

INTRODUCED: April 8, 2024

AN ORDINANCE No. 2024-114

To approve a plan to finance certain public infrastructure in connection with the redevelopment of the area known as the “Diamond District” through the issuance of revenue bonds by the Economic Development Authority of the City of Richmond, Virginia (the “Authority”); to approve the form of a Cooperation Agreement pursuant to which the City of Richmond, Virginia (the “City”), will undertake, subject to annual appropriation by the Council of the City of sufficient amounts for such purposes, to make available to the Authority such funds as may be necessary to enable the Authority to (a) satisfy its undertakings pursuant to the Purchase and Sale and Development Agreement, the Stadium Development Agreement and the Stadium Lease, each to be entered into in connection with the Diamond District redevelopment project, (b) pay the debt service on the revenue bonds to be issued to finance such public infrastructure and (c) pay certain other costs and fees and fund other obligations required pursuant to the terms of the financing documents pursuant to which such revenue bonds are to be issued; and to authorize the Chief Administrative Officer and other appropriate officers of the City to execute and deliver the Cooperation Agreement and such other documents as may be necessary or appropriate to accomplish the plan of finance with respect to the public infrastructure.

Patrons – Mayor Stoney, Ms. Jordan, President Nye, Ms. Newbille, Ms. Trammell, Mr. Addison,
Ms. Lynch and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 8 2024 AT 3 P.M.

WHEREAS, the Economic Development Authority of the City of Richmond, Virginia (the “Authority”), pursuant to the Industrial Development and Revenue Bond Act (the “Act”) under which it is created, is authorized to exercise all the powers set forth in the Act, which include,

AYES: 6 NOES: 0 ABSTAIN: _____

ADOPTED: MAY 8 2024 REJECTED: _____ STRICKEN: _____

among other things, the power to finance “authority facilities” (as defined in the Act), to issue its revenue bonds, notes and other obligations from time to time for such purpose and to pledge all or any part of its revenues and receipts derived from payments received by the Authority from any source as security for the payment of principal of and premium, if any, and interest on any such obligations;

WHEREAS, the City of Richmond, Virginia (the “City”), the Authority and Diamond District Partners, LLC (the “Developer”), are expected to enter into a Purchase and Sale and Development Agreement (the “Development Agreement”), to provide for the redevelopment of a portion of the Greater Scott’s Addition area that is known as the “Diamond District” and is home to The Diamond baseball stadium, the operation of which is no longer economically viable as a result of age, limited seating capacity and operational deficiencies;

WHEREAS, the Development Agreement will provide for the development of a full spectrum of new, privately financed housing (including both market rate and affordable housing), retail and office spaces and a hotel within the Diamond District and certain publicly financed public infrastructure that will serve the Diamond District and connect the project area with adjacent communities (as further described herein, the “Public Infrastructure”);

WHEREAS, such Public Infrastructure is expected to include: (a) park and public space improvements, (b) parking facilities, (c) cultural facilities, (d) water, sewer, storm water, gas and electric utility improvements, (e) utility installations, relocations and abandonments, (f) road, alley and sidewalk improvements and (g) streetlight, traffic signal, traffic control, street signage, curb, gutter, streetscape and landscaping improvements;

WHEREAS, the Authority and Navigators Baseball, LP (the “Team”), are expected to enter into a Stadium Development Agreement (the “Stadium Development Agreement”), to provide for the design, construction and delivery of a new minor league baseball stadium (the “Stadium”);

WHEREAS, the Authority and Team are expected to enter into a Stadium Lease (the “Stadium Lease”), to provide for the Team’s lease and use of the Stadium;

WHEREAS, in accordance with the terms of the Development Agreement, the Council of the City of Richmond, Virginia (the “Council”), has approved the issuance of general obligation public improvement bonds to finance the costs of the design, construction and equipping of the Stadium;

WHEREAS, pursuant to the terms of the Development Agreement, the Authority will undertake to finance the costs of the design, construction and equipping of the Public Infrastructure (the “Public Infrastructure Project”) through the issuance and sale of one or more series of revenue bonds (the “Public Infrastructure Bonds”), which will be secured by and payable from amounts appropriated by the Council for such purpose but are expected to be paid from rent payments made by the Team to the Authority pursuant to the Stadium Lease (the “Rent Payments”);

