debt service
 - Coverage requirements; and
 - Repayment structure,
 - Information from City staff related to the Estimated Operating Impact of the Project on City services and operating expenses; and

 - Actual results may vary from the analysis shown herein as discussed further in this document.

Section 2-303(a)



a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*

- The Total Investment in the Project approximates \$2.44 Billion.
 - The aggregate planned Phase I investment approximates \$627.6 Million

- The Public Investment in the Project approximates \$202.7 Million and is comprised of the following:
 - Replacement Minor League Stadium funded with approximately \$80 Million from Non-Recourse CDA Revenue Bonds, \$20 Million Subordinate Developer Loan (both of which the City will have no obligation to repay in the event that revenues are insufficient), and \$10 Million Equity (Land Sale Proceeds).
 - Infrastructure Investment approximating \$92.7 Million funded from a combination of:
 - CDA Revenue Bonds - \$39.0 Million;
 - New G.O. Bonds - \$23.7 Million;
 - DPU Enterprise Bonds - \$17.0 Million;
 - Equity (Land Sale Proceeds) - \$10.8 Million; and
 - Previously Issued G.O. - \$2.3 Million.

- Other Investment related to the Project:
 - Replacement Sports Backers facility approximating a \$25 Million investment funded with EDA Revenue Bonds repaid from non-City derived lease revenues and backed by a Moral Obligation. Note: these revenue bonds will not count against the City's debt capacity. The City will only be responsible for these bonds if the lease revenues go away.

Section 2-303(a) | Projected Revenues



a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*

- Based on the Financial Projections for the Project, the proposed project is anticipated to generate the following revenues to the City:

Revenue Summary by Phase

Diamond District

	Total All Phases Through FY 2068						
	Project Revenue			Other Non-CDA Revenue			Grand Total
	Public Revenue	Private Revenue	Total Revenue	Schools Portion Meals Tax	Lodging Tax to GRCCA	Stadium Lease Revenues	
Phase I	694,851,330	52,066,835	746,918,165	25,669,964	52,255,048	132,233,892	957,077,070
Phase II	251,776,865	4,012,378	255,789,243	3,623,932	-	-	259,413,176
Phase III	212,541,070	991,880	213,532,950	4,342,789	-	-	217,875,739
Phase IV	358,815,645	4,978,504	363,794,149	29,871,032	-	-	393,665,181
Total All Phases	1,517,984,910	62,049,598	1,580,034,507	63,507,718	52,255,048	132,233,892	1,828,031,166

- Total Project “Public” Revenue is derived from the development of the Project and includes incremental Real Estate tax, Local Option Sales Tax, State Eligible Sales Tax, 6% Meals Tax, BPOL, Admissions Tax and Eligible Stadium Rent.
 - The Public Revenue is used to size the Revenue Bonds to be issued by the CDA/EDA.
- Total Project “Private” Revenue is derived from the development of the Project and includes incremental CDA Sales Tax, Hotel Surcharge and Parking Revenues.
 - Other Non-CDA Revenue is not used to repay any CDA/EDA obligation for the Stadium and Project Infrastructure and will directly be for the benefit of Schools (i.e. 1.5% Meals Tax) or GRCCA (8% lodging tax) or be used for other purposes (Sports Backers facility).

Source: MuniCap/Developer. Note revenues for Phases I, II, and III shown above have been extended to the final projection year (FY 2068) of Phase IV.

Section 2-303(a) | Sports Facilities Sources and Uses



a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*

- The table shows the Sources and Uses of the Sports Facilities as a result of the Project.
 - The New Stadium funding is comprised of CDA Revenue Bonds. Key assumptions include the following
 - The CDA Revenue Bonds are repaid from a portion of the revenues from the impacted area and backed by a Special Assessment within the CDA area.
 - Non-Recourse to the City (the City will have no obligation to repay in the event of revenue shortfall).
 - Will not count against the City’s Debt Capacity.
 - Approximate 34 year maturity⁽³⁾.
 - Minimum stabilized Debt Service Coverage range of 1.30x to 1.50x⁽³⁾.
 - New Sports Backers facility funding is to be issued through the EDA⁽²⁾.
 - The Revenue Bonds backed by the City’s Moral Obligation⁽²⁾.
 - Approximate 10 year maturity⁽²⁾.
 - Repaid from Lease Revenues from third party and not associated from City General Funds, and as a result will not count against the City’s Debt Capacity.

Fiscal Year	Phase I		Phase I Total (Facilities)
	2024 (Stadium)	2025 (Sportsbackers)	
1 Sources of Funds			
2 CDA Revenue Bonds ⁽¹⁾	80,000,000	-	80,000,000
3 EDA Revenue Bonds ⁽²⁾	-	25,000,000	25,000,000
4 Subordinate CDA Bonds (Developer)	20,000,000	-	20,000,000
5 DPU Enterprise Revenue Bonds	-	-	-
6 Previously Issued G.O. Bonds	-	-	-
7 New G.O. Bonds	-	-	-
8 Phase I Land Sale Proceeds (Cash)	10,000,000	-	10,000,000
9 Total Uses of Funds	110,000,000	25,000,000	135,000,000
10			
11 Uses of Funds			
12 Site Grading & Earthwork	-	-	-
13 Roads, Sidewalks, Curb, & Gutter	-	-	-
14 Park & Skatepark	-	-	-
15 Streetlights	-	-	-
16 Sewer	-	-	-
17 Gas	-	-	-
18 Water	-	-	-
19 Stormwater	-	-	-
20 Other	-	-	-
21 Stadium/Sports Facilities	110,000,000	25,000,000	135,000,000
22 Total Uses of Funds	110,000,000	25,000,000	135,000,000

Notes:

- (1) Net Proceeds based on CDA Revenue Bond Debt Service estimates provided by Loop Capital Markets.
- (2) Assumption provided by City of Richmond.
- (3) Assumption provided by Loop Capital Markets.

Section 2-303(a) | Infrastructure Sources and Uses



a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*

- The table shows the Sources and Uses for the Infrastructure investment necessary to implement the Project.

