



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Finance & Economic Development Standing Committee

July 20, 2023

Legislative Summary

Previous Meeting: June 15, 2023
2023

Next Meeting: August 16,

Paper(s) for Consideration

1. ORD. 2023-152

Patron: Mayor Stoney

To repeal City Code §§ 11-190-197, concerning a commercial property assessed clean energy financing program, and to amend ch. 11, art. VIII of the City Code by adding therein new §§ 11-190.1-11-197.1, concerning a commercial property assessed clean energy financing program, for the purpose of aligning the City Code with state law pertaining to commercial property assessed clean energy financing programs.

Key Points:

- A.** C-PACE – Commercial Property Assessed Clean Energy – is an innovative clean energy financing tool that provides 100% upfront capital to property owners who want to upgrade their commercial and multi-family buildings with energy efficiency, renewable energy, and water management systems.
- B.** Allows the City of Richmond to enter into the statewide Commercial Property Assessed Clean Energy ("C-PACE") program sponsored by the Virginia Department of Energy (the "Statewide Program").
- C.** The Virginia PACE Authority (VPA) administers the local C-PACE program on behalf of the local jurisdiction.
- D.** VPA processes and approves all applications and facilitates the closing of the C-PACE loan.
- E.** The C-PACE Capital Provider or VPA records the C-PACE lien and services the loan, if requested.

Fiscal Impact: ☒None ☐Yes.



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2. ORD 2023-212

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to enter into the Twenty-Sixth Commercial Area Revitalization Effort Program Cooperation Agreement between the City of Richmond, Virginia, and the Economic Development Authority of the City of Richmond for the purpose of providing for the operation of the Commercial Area Revitalization Effort ("CARE") Program.

Key Points:

- A. The Commercial Area Revitalization Effort (CARE) Program was established in 1992 by the Department of Economic Development, as a comprehensive program for revitalizing the Hull Street commercial corridor between Commerce Road and Cowardin Avenue.
- B. The Program has since been expanded to twelve areas which include: Jackson Ward, North 25th Street; Brookland Park Blvd.; Hull Street; Midlothian Turnpike; Fulton Hill, Lombardy/Chamberlayne, Meadowbridge, North Avenue, Shockoe Bottom, Swansboro, and Eastview/Whitcomb as CARE commercial corridors.
- C. The adoption of this paper will allow the continuation of financial incentives associated with the CARE Program to eligible businesses and property owners located within the designated corridors.

Fiscal Impact: ☒None ☐Yes.

3. ORD. 2023-213

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute an Enterprise Zone Cooperation Agreement between the City of Richmond, Virginia, and the Economic Development Authority of the City of Richmond for the purpose of administering the Enterprise Zone Program to stabilize and revitalize enterprise zone areas by stimulating private investment through financial incentives.

Key Points:

- A. To allow for the continuation of the Enterprise Zone Program to help stabilize and revitalize these areas by stimulating private investment through financial incentives.
- B. The Virginia Enterprise Zone (VEZ) program is a partnership between the Commonwealth and a locality to encourage job creation and private investment by designating specific local areas as Enterprise Zones.



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- C. Since 1993, the City of Richmond has participated in the VEZ program, and there are currently two Enterprises Zones in the City. The Commonwealth approved five-year extensions for Richmond's Enterprise Zones in December 2022. Businesses investing within Richmond's Enterprise Zone can access seven local economic development incentives that provide small cash reimbursements and grants.
- D. The program was also recently highlighted by past Enterprise Zone awardee Co-founder Alexander Olesen, Babylon Micro-Farms, in the introductory remarks for Vice President Kamala Harris's National Small Business Week speech.
- E. With the adoption of the proposed Cooperative Agreement, the EDA will take responsibility for administering the \$400,000 in FY24 Enterprise Zone incentives.
- F. The adoption of this paper will allow the continuation of financial incentives to eligible businesses and property owners located within the designated Enterprise Zones.