WHEREAS, the City desires to assist the Authority in the performance of its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease and the financing of the Public Infrastructure by entering into a Cooperation Agreement with the Authority (the “Cooperation Agreement”), pursuant to which (a) the City will agree, subject to annual appropriation by the Council of sufficient amounts for such purposes, to make available to the Authority such funds as may be necessary to enable the Authority to (i) satisfy its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease, (ii) pay the debt service on the Public Infrastructure Bonds, (iii) if applicable,

replenish any debt service reserve fund established in connection with the Public Infrastructure Bonds, (iv) if applicable, pay the bond trustee its reasonable fees and expenses in connection with the performance of its duties as bond trustee and any other costs or expenses necessary to cancel and discharge the trust agreement pursuant to which the Public Infrastructure Bonds are to be issued and (v) pay any arbitrage rebate liability with respect to the Public Infrastructure Bonds and (b) the Authority will agree to apply the Rent Payments to pay debt service on the Public Infrastructure Bonds and to credit such Rent Payments toward the City's undertaking to make payments in amounts sufficient to timely pay debt service on the Public Infrastructure Bonds;

WHEREAS, the transactions contemplated by the Cooperation Agreement will benefit the citizens of the City by promoting increased employment opportunities, a strengthened economic base, increased tax revenues, market rate and affordable housing and additional business, retail and recreational opportunities; and

WHEREAS, a public hearing on this ordinance has been advertised and held in the manner required by Section 4.10 of the Charter of the City;

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. The Council finds that the undertaking of the Public Infrastructure Project will be in the best interests of the City and its citizens and authorizes the City, in collaboration with the Authority, to undertake the following plan of finance to accomplish the same. The Authority shall issue the Public Infrastructure Bonds to finance the Public Infrastructure Project and to pay related issuance and financing costs. The Public Infrastructure Bonds shall (a) be issued in an aggregate principal amount not to exceed \$40,000,000, (b) mature or be subject to mandatory sinking fund redemption in annual installments ending no later than December 31, 2058, (c) have a "true" or

“Canadian” interest cost not exceeding 8.00% (taking into account any original issue discount or premium), (d) be sold to the underwriter(s) thereof at a price not less than 97% of the aggregate principal amount thereof (without taking into account any original issue discount or premium) and (e) be subject to optional redemption on such terms as the Director of Finance, with the approval of the Chief Administrative Officer, and the Chair or Vice Chair of the Authority determine to be in the best interests of the City and the Authority. Pursuant to and in accordance with the terms of the Cooperation Agreement, the City will undertake to make payments to the Authority in amounts sufficient to enable the Authority to (i) satisfy its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease, (ii) pay the debt service on the Public Infrastructure Bonds, (iii) if applicable, replenish any debt service reserve fund established in connection with the Public Infrastructure Bonds, (iv) if applicable, pay the bond trustee its reasonable fees and expenses in connection with the performance of its duties as bond trustee and any other costs or expenses necessary to cancel and discharge the trust agreement pursuant to which the Public Infrastructure Bonds are to be issued and (v) pay any arbitrage rebate liability with respect to the Public Infrastructure Bonds. The obligation of the Authority to pay principal of and premium, if any, and interest on the Public Infrastructure Bonds will be limited to such payments from the City, provided that, pursuant to the terms of the Cooperation Agreement, the Authority will apply the Rent Payments to pay debt service on the Public Infrastructure Bonds and credit such Rent Payments toward the City’s undertaking to make payments in amounts sufficient to timely pay debt service on the Public Infrastructure Bonds. Notwithstanding the foregoing sentence describing the Authority’s undertaking to apply Rent Payments to the payment of debt service on the Public Infrastructure Bonds, the Public Infrastructure Bonds will be secured solely by an assignment of payments made by the City for such purpose pursuant to the

Cooperation Agreement. The undertaking by the City to make such payments pursuant to the Cooperation Agreement will be subject to appropriation by the Council from time to time of sufficient amounts for such purposes. The plan of finance for the Public Infrastructure Project may contain such additional requirements and provisions as may be approved by the Director of Finance, with the approval of the Chief Administrative Officer, and the Chair or Vice Chair of the Authority. The actions of the Director of Finance in approving the terms of the Public Infrastructure Bonds and the Cooperation Agreement shall be conclusive, and no further action shall be necessary on the part of the Council.