Fiscal Year	Phase I ⁽¹⁾			Phase I ⁽¹⁾	Phase II ⁽²⁾	Phase III ⁽²⁾	Phase IV ⁽²⁾	Phases I-IV
	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>	<u>2028</u>	<u>2031</u>	<u>2034</u>	<u>Grand Total</u>
	(Infrastructure)	(Infrastructure)	(Infrastructure)	(Infrastructure)	(Infrastructure)	(Infrastructure)	(Infrastructure)	(Infrastructure)
1 Sources of Funds								
2 CDA Revenue Bonds ⁽³⁾		-	-	-	10,335,341	15,224,446	13,428,922	38,988,709
3 Subordinate CDA Bonds (Developer)				-	-	-	-	-
4 DPU Enterprise Revenue Bonds ⁽³⁾	12,700,000	4,200,000	58,000	16,958,000	-	-	-	16,958,000
5 Previously Issued G.O. Bonds		-	2,300,000	2,300,000	-	-	-	2,300,000
6 New G.O. Bonds ⁽³⁾	7,333,333	9,933,333	6,433,333	23,700,000	-	-	-	23,700,000
7 Phase I Land Sale Proceeds (Cash)	6,000,000	4,800,000	-	10,800,000	-	-	-	10,800,000
8 Total Uses of Funds	26,033,333	18,933,333	8,791,333	53,758,000	10,335,341	15,224,446	13,428,922	92,746,709
9								
10 Uses of Funds								
11 Site Grading & Earthwork	3,200,000	-	-	3,200,000	Exact Uses TBD			
12 Roads, Sidewalks, Curb, & Gutter	-	4,600,000	2,300,000	6,900,000				
13 Park & Skatepark	-	-	3,000,000	3,000,000				
14 Streetlights	-	-	2,300,000	2,300,000				
15 Sewer	12,700,000	-	-	12,700,000				
16 Gas	-	-	58,000	58,000				
17 Water	-	4,200,000	-	4,200,000				
18 Stormwater	9,000,000	9,000,000	-	18,000,000				
19 Other ⁽⁴⁾	1,133,333	1,133,333	1,133,333	3,400,000				
20 Stadium	-	-	-	-				
21 Total Uses of Funds	26,033,333	18,933,333	8,791,333	53,758,000	10,335,341	15,224,446	13,428,922	92,746,709

Notes:

- (1) Source: City of Richmond.
- (2) Source: Loop Capital Markets/Developer.
- (3) Net proceeds from bond/debt issuances.
- (4) Includes Temporary Facilities & Controls; Existing Conditions; Metals; Electrical Utilities/Traffic Signals; and Communications Utilities.

Section 2-303(a) | Net Benefit to the City – All Phases Through FY 2068



a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*

- The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds⁽¹⁾, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project.
 - Scenario 1⁽¹⁾ assumes a 6.75% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.50x in FY 2033 for Phase I.
 - Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.
 - Scenario 2⁽¹⁾ assumes a 7.50% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.33x in FY 2033 for Phase I.
 - Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

Total All Phases Through FY 2068		
	Scenario 1 CDA Bonds @ 6.75%	Scenario 2 CDA Bonds @ 7.50%
1 Revenues Generated by the Project		
2 Total Project Revenues (including Stadium Rent)	1,580,034,507	1,580,034,507
3 Other Non-CDA Revenues		
4 Schools Portion of Meals Tax (1.5%)	63,507,718	63,507,718
5 GRCCA Lodging Tax (8.0%)	52,255,048	52,255,048
6 Stadium Rent	132,233,892	132,233,892
7 Total Estimated Revenues Generated by the Project	1,828,031,166	1,828,031,166
8		
9 Less Debt Service:		
10 CDA Revenue Bond Debt Service (Phases I-IV) ⁽¹⁾	466,009,320	523,131,258
11 Other Debt Service/CDA Expenses ⁽²⁾	123,722,081	126,438,149
12 Total Debt Service/CDA Expenses	589,731,401	649,569,407
13		
14 Net Benefit Before City Expenditures	1,238,299,764	1,178,461,758
15		
16 Less Estimated Operating Expenditure Impact⁽³⁾:		
17 Department of Public Works	13,151,298	13,151,298
18 Department of Public Utilities	-	-
19 Department of Emergency Communications	6,140,645	6,140,645
20 Department of Planning/Development	1,061,085	1,061,085
21 Department of Fire/Emergency Services	126,865,228	126,865,228
22 Richmond Police Department	19,880,564	19,880,564
23 Office of Children and Families	-	-
24 Total Estimated Operating Expenditures	167,098,819	167,098,819
25		
26 Net Benefit to the City	1,071,200,946	1,011,362,940

Notes:

- (1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets
- (2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.
- (3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

Section 2-303(b) | Net Benefit to the City – All Phases Through FY 2068



b) A debt capacity schedule, if debt is a funding mechanism. In addition, the debt capacity schedule shall show the City’s current debt capacity and how the City’s current debt capacity is expected to change if the Council approves the proposed ordinance to which the fiscal impact statement relates for adoption or amendment.

- The Project is a \$2.44 Billion transformational project that will revitalize approximately 67 acres in the heart of the City adjacent to the vibrant Scott’s Addition area.
 - The mixed-use Project will include residential (market rate and affordable) housing, commercial office, retail space, restaurants, and a hotel.
 - The aggregate planned Phase I investment approximates \$627.6 Million.
 - These investments are estimated to add to the City’s total taxable real estate assessed valuation as shown below, which in turn, will add to the City’s overall Legal Debt Capacity.

