



The Diamond District

Illustration of the redevelopment of the Diamond District (Source: RVA Diamond Partners)



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PARTNERS**
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REPUBLIC

Organizational Development Standing Committee
Richmond City Council
May 1, 2023

Implementing the Vision

Dec 2020: Adopted the Greater Scott's Addition Plan (part of Richmond 300)

July 2021: Rezoned the Diamond District and the surrounding area from M-1/M-2 to TOD-1 and B-7

Sept 2022: Approved the Term Sheet

April 24, 2023: Introduction of conveyance and Development Agreement Ordinances

May 8, 2023: Council considers authorizing the conveyance of the property and Development Agreement



Illustration of the Crescent Park envisioned in the Greater Scott's Addition Framework Plan (Source: Richmond 300: A Guide for Growth)



Transfer Property from City to EDA

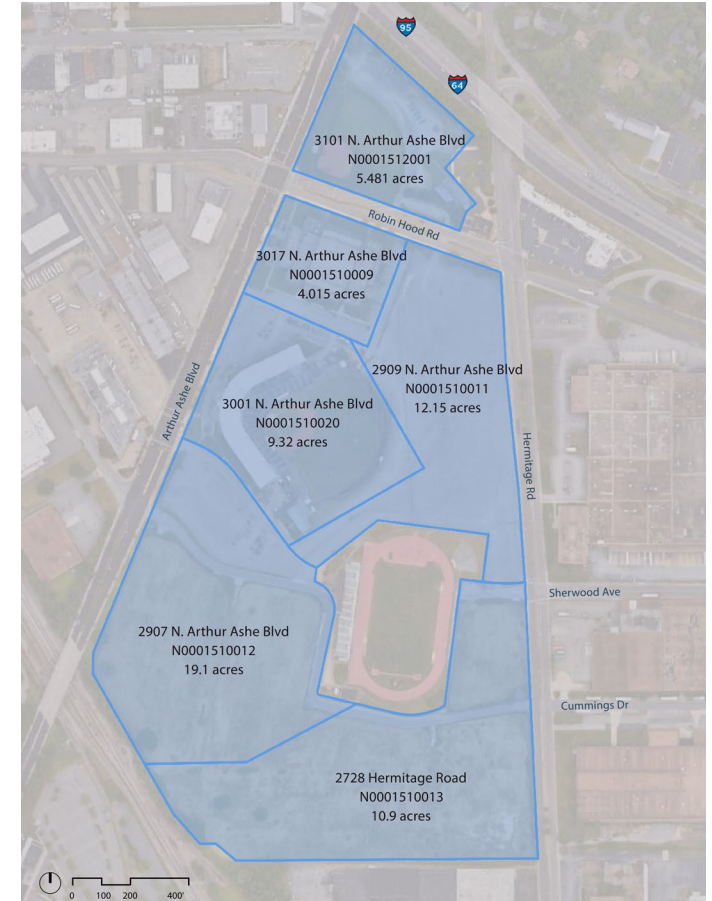
Ord. 2023-133:

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 (EDA)** of the City of Richmond.



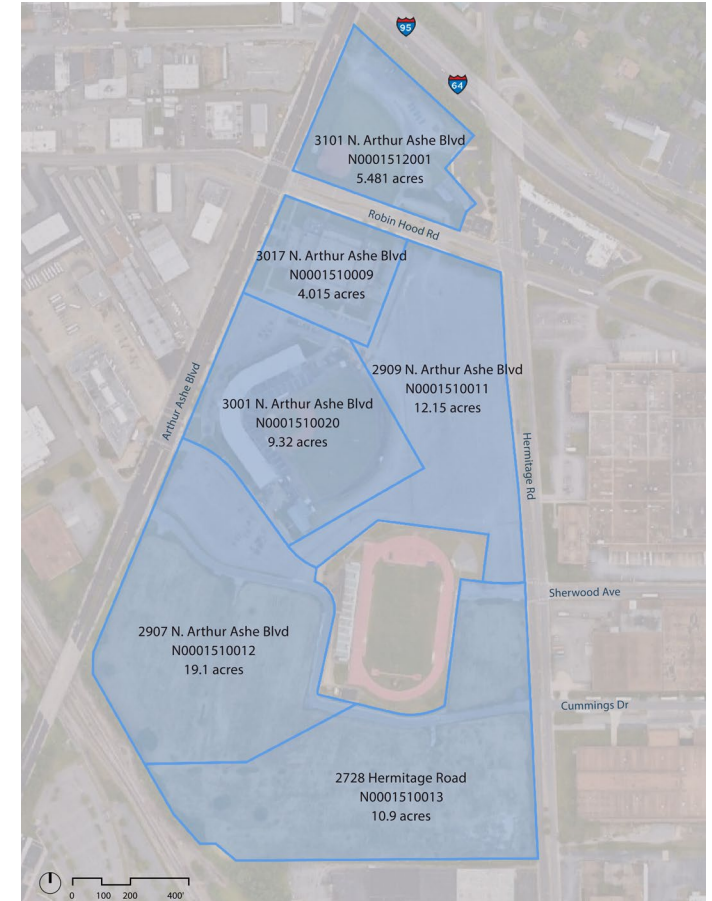
Map of City properties to be conveyed to the EDA (Source: City of Richmond)