Fiscal Impact: ☒None ☐Yes

4. ORD. 2023-214

Patron: Mayor Stoney

To authorize the issuance of general obligation public improvement bonds of the City of Richmond in the maximum principal amount of \$4,200,000 to finance the cost of school projects and general capital improvement projects of the City for the following purposes and uses: construction, reconstruction, improvements and equipment for public schools; construction, reconstruction, improvement and equipment for various infrastructure needs, including traffic control facilities, streets, sidewalks and other public ways, bridges, storm sewers, drains and culverts, and refuse disposal facilities; participation in redevelopment, conservation and community development programs, including the construction, reconstruction, improvement and equipment for targeted public facilities included in these programs; construction, reconstruction, improvements and equipment for public institutional, operational, cultural, educational and entertainment buildings and facilities, including but not limited to the theaters, parks, playgrounds, cemeteries, libraries and museums; acquisition of real property therefor as appropriate; and the making of appropriations to the City's Economic Development Authority ("EDA") to be used by the EDA to finance capital expenditures or to make loans or grants to finance capital expenditures for the purposes of promoting economic development; to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such bonds for such capital improvement projects, to provide for the form, details and payment of such bonds; to authorize the issuance of notes of the City in anticipation of the issuance of such bonds; and to authorize the issuance of taxable bonds, for the same purposes and uses, in the



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same maximum principal amount and payable over the same period as such general obligation public improvement bonds.

Key Points:

- A. Provides to amend the FY 2024 - FY 2028 Capital Budget by increasing the authorized FY 2024 General Obligation Bond proceeds by \$4,200,000 and appropriating the increased funding to the Highland Grove/Dove St CIP projects.
- B. The requests represent a budget amendment to the FY2024-FY2028 Capital Budget
- C. The request will increase the debt service payment made by the general fund.

Fiscal Impact: ☒None ☐Yes,

5. RES. 2023-R044

Patron: President Jones

To amend Res. No. 2021-R081, adopted Dec. 13, 2021, which requests that the Chief Administrative Officer provide the Council with a quarterly report on the expenditure of all funds received by the City, whether from the United States government, the Commonwealth of Virginia, or otherwise, provided pursuant to the American Rescue Plan Act of 2021, for the purpose of modifying the quarterly reporting schedule.

Key Points:

- A. This request is to amend Resolution No. 2021-R081 to request that the Chief Administrative Officer provide quarterly reports to Council for expenditures from the American Rescue Plan Act with an amended report schedule for the reports that will start in February rather than January and quarterly thereafter in the months of May, September (excludes August to recognize Council's schedule) and November. This proposed reporting schedule will provide for reporting of data and expenditures to Council by the Budget and Finance Departments which more closely align with federal quarterly reporting end dates.

Fiscal Impact: ☒None ☐Yes,



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6. RES. 2023-R045

Patron: Mayor Stoney

To authorize the issuance of public utility revenue refunding bonds of the City of Richmond, Virginia in the maximum principal amount of up to \$600,000,000 to refund all or portions of certain public utility revenue bonds previously issued by the City, and to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such refunding bonds for such purposes, providing for the form, details and payment of such bonds and approving the form of the supplemental indenture of trust.

Key Points:

- A. Authorization for the issuance of Public Utility Revenue Refunding Bonds of the City of Richmond to achieve debt service savings.
- B. On December 7, 2016, and April 15, 2020, the City issued its Series 2016A and 2020B Public Utility Revenue Bonds to finance the cost of capital improvement projects of the gas, water and wastewater utilities and public utilities buildings and facilities. Based on current market interest rates and analysis, Finance Department staff and Financial Advisors have identified these two bond issues as potential candidates for refunding for City's Gas, Water and Wastewater Utilities.
- C. The actual amount of debt service savings to be achieved in the refunding transaction, if any, will be based on the interest rate environment available in July and August 2023, at the time of the actual refunding bond pricing. In addition to the refunding, the City is planning to issue new Public Utility Revenue Bonds later this summer and being able to include these refunding transactions with a planned new money bond issue, which will save the City duplicative legal and other issuance costs.

Fiscal Impact: ☐None ☒Yes

If current market conditions remain favorable at the time of the proposed bond sale, the refunding would produce debt service savings at or above the approximately three percent Net Present Value targeted threshold, inclusive of all costs of issuance based on today's interest rate environment. The actual principal amount of bonds to be refunded, however, and any associated debt service savings, will be determined based on many variables, including the interest rate environment and the supply and demand for bonds at the time of the proposed bond sale. All costs of issuance including underwriting, legal and other expenses have been included in the refunding analysis. Estimated interest savings from the refunding have been previously included in capital planning and rate analysis.



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