	Projected Full Build Out FY	Assessed Value			Total	% of
		Residential	Commercial	Parking	Assessed Value	Taxable AV Real Property
Phase I	2030	316,020,000	92,650,000	74,175,000	482,845,000	1.5%
Phase II	2032	180,565,000	82,270,000	61,435,000	324,270,000	1.0%
Phase III	2034	133,260,000	113,105,000	64,780,000	311,145,000	1.0%
Phase IV	2038	132,070,000	155,610,000	118,270,000	405,950,000	1.3%
Total All Phases		761,915,000	443,635,000	318,660,000	1,524,210,000	4.7%

Estimated Taxable Assessed Valuation (AV) of Real Property as of FY 2023 32,395,000,000



Section 2-303(b)(cont.) | Impact on Cumulative Debt Capacity

- b) *A debt capacity schedule, if debt is a funding mechanism. In addition, the debt capacity schedule shall show the City's current debt capacity and how the City's current debt capacity is expected to change if the Council approves the proposed ordinance to which the fiscal impact statement relates for adoption or amendment.*
- The full build-out of the Project, will have a positive effect on the City's Debt Capacity.
 - The Project is projected to add approximately \$154,421,000 of additional Debt Capacity under Virginia Law.
 - The \$23,700,000 to be used for public infrastructure investment in the Diamond District will be programmed into the CIP through FY 2028.
 - Of the \$23.7 Million, approximately \$18,000,000 of the G.O. Bonds is directly related to the City's Storm Water Enterprise system – to the extent that this becomes self supporting through user rates and charges, then this amount would not count against the City's Debt Capacity.



Section 2-303(c) | Comparison of Funding Options/Sources

c) *A comparison of funding and financing options available, including, but not limited to, expenditures from City funds, the issuance of general obligation bonds, and the issuance of revenue bonds.*

- The Stadium Portion of the Project will be funded from \$80 Million CDA Revenue Bonds, \$20 Million Subordinate Developer Loan, and \$10 Million Equity (from Sale of Phase I Land) (estimated total cost \$110 Million).

- The \$80 Million CDA Revenue Bonds and \$20 Million Subordinate Developer Loan will be Non-Recourse to the City and will be supported and repaid from a portion of the revenues from the impacted area and backed by a Special Assessment within the CDA area, which will be subject to appropriation.
 - The CDA Revenue Bonds will be Non-Recourse and will not involve a general nor moral obligation of the City for the repayment of principal and interest from other than incremental revenues. As a result, in the event that incremental revenues of the increment area are insufficient, the City will have no obligation to repay the debt service. The Bonds will be further backstopped by a Special Assessment levied on the taxable property of the CDA if the incremental revenue is insufficient.
 - The risk of repayment will be borne by the investors (i.e. purchasers of the Non-Recourse CDA Revenue Bonds).
 - The issuance and repayment of the Non-Recourse CDA Revenue Bonds and \$20 Million Subordinate Developer Loan will not affect the City's Debt Capacity.
 - Loop Capital Markets has provided a Tax-Exempt interest rate range of 6.75% to 7.50% for the CDA Revenue Bonds.
 - The \$20 Million Subordinate Developer Loan is estimated to have a 8% interest rate.



Section 2-303(c) | Comparison of Funding Options/Sources (cont.)

c) *A comparison of funding and financing options available, including, but not limited to, expenditures from City funds, the issuance of general obligation bonds, and the issuance of revenue bonds.*

- As discussed in the response to Section 2-303(a)/Infrastructure Sources and Uses, and Section 2-303(b)/Impact on Cumulative Debt Capacity:
 - The City will use approximately \$23.7 Million of its Debt Capacity to fund public infrastructure.
 - *It is important to note that this public infrastructure would have to be undertaken by the City for any development to occur on the Phase I Project site.*
 - *In addition, to the extent that the Storm Water Utility becomes fully self supporting through user rates and charges, then approximately \$18 of the \$23.7 Million of G.O. Bonds would not count against the City's Debt Capacity.*
 - The estimated planning rate for 20 Year G.O. Bonds is 5%.
 - The approximate \$17 Million of DPU Enterprise Revenue Bonds for water, sewer and gas infrastructure are repaid from user rates and charges, are fully self supported and thus do not count against the City's Debt Capacity.
 - The \$25 Million EDA Revenue Bonds issued for the Sports Backers facility will have a Moral Obligation from the City and are to be repaid from Lease Revenues from an outside third party and not from City General Funds. As a result, these bonds will not count against the City's Debt Capacity.
 - The estimated planning rate for these Bonds with an approximate 10 year term is 5%.

Section 2-303(d) | Land Sale Proceeds and Related Use



d) A detailed cost analysis, including, but not limited to, costs to the City and private funding, and a listing of the amount, value and source, as applicable, of each public and private investment, including, but not limited to, any property values of any real estate transferred, incentives provided, or infrastructure improvements made to facilitate the economic development project.

- See responses to Section 2-303(a)/Infrastructure Sources and Uses, Section 2-303(b)/Impact on Debt Capacity, and Section 2-303(c)/Comparison of Funding Options and Sources for information on the estimated costs of funding.
- The table below shows the estimated Land Sale proceeds to be received by the City. The proceeds from the sale of the Phase I site has been programmed as shown below.

Fiscal Year	Phase I		Phase I Total	Phase II 2028	Phase III 2031	Phase IV 2034	Phases I-IV Grand Total
	2024	2025					
Sources of Funds							
Land Sale Proceeds	16,000,000	-	16,000,000	7,260,000	16,390,000	28,680,000	68,330,000
Sportsbackers Sale Proceeds	-	11,800,000	11,800,000	-	-	-	11,800,000
Total Sources of Funds	16,000,000	11,800,000	27,800,000	7,260,000	16,390,000	28,680,000	80,130,000
Uses of Funds							
Stadium	10,000,000	-	10,000,000	-	-	-	10,000,000
Infrastructure	6,000,000	4,800,000	10,800,000	-	-	-	10,800,000
Other Infrastructure Contingency	-	7,000,000	7,000,000	7,260,000	16,390,000	28,680,000	59,330,000
Total Uses of Funds	16,000,000	11,800,000	27,800,000	7,260,000	16,390,000	28,680,000	80,130,000

Source: City of Richmond

Section 2-303(e) | Revenue/Expenditures/Net Benefit to the City – All Phases Through FY 2068



e) A Projected revenue and expenditure estimates attributable to the City, as a result of the proposed ordinance for adoption or amendment, if it is approved, covering at least the next ten fiscal years, including, but not limited to, debt repayment, new tax revenue, ownership, management, and maintenance costs, and additional service delivery costs for police and fire protection services and refuse collection services.