Why Transfer to the EDA?

Create the Community Development Authority (CDA). The City cannot petition itself to create the CDA. Once the EDA owns the property it can petition the City to create the CDA.

Generate revenue during the redevelopment. The EDA can generate parking and other revenues on undeveloped land (phase 2-4) to pay the CDA bonds.



Map of City properties to be conveyed to the EDA (Source: City of Richmond)



Development Agreement

Ord. 2023-134:

To authorize the **Chief Administrative Officer**

to execute the **Diamond District Redevelopment Project Development Agreement**

between the **City of Richmond**, Virginia, **RVA Diamond Partners LLC**, and the **Economic Development Authority** of the City of Richmond

for the purpose of providing for the financing, construction, maintenance, and operation of **public improvements** and **private development**

within an area generally known as the **Diamond District** along North Arthur Ashe Boulevard and Hermitage Road.



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EDA

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Key Items that Remain Unchanged

No general or moral obligation of the City to finance the Baseball Stadium.

Delivering a **new Baseball Stadium** that meets MiLB stadium requirements and provides a high-quality fan experience.

Providing **community benefits** related to affordable housing, MBE/ESB participation, labor, park space, and more.

Developer providing a **special assessment backstop** on the Baseball Stadium bonds and infrastructure bonds for Phases 2 through 4.



Master Development Plan

- **11-acre park and infrastructure**
- **Baseball Stadium**
- **Rental housing** at 30% AMI, 60% AMI, and market rate
- **For sale housing** at 60-70% AMI and market rate
- **Hotel, retail, and office** buildings

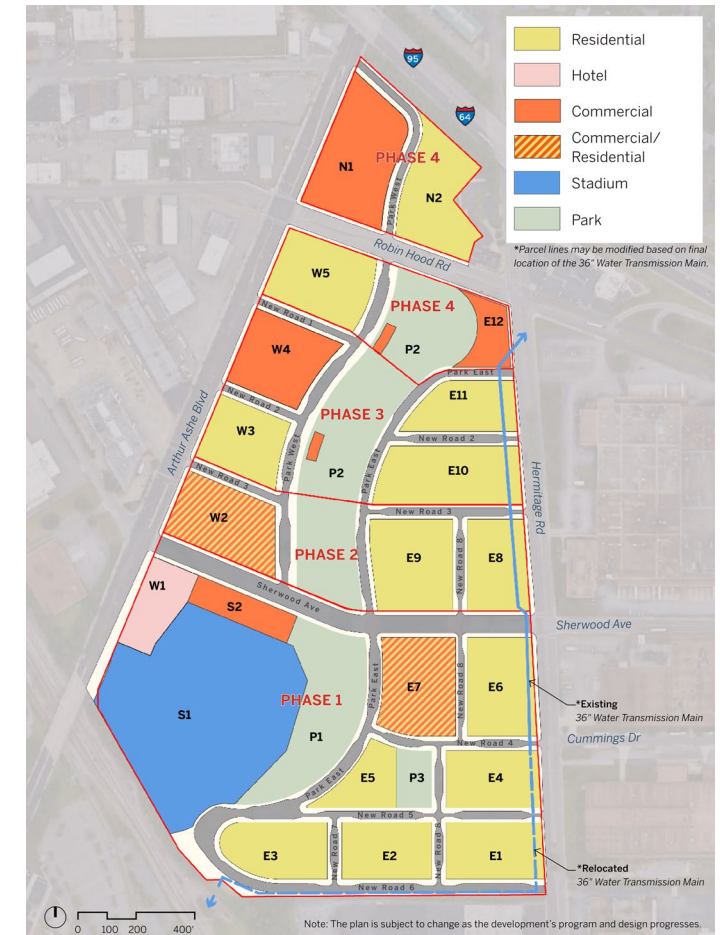


Exhibit A to the Development Agreement



Community Benefits

- Rental housing at 30% and 60% AMI
- For sale housing at 60-70% AMI and \$1M assistance fund
- New 11-acre park
- MBE/ESB goals
- Labor participation goals
- Technical training school
- Sustainability requirements
- Infrastructure improvements