§ 2. In consideration of the Authority's undertakings with respect to the Development Agreement, the Stadium Development Agreement, the Stadium Lease and the Public Infrastructure Bonds, the Chief Administrative Officer, for and on behalf of the City, is authorized and directed to execute and deliver the Cooperation Agreement. The Cooperation Agreement must be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 3. The Council, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, states its intent to make appropriations in future fiscal years in amounts sufficient to make all payments due under the Cooperation Agreement and recommends that future Councils do likewise during the term of the Cooperation Agreement. The Council confirms that the components of the Public Infrastructure Project are important to the welfare or quality of life of the citizens of the City, and the Council anticipates that such components will continue to be so during the term of the Cooperation Agreement.

§ 4. The Chief Administrative Officer and the Director of Finance are authorized and directed to coordinate with the appropriate officers of the Authority to have prepared and distributed, in accordance with standard practices for municipal securities, one or more Preliminary Official Statements of the Authority describing the Public Infrastructure Bonds, the security therefor and providing any other pertinent or relevant information. The Director of Finance, together with appropriate officers of the Authority, shall make such completions, omissions, insertions and changes in each such Preliminary Official Statement not inconsistent with this ordinance as are necessary or desirable to complete it as a final Official Statement. The City shall arrange for the delivery to the purchasers of the Public Infrastructure Bonds of a reasonable number of copies of any final Official Statement, within seven business days after the date the Public Infrastructure Bonds have been awarded, for delivery to each potential investor requesting a copy of such final Official Statement and to each person to whom such underwriter or bidder and members of the underwriting or bidding group initially sell Public Infrastructure Bonds.

§ 5. The Director of Finance is authorized, on behalf of the City, to deem each such Preliminary Official Statement and Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), except for the omission from each such Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of any Preliminary Official Statement or Official Statement in final form shall be conclusive evidence that it has been deemed final as of its date by the City, except for the omission from any Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

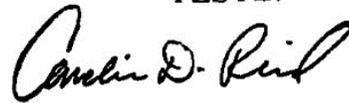
§ 6. All other actions of officers of the City in conformity with the purposes and intent of this ordinance and in furtherance of the plan of finance for the Public Infrastructure Project are hereby ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the execution and delivery of the Cooperation Agreement, the financing of the Public Infrastructure Project and the issuance, sale and delivery of the Public Infrastructure Bonds, including, but not limited to, entering into (a) a continuing disclosure agreement pursuant to which the City will agree to provide certain annual financial information and operating data and notices of the occurrence of certain events in order to assist the underwriters of the Public Infrastructure Bonds in complying with the Rule and (b) a certificate setting forth the expected use and investment of the proceeds of the Public Infrastructure Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder applicable to “arbitrage bonds.” The authorization granted by this ordinance to the Director of Finance, the Chief Administrative Officer and the City Attorney shall apply equally to any person serving in such capacity on an interim or acting basis pending a permanent appointment to any such office.

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

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

**A TRUE COPY:
TESTE:**



City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0291

File ID: Admin-2024-0291

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: DCAO For Planning and Economic Development

Department:

Cost:

File Created: 04/08/2024

Subject:

Final Action:

Title: To authorize the Chief Administrative Officer to execute a Cooperation Agreement between the City and the EDA for the purpose of facilitating the financing of the stadium and public improvements in the Diamond District.

Internal Notes:

Code Sections:

Agenda Date: 04/08/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Admin-2024-0291_Diamond District - Cooperation Agreement - AATF.pdf.pdf,
Admin-2024-0291_Ordinance - Diamond District - Cooperation Agreement AATF.pdf.pdf

Enactment Number:

Contact:

Introduction Date:

Drafter: Cordell Hayes

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	4/8/2024	Sharon Ebert - FYI	Notified - FYI	
1	2	4/8/2024	Lincoln Saunders	Approve	4/10/2024
1	3	4/8/2024	Mayor Stoney	Approve	4/10/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0291

Title

To authorize the Chief Administrative Officer to execute a Cooperation Agreement between the City and the EDA for the purpose of facilitating the financing of the stadium and public improvements in the Diamond District.