■ The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds⁽¹⁾, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project.

– Scenario 1⁽¹⁾ assumes a 6.75% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.50x in FY 2033 for Phase I.

- Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

– Scenario 2⁽¹⁾ assumes a 7.50% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.33x in FY 2033 for Phase I.

- Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

Notes:

- (1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets
- (2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.
- (3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Total All Phases Through FY 2068		
	Scenario 1 CDA Bonds @ 6.75%	Scenario 2 CDA Bonds @ 7.50%
1 Revenues Generated by the Project	6.75%	7.50%
2 Total Project Revenues (including Stadium Rent)	1,580,034,507	1,580,034,507
3 Other Non-CDA Revenues		
4 Schools Portion of Meals Tax (1.5%)	63,507,718	63,507,718
5 GRCCA Lodging Tax (8.0%)	52,255,048	52,255,048
6 Stadium Rent	132,233,892	132,233,892
7 Total Estimated Revenues Generated by the Project	1,828,031,166	1,828,031,166
8		
9 Less Debt Service:		
10 CDA Revenue Bond Debt Service (Phases I-IV) ⁽¹⁾	466,009,320	523,131,258
11 Other Debt Service/CDA Expenses ⁽²⁾	123,722,081	126,438,149
12 Total Debt Service/CDA Expenses	589,731,401	649,569,407
13		
14 Net Benefit Before City Expenditures	1,238,299,764	1,178,461,758
15		
16 Less Estimated Operating Expenditure Impact⁽³⁾:		
17 Department of Public Works	13,151,298	13,151,298
18 Department of Public Utilities	-	-
19 Department of Emergency Communications	6,140,645	6,140,645
20 Department of Planning/Development	1,061,085	1,061,085
21 Department of Fire/Emergency Services	126,865,228	126,865,228
22 Richmond Police Department	19,880,564	19,880,564
23 Office of Children and Families	-	-
24 Total Estimated Operating Expenditures	167,098,819	167,098,819
25		
26 Net Benefit to the City	1,071,200,946	1,011,362,940

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

Section 2-303(e) | Revenue/Expenditures/Net Benefit to the City – All Phases Annual First 10 Years After Stadium Completion (Scenario 1)



e) A Projected revenue and expenditure estimates attributable to the City, as a result of the proposed ordinance for adoption or amendment, if it is approved, covering at least the next ten fiscal years, including, but not limited to, debt repayment, new tax revenue, ownership, management, and maintenance costs, and additional service delivery costs for police and fire protection services and refuse collection services.

- The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds⁽¹⁾, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project based on Scenario 1.

Revenue/Expense Summary

Diamond District

FY	Total					Scenario 1			Total Allocated Operating Expense ⁽³⁾	Benefit (Cost)
	Project Revenues	Other Non-CDA Revenues Schools Meals Tax	GRCCA Lodging Tax	Stadium Rent	Total Revenues	CDA Revenue Bond Debt Service ⁽¹⁾	Other Debt Service ⁽²⁾ CDA Expense	Total Debt Service/ CDA Expense		
2024	670,538	65,063	-	-	735,601	-	-	-	150,861	584,741
2025	1,454,930	88,486	-	-	1,543,416	-	418,333	418,333	457,079	668,003
2026	5,423,334	215,001	585,736	3,200,000	9,424,071	1,990,491	4,350,893	6,341,384	397,943	2,684,744
2027	8,647,153	335,004	796,600	3,230,000	13,008,757	7,961,963	5,010,520	12,972,482	1,635,993	(1,599,718)
2028	9,475,554	349,529	812,532	3,260,900	13,898,515	7,961,963	5,272,015	13,233,977	1,271,973	(607,436)
2029	11,094,716	356,520	828,780	3,292,727	15,572,742	7,961,963	6,841,044	14,803,007	1,359,138	(589,402)
2030	12,956,604	403,078	845,356	3,325,509	17,530,546	8,089,397	7,706,264	15,795,661	1,431,286	303,600
2031	15,629,629	441,743	862,264	3,359,274	20,292,910	9,109,275	8,538,224	17,647,499	1,493,899	1,151,513
2032	18,586,906	489,096	879,512	3,394,052	23,349,566	9,109,150	10,018,039	19,127,189	1,572,000	2,650,376
2033	20,186,727	572,931	897,100	3,429,874	25,086,632	9,301,073	10,728,511	20,029,584	1,674,316	3,382,732
2034	22,341,958	605,792	915,044	3,466,770	27,329,563	10,880,675	11,016,240	21,896,915	1,758,445	3,674,203
2035	23,309,764	707,794	933,344	3,504,773	28,455,676	11,037,938	11,424,228	22,462,165	1,871,333	4,122,178
Ten Year Total	149,777,812	4,630,037	8,356,268	33,463,879	196,227,996	83,403,886	81,324,311	164,728,197	15,074,266	16,425,534
2036 Through 2068	1,430,256,695	58,877,681	43,898,780	98,770,013	1,631,803,169	382,605,434	42,397,770	425,003,205	152,024,553	1,054,775,412
Grand Total	1,580,034,507	63,507,718	52,255,048	132,233,892	1,828,031,166	466,009,320	123,722,081	589,731,401	167,098,819	1,071,200,946

Notes:

- (1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets
- (2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.
- (3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

Section 2-303(e) | Revenue/Expenditures/Net Benefit to the City – All Phases Annual First 10 Years After Stadium Completion (Scenario 2)



e) A Projected revenue and expenditure estimates attributable to the City, as a result of the proposed ordinance for adoption or amendment, if it is approved, covering at least the next ten fiscal years, including, but not limited to, debt repayment, new tax revenue, ownership, management, and maintenance costs, and additional service delivery costs for police and fire protection services and refuse collection services.