	Residential Units				
	Rental			For Sale	
	Market Rate	60% AMI	30% AMI	Market Rate	60-70% AMI
Phase 1	1,018	155	39	-	-
Phase 2	668	90	18	-	-
Phase 3	190	167	30	54	14
Phase 4	427	64	13	-	-
TOTAL	2,357	476	100	54	14



Key Items that Changed

Federal **interest rates increased** from 0.08% to 4.65% from February 2022 to March 2023.

Baseball Stadium substantial completion is delayed by 9 months.

City is funding the Diamond District **Phase 1 infrastructure** which will include \$23 million in CIP GO bonds. Developer is still responsible for Phase 2 through 4 infrastructure.

Adding nearby parcels to the **Incremental Financing Area** to issue tax-exempt bonds and secure lower interest rates, and to fund additional infrastructure connections to adjacent neighborhoods.

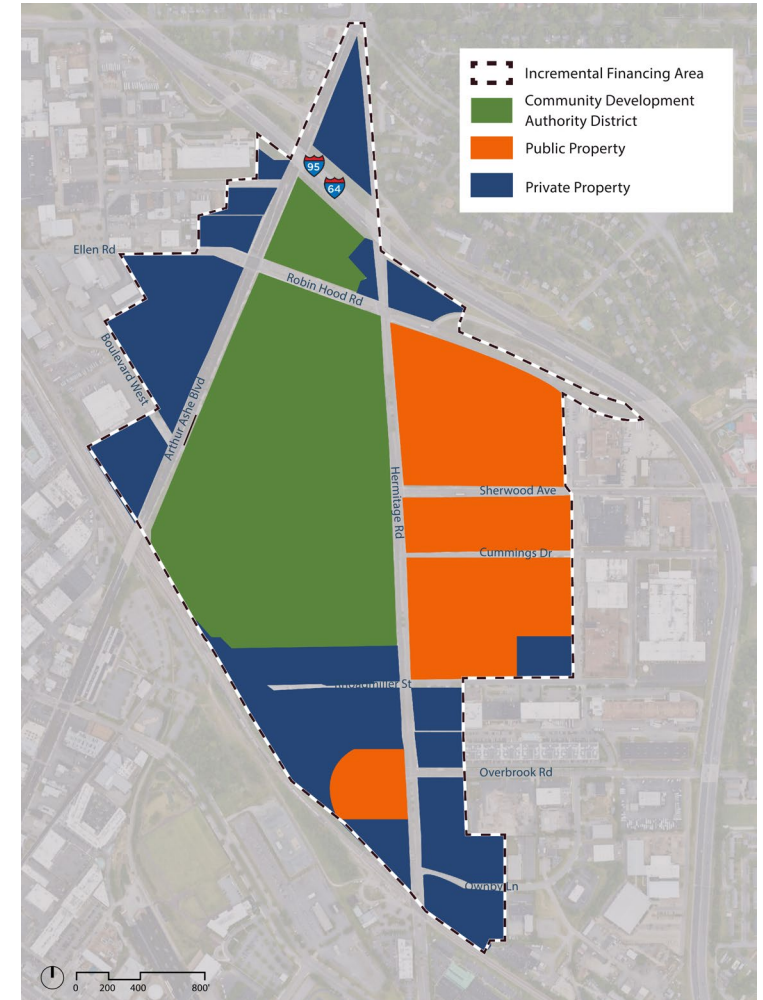
Using **proceeds from the property sale** to reduce the stadium bond debt.