Body

O & R Request

DATE: April 8, 2024 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lincoln Saunders, Chief Administrative Officer

FROM: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio

RE: To authorize the CAO to execute a Cooperation Agreement between the City and the EDA for the purpose of facilitating the financing of the stadium and public improvements in the Diamond District.

PURPOSE: To authorize the CAO to execute a Cooperation Agreement between the City and the EDA for the purpose of facilitating the financing of the stadium and public improvements in the Diamond District.

BACKGROUND: The execution of this Cooperation Agreement will assist the Authority in the performance of its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease and the financing of the Public Infrastructure by entering into a Cooperation Agreement with the Authority (the “Cooperation Agreement”), pursuant to which (a) the City will agree, subject to annual appropriation by the Council of sufficient amounts for such purposes, to make available to the Authority such funds as may be necessary to enable the Authority to (i) satisfy its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease, (ii) pay the debt service on the Public Infrastructure Bonds, (iii) if applicable, replenish any debt service reserve fund established in connection with the Public Infrastructure Bonds, (iv) if applicable, pay the bond trustee its reasonable fees and expenses in connection with the performance of its duties as bond trustee and any other costs or expenses necessary to cancel and discharge the trust agreement pursuant to which the Public Infrastructure Bonds are to be issued and (v) pay any arbitrage rebate liability with respect to the Public Infrastructure Bonds and (b) the Authority will agree to apply the Rent Payments to pay debt service on the Public Infrastructure Bonds and to credit such Rent Payments toward the City’s undertaking to make payments in amounts sufficient to timely pay debt service on the Public Infrastructure Bonds.

COMMUNITY ENGAGEMENT: The goals for development of the Diamond District are based upon the Richmond 300 Master Plan. 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. 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.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: Richmond 300 Master Plan

FISCAL IMPACT: See attached document entitled "Discussion Materials Diamond District Project" dated March 28, 2024 from the City's Financial Advisor (the "Davenport Update to DD Project Fiscal/Economic Impact Analysis")

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: April 8, 2024

CITY COUNCIL PUBLIC HEARING DATE: April 22, 2024

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE:

- Finance and Economic Development Standing Committee

AFFECTED AGENCIES: Mayor, Chief Administrative Officer, Office of the City Attorney, Department of Economic Development, Department of Planning & Development Review, Department of Finance, Department of Public Works, Department of Public Utilities

RELATIONSHIP TO EXISTING ORD. OR RES.: This ordinance is expected to be introduced along with the following three companion papers: (1) An ordinance to authorize the issuance of G.O. Bonds for stadium construction. (2) An ordinance to create the Diamond District Community City of Richmond Page 5 Printed on 4/8/2024 Master Continued (Admin-2024-0289) Development Authority.

ATTACHMENTS:

Approved to Form Cooperation Agreement

Approved to Form Ordinance for Cooperation Agreement.

STAFF:

Sharon Ebert, DCAO - Planning & Economic Development Portfolio

Leonard Sledge, Director - Department of Economic Development

Matt Welch, Senior Policy Advisor - Planning & Economic Development Portfolio

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT is made as of [_____, 2024], between the **CITY OF RICHMOND, VIRGINIA** (the “City”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the “Authority”), a political subdivision of the Commonwealth of Virginia;

WITNESSETH:

WHEREAS, the Authority is organized and operating under the Virginia Industrial Development and Revenue Bond Act (the “Act”), Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended;

WHEREAS, the Act authorizes the Authority to finance “authority facilities,” as defined in the Act, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority from any source as security for the payment of principal of and interest on any such obligations;