- The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds⁽¹⁾, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project based on Scenario 2.

Revenue/Expense Summary

Diamond District

FY	Total					Scenario 2			Total Allocated Operating Expense ⁽³⁾	Benefit (Cost)
	Project Revenues	Other Non-CDA Revenues Schools Meals Tax	GRCCA Lodging Tax	Stadium Rent	Total Revenues	CDA Revenue Bond Debt Service ⁽¹⁾	Other Debt Service ⁽²⁾ CDA Expense	Total Debt Service/ CDA Expense		
2024	670,538	65,063	-	-	735,601	-	-	-	150,861	584,741
2025	1,454,930	88,486	-	-	1,543,416	-	418,333	418,333	457,079	668,003
2026	5,423,334	215,001	585,736	3,200,000	9,424,071	2,287,219	4,350,893	6,638,112	397,943	2,388,016
2027	8,647,153	335,004	796,600	3,230,000	13,008,757	9,148,875	5,010,520	14,159,395	1,635,993	(2,786,631)
2028	9,475,554	349,529	812,532	3,260,900	13,898,515	9,148,875	5,272,015	14,420,890	1,271,973	(1,794,348)
2029	11,094,716	356,520	828,780	3,292,727	15,572,742	9,148,875	6,247,588	15,396,463	1,359,138	(1,182,858)
2030	12,956,604	403,078	845,356	3,325,509	17,530,546	9,296,650	7,107,351	16,404,001	1,431,286	(304,740)
2031	15,629,629	441,743	862,264	3,359,274	20,292,910	10,440,375	7,872,412	18,312,787	1,493,899	486,225
2032	18,586,906	489,096	879,512	3,394,052	23,349,566	10,445,250	9,353,427	19,798,677	1,572,000	1,978,889
2033	20,186,727	572,931	897,100	3,429,874	25,086,632	10,661,638	10,044,899	20,706,536	1,674,316	2,705,780
2034	22,341,958	605,792	915,044	3,466,770	27,329,563	12,350,250	10,280,428	22,630,678	1,758,445	2,940,440
2035	23,309,764	707,794	933,344	3,504,773	28,455,676	12,352,125	10,766,216	23,118,341	1,871,333	3,466,003
Ten Year Total	149,777,812	4,630,037	8,356,268	33,463,879	196,227,996	95,280,131	76,724,080	172,004,211	15,074,266	9,149,519
2036 Through 2068	1,430,256,695	58,877,681	43,898,780	98,770,013	1,631,803,169	427,851,127	49,714,069	477,565,196	152,024,553	1,002,213,420
Grand Total	1,580,034,507	63,507,718	52,255,048	132,233,892	1,828,031,166	523,131,258	126,438,149	649,569,407	167,098,819	1,011,362,940

Notes:

(1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets

(2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.

(3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

Section 2-303(e) | Estimated Operating Expense: Department of Public Works



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

Department of Public Works (DPW): Projected Expense Impact

Diamond District

Period	FY	One-Time				Ongoing			Total
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Ph II-IV Consultant	Capital Exp	Ongoing Staff Exp	Ongoing Oper Exp	
(2)	2024	-	83,911	-	-	-	-	-	83,911
(1)	2025	-	86,428	-	-	70,727	-	123,772	280,926
1	2026	-	89,021	-	-	-	-	127,485	216,506
2	2027	-	91,691	-	-	-	-	131,309	223,001
3	2028	-	94,442	-	-	-	-	135,249	229,691
4	2029	-	-	-	97,275	-	-	139,306	236,582
5	2030	-	-	-	100,194	-	-	143,485	243,679
6	2031	-	-	-	103,200	-	-	147,790	250,989
7	2032	-	-	-	106,296	-	-	152,224	258,519
8	2033	-	-	-	109,484	-	-	156,790	266,275
9	2034	-	-	-	112,769	-	-	161,494	274,263
10	2035	-	-	-	116,152	95,051	-	166,339	377,541
Ten Year Total		-	445,493	-	745,370	165,777	-	1,585,242	2,941,882
Total 2036-2068		-	-	-	242,862	530,125	-	9,436,428	10,209,415
Grand Total		-	445,493	-	988,232	695,903	-	11,021,670	13,151,298

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, DPW Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
 - One-time consulting expense of \$3,421,600 through spread evenly through completion of all four phases.
 - Equipment Expense of \$200,000, starting in FY 2025 replaced on a 10-year cycle.
 - Ongoing operational expense of \$350,000 starting in FY 2025.

All expenses assume inflation growth rate of 3%

Section 2-303(e) | Estimated Operating Expense: Department of Emergency Communications, Preparedness and Response



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

Department of Emergency Communications, Preparedness, and Response (DEC): Projected Expense Impact

Diamond District

Period	FY	One-Time				Ongoing		Total	
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Ph II-IV Consultant	One-Time Exp	Ongoing Staff Exp		Ongoing Oper Exp
(2)	2024	-	-	-	-	-	-	-	
(1)	2025	-	-	-	-	-	68,959	-	
1	2026	-	-	-	-	-	71,027	-	
2	2027	-	-	-	-	-	73,158	-	
3	2028	-	-	-	-	-	75,353	-	
4	2029	-	-	-	-	-	77,613	-	
5	2030	-	-	-	-	-	79,942	-	
6	2031	-	-	-	-	-	82,340	-	
7	2032	-	-	-	-	-	84,810	-	
8	2033	-	-	-	-	-	87,355	-	
9	2034	-	-	-	-	-	89,975	-	
10	2035	-	-	-	-	-	92,674	-	
Ten Year Total		-	-	-	-	-	883,206	-	883,206
Total 2036-2068		-	-	-	-	-	5,257,438	-	5,257,438
Grand Total		-	-	-	-	-	6,140,645	-	6,140,645

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, DEC Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
 - Ongoing staffing expense of \$195,000 (\$65,000 for 3 personnel) starting in FY 2025.