Financing Districts

Incremental Financing Area

- 40% is the Diamond District Community Development Authority District
- 27% is public land
- 33% is private land



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Financing Districts

Diamond District Community Development Authority District (40% of the Incremental Financing Area)

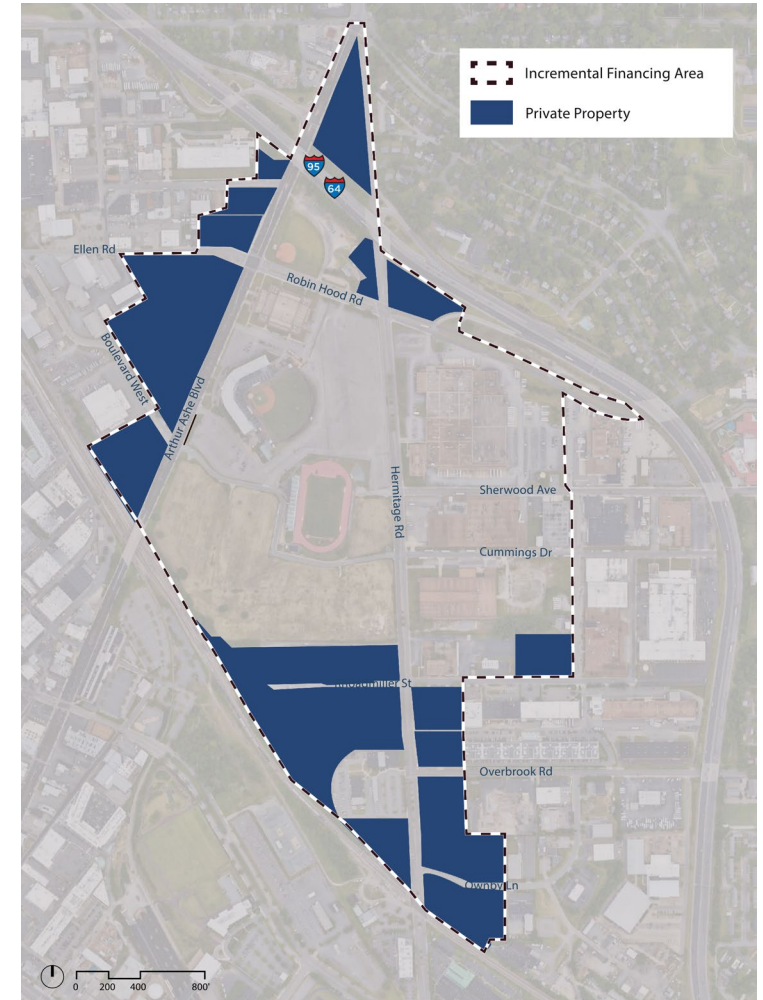
- Requires property owners to agree to:
 - 2% hotel surcharge
 - 0.25% sales surcharge
 - Special assessment backstop
- New incremental tax revenue calculated with \$0 as the base



Financing Districts

Private Property (33% of the Incremental Financing Area)

- Includes properties abutting the major streets (Arthur Ashe Blvd, Hermitage Rd, Robin Hood Rd) to address public comments seeking infrastructure improvements to connect to adjoining neighborhoods
- No extra taxes added
- New incremental tax revenue calculated with 2023 as the base year



Sports Facilities

Source: Davenport Fiscal Impact Analysis, April 24, 2023

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.

Baseball Stadium (\$110 Million)

- The CDA Revenue Bonds are repaid from a portion of the revenues from the impacted area and backed by a Special Assessment paid by the Developer.
- **Non-Recourse to the City (the City will have no obligation to repay the Stadium debt in the event of revenue shortfall).**
- Will not count against the City's debt capacity.
- Approximate 34 year maturity.
- Minimum stabilized Debt Service Coverage range of 1.30x to 1.50x

Sports Backers Stadium (\$25 Million)

- To enable the redevelopment of Phase 1, the City and VCU will collaborate to build a replacement Sports Backers Stadium.
- Funded with EDA Revenue Bonds that are repaid from project revenues.



Fiscal Impact

Net revenue to the City is projected to be **\$1.01 billion** to the general fund through 2068

	Scenario 1 CDA Bonds @ 6.75%	Scenario 2 CDA Bonds @ 7.50%
Total Estimated Revenues Generated by the Project	1,828,031,166	1,828,031,166
Total Debt Service/CDA Expenses	589,731,401	649,569,407
Total Estimated Operating Expenditures	167,098,819	167,098,819
Net Benefit to the City	1,071,200,946	1,011,362,940

Source: Davenport Fiscal Impact Analysis, April 24, 2023



Key Next Steps in 2023

City Council
approves
conveyance
and
Development
Agreement

Finalize
design of the
Baseball
Stadium and
lease terms

Create the
Community
Development
Authority

Issue CDA
Bonds for the
Baseball
Stadium



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Thank you!

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