WHEREAS, the City, the Authority and Diamond District Partners, LLC, have entered into the Diamond District Redevelopment Project Purchase and Sale and Development Agreement dated as of [_____, 2024] (the “Development Agreement”), to provide for the redevelopment of a portion of the Greater Scott’s Addition area that is known as the “Diamond District” and is home to The Diamond baseball stadium, the operation of which is no longer economically viable as a result of age, limited seating capacity and operational deficiencies;

WHEREAS, the Development Agreement provides for the development of a full spectrum of new, privately financed housing (including both market rate and affordable housing), retail and office spaces and a hotel within the Diamond District (as further described in the Development Agreement, the “Mixed-Use Development”) and certain publicly financed public infrastructure that will serve the Diamond District and connect the project area with adjacent communities (as further described in the Development Agreement, the “Public Infrastructure”);

WHEREAS, the Authority and Navigators Baseball, LP (the “Team”), have entered into the Stadium Development Agreement dated [_____, 2024] (as it may be amended from time to time, the “Stadium Development Agreement”), to provide for the design, construction, and delivery of a new minor league baseball stadium (the “Stadium”) in accordance with the requirements set forth in the Stadium Development Agreement (the “Stadium Project”);

WHEREAS, the Authority and the Team have entered into the Stadium Lease dated [_____, 2024] (as it may be amended from time to time, the “Stadium Lease”), to provide for the Team’s lease and use of the Stadium as its home venue and for other purposes described therein;

WHEREAS, the City has approved the issuance of issue one or more series of general obligation public improvement bonds to finance the costs of the Stadium Project (the “Stadium Bonds”);

WHEREAS, pursuant to the terms of the Development Agreement, the Authority has agreed to finance the costs of the Public Infrastructure through the issuance and sale of one or more series of revenue bonds (the “Public Infrastructure Bonds”), which will be secured by and payable from amounts appropriated by the Council of the City of Richmond, Virginia (the “Council”), for such purpose pursuant to the terms of this Cooperation Agreement;

WHEREAS, the Authority has further agreed to apply the Rent Payments as a credit toward the City’s undertaking, subject to annual appropriation by the Council of sufficient amounts for such purpose, to make payments in amounts sufficient to timely pay debt service on the Public Infrastructure Bonds;

WHEREAS, as contemplated in the Development Agreement, the Authority has agreed to assume certain responsibilities and to perform certain activities to facilitate the redevelopment of the Phase 1 Property (as defined in the Development Agreement) into the Mixed-Use Development and the Stadium Project and will incur costs in connection with the performance of such undertakings in addition to the costs of funding the Public Infrastructure;

WHEREAS, to assist the Authority in the performance of its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease and the financing of the Public Infrastructure, the City desires, subject to annual appropriation by the Council of sufficient amounts for such purpose, to make available to the Authority such funds as may be necessary to enable the Authority to (a) satisfy its undertakings pursuant to the Development Agreement, the Stadium Development Agreement and the Stadium Lease, (b) pay the debt service on the Public Infrastructure Bonds, (c) if applicable, replenish any debt service reserve fund established in connection with the Public Infrastructure Bonds, (d) if applicable, pay the bond trustee its reasonable fees and expenses in connection with the performance of its duties as bond trustee and any other costs or expenses necessary to cancel and discharge the trust agreement pursuant to which the Public Infrastructure Bonds are to be issued (the “Trust Agreement”) and (e) pay any arbitrage rebate liability with respect to the Public Infrastructure Bonds;

WHEREAS, the transactions contemplated by this Cooperation Agreement will benefit the citizens of the City by promoting increased employment opportunities, a strengthened economic base, increased tax revenues, affordable housing and additional business, retail and recreational opportunities; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this Cooperation Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this Cooperation Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

1. Definitions. Capitalized terms used, but not defined in this Cooperation Agreement will have the meanings set forth in the Development Agreement, as the context requires. The following terms will have the meanings specified below unless otherwise expressly provided or the context otherwise requires:

“Act” shall have the meaning set forth in the Recitals hereto.

“Annual Budget” shall have the meaning set forth in Section 4(b).

“Annual Rent” shall have the meaning set forth in the Stadium Lease.

“Authority” shall mean the Economic Development Authority of the City of Richmond, Virginia, together with its successors and assigns.

“Bond Cost Payment” shall have the meaning set forth in Section 3(c).