Section 2-303(e) | Estimated Operating Expense: Department of Planning and Development Review



- The table shows the Estimated Operating Expense impact – 100% of Total costs allocated to the Project.

Department of Planning and Development Review (PDR - Expense): Projected Expense Impact

Diamond District

Period	FY	One-Time				Ongoing		Total	
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Ph II-IV Consultant	One-Time Exp	Ongoing Staff Exp		Ongoing Oper Exp
(2)	2024	61,800	-	-	-	5,150	-	-	66,950
(1)	2025	63,654	-	-	-	-	-	-	63,654
1	2026	65,564	-	-	-	-	-	-	65,564
2	2027	67,531	-	-	-	-	-	-	67,531
3	2028	69,556	-	-	-	-	-	-	69,556
4	2029	-	-	71,643	-	-	-	-	71,643
5	2030	-	-	73,792	-	-	-	-	73,792
6	2031	-	-	76,006	-	-	-	-	76,006
7	2032	-	-	78,286	-	-	-	-	78,286
8	2033	-	-	80,635	-	-	-	-	80,635
9	2034	-	-	83,054	-	-	-	-	83,054
10	2035	-	-	85,546	-	-	-	-	85,546
Ten Year Total		328,105	-	548,963	-	5,150	-	-	882,217
Total 2036-2068		-	-	178,867	-	-	-	-	178,867
Grand Total		328,105	-	727,830	-	5,150	-	-	1,061,085

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, PDR Staff

- 100% allocation of expense assumptions shown in 2023 dollars:
 - Allocable staff expense of \$60,000 starting in FY 2025 through FY 2037.
 - One time equipment expense of \$5,150.

Section 2-303(e) | Estimated Operating Expense: Department of Fire and Emergency Services



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

Richmond Department of Fire and Emergency Services (RFD): Projected Expense Impact

Diamond District

Period	FY	One-Time		Ongoing				Total	
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Phase I Equipment	Phases II-IV Equipment	Ph I Ongoing Staff Exp		Ph II-IV Ongoing Staff Exp
(2)	2024	-	-	-	-	-	-	-	
(1)	2025	-	-	-	-	-	-	-	
1	2026	-	-	-	-	-	-	-	
2	2027	-	-	-	372,356	-	778,852	1,151,208	
3	2028	-	-	-	-	-	802,218	802,218	
4	2029	-	-	-	-	-	826,284	826,284	
5	2030	-	-	-	-	-	851,073	851,073	
6	2031	-	-	-	-	-	876,605	876,605	
7	2032	-	-	-	-	-	902,903	902,903	
8	2033	-	-	-	-	-	929,990	929,990	
9	2034	-	-	-	69,212	-	957,890	1,027,102	
10	2035	-	-	-	-	-	986,627	986,627	
Ten Year Total		-	-	-	441,568	-	7,912,441	8,354,009	
Total 2036-2068		-	-	-	1,736,569	4,831,655	55,971,497	55,971,497	118,511,219
Grand Total		-	-	-	2,178,137	4,831,655	63,883,939	55,971,497	126,865,228

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, RFD/DED Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
 - Company 1 - Ongoing staffing expense of \$2,076,000 (3 Battalion commanders @ \$167,000, 1 Captain @ \$135,000, 2 Lieutenants @ \$120,000, 3 DPO's @ \$100,000, 12 Fire Fighters @ \$75,000) starting in FY 2027; Company 2 - Ongoing staffing expense of \$2,076,000 (3 Battalion commanders @ \$167,000, 1 Captain @ \$135,000, 2 Lieutenants @ \$120,000, 3 DPO's @ \$100,000, 12 Fire Fighters @ \$75,000) starting in FY 2036.
 - 2027 Equipment - 1 Engine and related equipment @ \$842,500 with 15 year replacement cycle; 1 Command vehicle @ \$150,000 with 7 year replacement cycle. 2029 Equipment - 1 Ladder Truck and related equipment @ \$1,742,500 with 15 year replacement cycle; 1 Command vehicle @ \$150,000 with 7 year replacement cycle.

Section 2-303(e) | Estimated Operating Expense: Richmond Police Department



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

Richmond Police Department (RPD): Projected Expense Impact

Diamond District

Period	FY	One-Time				Ongoing		Total
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Ph II-IV Consultant	Equipment	Ongoing Staff Exp	
(2)	2024	-	-	-	-	-	-	-
(1)	2025	-	-	-	-	-	43,540	43,540
1	2026	-	-	-	-	-	44,847	44,847
2	2027	-	-	-	-	28,712	92,384	121,096
3	2028	-	-	-	-	-	95,156	95,156
4	2029	-	-	-	-	-	147,015	147,015
5	2030	-	-	-	-	31,374	151,426	182,800
6	2031	-	-	-	-	-	207,958	207,958
7	2032	-	-	-	-	33,285	214,197	247,482
8	2033	-	-	-	-	34,283	275,778	310,062
9	2034	-	-	-	-	-	284,052	284,052
10	2035	-	-	-	-	36,371	292,573	328,944
Ten Year Total		-	-	-	-	164,025	1,848,926	2,012,951
Total 2036-2068		-	-	-	-	1,269,880	16,597,733	17,867,613
Grand Total		-	-	-	-	1,433,905	18,446,659	19,880,564

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, RPD Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
 - One Police Officer @ \$123,123 added every 5 years.
 - One Police Vehicle @ \$76,530 added every 3 years with a 5 year replacement cycle.



- Water
 - No additional staff or equipment needs anticipated in Phase 1 or Total Project.
 - Phase 1 and Total Project water infrastructure to be designed and constructed by development team subject to DPU review, approval, inspection, tie-ins, fees\applications. Other impacts – Phase 1 will see DPU relocated 1600' of the 36" Hanover Transmission Main, which is currently in design. Cost of material & construction to be refunded to DPU by development team once project is complete.
- Sewer/Stormwater
 - DPU predicts, based on the limited information available at this time, that one or more underground stormwater retention basins (which DPU is assuming we'd be responsible for) may be needed to address increased stormwater runoff from the new development. It is also possible that pumping of some of the sanitary sewer will be required and DPU will be responsible for upkeep of these as well. DPU will not be able to determine whether this infrastructure is needed until a preliminary utility plan for the development as a whole is completed. If such equipment is needed, DPU will likely also require new, full-time personnel and equipment to maintain the stormwater retention basins and/or sanitary sewer pump stations.
- Gas
 - Depending on the final layout of the redevelopment, DPU will need to abandon and run new gas lines to the proposed meter locations. The cost won't affect the City Of Richmond budget. The abandonment and new install costs will be the developer's responsibility.

Source: Department of Public Utilities



- Phase I
 - No additional staff, equipment or infrastructure needs anticipated in Phase 1.
 - The Office of Children & Families (OCF) estimates that approximately 64 K-12 students will move into the approximately 1,334 units housing units built during Phase 1 of the project. These students could be new Richmond residents or current residents who move from other neighborhoods. Because the increases in the number of children and families is marginal, there should not be a meaningful impact on either OCF or RPS's operations in Phase 1. Based OFC's analysis of data available from Richmond Public Schools' 2019 rezoning process and School Year 2022-23 Fall Membership data collected by the VDOE, it is clear that existing RPS facilities possess adequate capacity to absorb 64 additional school-aged children. Each of the zoned elementary, middle and high schools proximate to the Diamond District, as well as out-of-zone schools that may enroll Diamond District students through open enrollment, have current enrollments that are at least 75 students under their total functional capacity.

- Total Project
 - No additional staff, equipment or infrastructure needs anticipated in Total Project.
 - The Office of Children & Families estimates that approximately 125 K-12 students will move into the approximately 2,846 units housing units housing built during the entirety of the project. These students could be new Richmond residents or current residents who move from other neighborhoods. While it is more difficult to estimate impacts for future years in light of potential overall changes in the City's population and RPS redistricting in future years, at this time it is similarly estimated that the Development will also not have a meaningful impact on either OCF or RPS's operations in future phases. Chart 1 below shows that all but three relevant schools has the capacity for more than 125 students. Importantly, it is implausible that all 125 students estimated would go to the same school, as they are likely to be of different ages. Additionally, it is reasonable to assume that at least some of the students anticipated to move into the Diamond District would be current RPS students moving from other parts of the City.

Source: Office of Children and Families



Section 2-303(f)

- f) *Subsequent actions that may affect future revenue and expenditures if the proposed ordinance authorizes spending, including, but not limited to, the City's full fiscal obligation, ownership, management and maintenance.*
- As this project is anticipated to have a significant impact through the projection period, incremental changes will need to be incorporated into the annual budgets adopted by City Council, as revenues grow, new housing units are established, etc.



Section 2-303(g)

g) A description of any variables that may affect revenue and cost estimates.

- Variables that may affect revenue and cost estimates include:
 - Interest rates in effect when the public revenue bonds are sold;
 - The timing of the completion of construction of public and private improvements; and
 - Major changes in the national and/or local economy, which impact the ultimate cost of the various capital improvements and anticipated revenues.



Section 2-303(h)

h) An estimate of the staff time and staff costs needed to implement the proposed ordinance.

- Staff time from the City Attorney's Office, Economic Development, Finance, and Planning and Development Review, among others, will be needed to assist with the issuance of public revenue bonds, tracking and disbursement of Increment Area Financing revenues, permitting, etc. Minor increases are anticipated for future years above baseline service levels.



Section 2-303(i)

- i) *An explanation of how the addition of new staff, if any, and responsibilities would increase costs and affect other duties.*
- See response to Section 2-303(e) for Estimated Operating Expense Impacts, which include staffing impact and related costs.

Section 2-303(j)



j) Ranges of revenue or expenditures that are uncertain or difficult to project.

- The Revenue Projections for the Project have been prepared by MuniCap, Inc. and incorporate assumptions from the Developer.
- The Revenue Projections are based on the best available assumptions as of the date of this analysis. Variables that may impact the revenues include:
 - Market absorption of residential and commercial properties;
 - Retail and restaurant sales;
 - Hotel occupancy;
 - Overall economic conditions;
 - Population growth of the City; and
 - Baseball game/event attendance, amongst others.
- Estimated Operating Expense assumptions provided by the City may vary from the enclosed assumptions/estimates due to actual population growth and overall growth of the City, and other unforeseen factors.
- The CDA and Other Debt Assumptions provided herein are estimates as of the date of this analysis based on current market conditions, and the overall economy.
 - The actual results achieved with the proposed debt issuance may differ from the projections shown herein.
 - Factors that affect cost of funds of debt include, investor demand, supply of bonds in the market, U.S. market conditions, global market conditions, and geo-political conflicts.
 - The actual results of the debt issuance(s) will only be known on the day of the bond sale(s).

Section 2-303(k)



- k) *If it is determined that the proposed ordinance, or any proposed amendments thereto, is not likely to have a fiscal impact, the basis for such a determination.*
- Davenport’s analysis demonstrates that the Project is anticipated to have a positive fiscal impact to the City.



B: Economic Impact Statement per City Code Section 2-304



Section 2-304(a)

- a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the economic impact statement.*
- See response to Section 2-303(a).



Section 2-304(b)

- b) *An outline that lists all ordinances, resolutions or actions that are required to be completed related to and for the economic development project, with an associated timeline for each.*
- An ordinance authorizing the CAO to execute the Diamond District Redevelopment Project Development Agreement by and between the City, RVA Diamond Partners LLC (“RVADP”), and the Economic Development Authority (“EDA”), and its attachments, which include, among other things, a Grant Agreement concerning financing of the stadium and other public improvements (2023).
 - An ordinance authorizing the City’s conveyance of parcels of surplus owned real estate to the EDA (2023).
 - An ordinance to create the Diamond District Community Development Authority (2023).
 - An ordinance to create a special revenue fund for the incremental revenues dedicated to bond repayment (2023).
 - Rezoning ordinances (2023).