“Bond-Related Costs” shall mean any amounts (other than Debt Service Requirements) payable by the Authority in connection with Public Infrastructure Bonds pursuant to the terms of the Trust Agreement, including, but not limited to, amounts necessary to (a) replenish any debt service reserve fund established in connection with the Public Infrastructure Bonds, (b) pay the bond trustee its reasonable fees and expenses in connection with the performance of its duties as bond trustee and any other costs or expenses necessary to cancel and discharge the Trust Agreement and (c) pay any arbitrage rebate liability with respect to the Public Infrastructure Bonds.

“City” shall mean the City of Richmond, Virginia, together with its successors and assigns.

“Contract Performance Costs” shall mean the Authority’s reasonable costs incurred in the satisfaction of its undertakings pursuant to the Development Agreement and any other related agreements necessary to effect the transactions contemplated by the Development Agreement.

“Contract Performance Payment” shall have the meaning set forth in Section 3(a).

“Cooperation Term” shall have the meaning set forth in Section 12.

“Council” shall have the meaning set forth in the Recitals hereto.

“Debt Service Payment” shall have the meaning set forth in Section 3(b).

“Debt Service Requirements” shall mean the payments of principal and interest due on the Public Infrastructure Bonds on each principal and interest payment date.

“Development Agreement” shall have the meaning set forth in the Recitals hereto.

“Fiscal Year” shall mean the twelve-month period beginning July 1 of one year and ending June 30 of the following year.

“Mixed-Use Development” shall have the meaning set forth in the Recitals hereto.

“Public Infrastructure” shall have the meaning set forth in the Recitals hereto.

“Public Infrastructure Bonds” shall have the meaning set forth in the Recitals hereto.

“Rent Payments” shall mean all payments of Annual Rent due under the Stadium Lease.

“Stadium” shall have the meaning set forth in the Recitals hereto.

“Stadium Development Agreement” shall have the meaning set forth in the Recitals hereto.

“Stadium Lease” shall have the meaning set forth in the Recitals hereto.

“Stadium Project” shall have the meaning set forth in the Recitals hereto.

“Trust Agreement” shall have the meaning set forth in the Recitals hereto.

2. Financing of Public Infrastructure. Pursuant to the terms of the Development Agreement, the Authority will finance the costs of the Public Infrastructure through the issuance of the Public Infrastructure Bonds in accordance with the provisions of the Act.

3. City Support for Authority Undertakings. Subject to the provisions of Section 4, the City agrees to provide financial support to the Authority as follows:

(a) The City shall make payments to the Authority from time to time in amounts sufficient to enable the Authority to pay, or to reimburse the Authority for any prior payment of, Contract Performance Costs incurred by the Authority (each such payment by the City shall be referred to herein as a “Contract Performance Payment”).

(b) No later than 10 days prior to each principal or interest payment date on the Public Infrastructure Bonds, the City shall pay to the Authority or its assignee (which may include the bond trustee) an amount sufficient to satisfy the Debt Service Requirements on the Public Infrastructure Bonds on such principal or interest payment date (each such payment by the City shall be referred to herein as a “Debt Service Payment”). The City shall receive a credit against its undertaking to make each Debt Service Payment due under this Cooperation Agreement in an amount equal to (i) any amounts on deposit with the bond trustee under the Trust Agreement available to make the corresponding debt service payment on the Public Infrastructure Bonds and not previously applied as a credit with respect to any Debt Service Payment payable pursuant hereto and (ii) any Rent Payments received by the Authority and not previously applied by the Authority to pay debt service on the Public Infrastructure Bonds in accordance with the provisions of Section 5.

(c) No later than the date on which any Bond-Related Cost is required to be paid or funded by the Authority pursuant to the terms of the Trust Agreement, the City shall pay to the Authority or the bond trustee, as applicable, an amount sufficient to satisfy such payment or funding obligation (each such payment by the City shall be referred to herein as a “Bond Cost Payment”).