Section 2-304(c)

c) *A description of any variables that could affect economic impact estimates.*

- Variables that may affect revenue and cost estimates include:
 - Interest rates in effect when the public revenue bonds are sold;
 - The timing of the completion of construction of public and private improvements; and
 - Major changes in the national and/or local economy, which impact the ultimate cost of the various capital improvements and anticipated revenues.



Section 2-304(d)

d) *The partnerships, corporations, businesses, boards, commissions, nonprofit organizations and other entities that the Mayor anticipates will be stakeholders in the economic development project to be authorized by the proposed ordinance and the level and nature of their involvement with the economic development project to be authorized by the proposed ordinance.*

- RVADP (Developer)
- Economic Development Authority
- Community Development Authority (CDA)
- Flying Squirrels MiLB.
- Virginia Commonwealth University.



Section 2-304(e)

e) *Any anticipated positive or negative impact, if any, on employment.*

- RVADP (Developer)
- Economic Development Authority
- Community Development Authority (CDA)
- Flying Squirrels MiLB.
- Virginia Commonwealth University.

Section 2-304(f)



f) *A range of economic impact factors that are uncertain or difficult to project.*

- The Revenue Projections for the Project have been prepared by MuniCap, Inc. and incorporate assumptions from the Developer.
- The Revenue Projections are based on the best available assumptions as of the date of this analysis. Variables that may impact the revenues include:
 - Market absorption of residential and commercial properties;
 - Retail and restaurant sales;
 - Hotel occupancy;
 - Overall economic conditions;
 - Population growth of the City; and
 - Baseball game/event attendance, amongst others.
- Estimated Operating Expense assumptions provided by the City may vary from the enclosed assumptions/estimates due to actual population growth and overall growth of the City, and other unforeseen factors.
- The CDA and Other Debt Assumptions provided herein are estimates as of the date of this analysis based on current market conditions, and the overall economy.
 - The actual results achieved with the proposed debt issuance may differ from the projections shown herein.
 - Factors that affect cost of funds of debt include, investor demand, supply of bonds in the market, U.S. market conditions, global market conditions, and geo-political conflicts.
 - The actual results of the debt issuance(s) will only be known on the day of the bond sale(s).



Section 2-304(g)

g) The number of permanent or temporary jobs that are anticipated to be created as a result of the economic development project to be authorized by the proposed ordinance.

- Although it is too early to project the net growth in employment over the 12-year development horizon, due to the mixed use nature of the redevelopment Project the City anticipates substantial new jobs to be created (one-time for construction and permanent full-time jobs) and the retention of existing jobs in the City.

Section 2-304(h)



h) An analysis and timeline showing the projected revenues that are expected to be generated as a result of the City's expenditure of public funds, if the proposed ordinance is approved by the Council. The analysis and timeline shall include the benchmarks used to determine the revenue projections. An annual progress report concerning the actual revenues collected as a result of the City's expenditure of public funds and how such revenues exceeded, met or failed to meet the revenue projections and benchmarks shall be provided to the Council no later than December 31 of each year for ten years and as may be requested by the Council for any subsequent year beyond the initial ten years.

- The Projected timeline of full buildout of the Private Investment in all four phases is shown below:

	Projected Full Build Out FY
Phase I	2030
Phase II	2032
Phase III	2034
Phase IV	2038

- The Projected revenues generated by the CDA and expenditures attributable to all debt issuances (excluding Self Supporting DPU Enterprise Debt) and Estimated Operating Expense Impacts are shown to the right.

Total All Phases Through FY 2068		
	Scenario 1 CDA Bonds @ 6.75%	Scenario 2 CDA Bonds @ 7.50%
1 Revenues Generated by the Project		
2 Total Project Revenues (including Stadium Rent)	1,580,034,507	1,580,034,507
3 Other Non-CDA Revenues		
4 Schools Portion of Meals Tax (1.5%)	63,507,718	63,507,718
5 GRCCA Lodging Tax (8.0%)	52,255,048	52,255,048
6 Stadium Rent	132,233,892	132,233,892
7 Total Estimated Revenues Generated by the Project	1,828,031,166	1,828,031,166
8		
9 Less Debt Service:		
10 CDA Revenue Bond Debt Service (Phases I-IV) ⁽¹⁾	466,009,320	523,131,258
11 Other Debt Service/CDA Expenses ⁽²⁾	123,722,081	126,438,149
12 Total Debt Service/CDA Expenses	589,731,401	649,569,407
13		
14 Net Benefit Before City Expenditures	1,238,299,764	1,178,461,758
15		
16 Less Estimated Operating Expenditure Impact⁽³⁾:		
17 Department of Public Works	13,151,298	13,151,298
18 Department of Public Utilities	-	-
19 Department of Emergency Communications	6,140,645	6,140,645
20 Department of Planning/Development	1,061,085	1,061,085
21 Department of Fire/Emergency Services	126,865,228	126,865,228
22 Richmond Police Department	19,880,564	19,880,564
23 Office of Children and Families	-	-
24 Total Estimated Operating Expenditures	167,098,819	167,098,819
25		
26 Net Benefit to the City	1,071,200,946	1,011,362,940



Section 2-304(i)

- i) *An explanation of how the expenditure of any public funds by the City, as may be indicated in the proposed ordinance, complies with any guidelines, policies or best practices that help to achieve or maintain the goal of being a AAA bond rated locality.*
- The costs and benefits of the project are expected to:
 - Enable the City to remain in compliance with Council’s adopted debt policy guidelines;
 - Ultimately growing the annual general fund budget by tens of millions per year; and
 - Expand the City’s debt capacity over the 45-year Project life-cycle horizon.
 - Through the allocation of surplus revenues for key priorities, the Project is consistent with the goal of being an AAA bond rated locality.



Section 2-304(j)

- j) *If it is determined that the proposed ordinance, or any proposed amendments thereto, is not likely to have an economic impact, the basis for such a determination.*
- Davenport’s analysis demonstrates that the Project is anticipated to have a positive fiscal impact to the City.

Disclaimer



The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 01/01/2023 RK/JS|DR