4. Appropriation of Funds.

(a) While recognizing that it is not empowered to make any binding commitment to make any Contract Performance Payments, Debt Service Payments or Bond Cost Payments beyond the current Fiscal Year, the Council in authorizing the execution of this Cooperation Agreement has stated its intent to make appropriations from time to time in amounts sufficient to make Contract Performance Payments, Debt Service Payments and Bond Cost Payments when due.

(b) Notwithstanding anything in this Cooperation Agreement to the contrary, the City's undertakings to make Contract Performance Payments, Debt Service Payments and Bond Cost Payments shall be subject to and dependent upon appropriations being made from time to time by the Council for such purposes; provided, however, that, during the Cooperation Term, the Chief Administrative Officer (or other officer charged with the responsibility for preparing the City's Annual Budget) will request that the Mayor include in the Mayor's proposed current expense budget for the general operation of the City government (the "Annual Budget") to be submitted to the Council for each Fiscal Year a recommendation to appropriate an amount equal to the scheduled Debt Service Requirements and any estimated Contract Performance Costs and Bond-Related Costs for such Fiscal Year. If the Mayor does not include such recommendation in the Mayor's proposed Annual Budget, the Chief Administrative Officer or other appropriate City officer will give notice thereof to the Authority and the bond trustee as soon as possible after the Mayor has submitted such proposed budget to the Council.

Throughout the term of this Cooperation Agreement, the Chief Administrative Officer or other appropriate City officer shall deliver to the Authority and the bond trustee within 15 days after the adoption of the Annual Budget for each Fiscal Year, a certificate stating whether an amount equal to the scheduled Debt Service Requirements and estimated Contract Performance Costs and Bond-Related Costs for such Fiscal Year has been appropriated by the Council in such Annual Budget.

If any adopted Annual Budget does not include an approval of funds sufficient to pay the scheduled Debt Service Requirements and estimated Contract Performance Costs and Bond-Related Costs for such Fiscal Year, the Council shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to approve such funds. In addition, the Chief Administrative Officer or other appropriate City officer shall deliver to the Authority and the bond trustee within 15 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the scheduled Debt Service Requirements and estimated Contract Performance Costs and Bond-Related Costs for such Fiscal Year has been appropriated by the Council. If, by 15 days after the beginning of the Fiscal Year, the Council has not appropriated funds for the payment of the scheduled Debt Service Payments and estimated Contract Performance Payments and Bond Cost Payments for such Fiscal Year, the Chief Administrative Officer (or other officer charged with the responsibility for preparing the City's Annual Budget) shall (1) give written notice to the Council of the consequences of such failure to appropriate, including the possible effects upon the ability of the EDA to pay debt service on the Public Infrastructure Bonds and perform its obligations under the Development Agreement, and (2) request the Mayor to submit to the Council, as promptly as practicable, a request for an

amendment to the Annual Budget of the then-current Fiscal Year to include an additional appropriation that will provide sufficient moneys for such purposes.

If, during any Fiscal Year, the City determines that the actual Debt Service Requirements, Contract Performance Costs and Bond-Related Costs payable in such Fiscal Year will exceed the amount appropriated by the Council, the Chief Administrative Officer or other appropriate City officer charged with the responsibility for preparing the City's Annual Budget) (1) within 15 days of making such determination, shall notify the Authority and the bond trustee of such deficiency and (2) within 45 days of making such determination, request the Mayor to submit to the Council, as promptly as practicable, a request for an amendment to the Annual Budget of the then-current Fiscal Year to include an additional appropriation in an amount sufficient to satisfy such additional Annual Debt Funding Requirements, Contract Performance Costs and Bond-Related Costs. If the Council fails to make a supplemental appropriation of a sufficient amount within 75 days of such determination by the Chief Administrative Officer or other appropriate City officer, the Council shall take a roll call vote immediately after such failure acknowledging the impact of its failure to approve such funds. In addition, the Chief Administrative Officer or other appropriate City officer shall deliver to the Authority and the bond trustee no later than 15 days after such action by the Council, a certificate stating whether an amount sufficient to satisfy such additional Debt Service Requirements, Contract Performance Costs and Bond-Related Costs has been appropriated by the Council.

(c) For the avoidance of doubt, in no event shall the failure to appropriate funds hereunder for any reason constitute a default or an event of default by the City under this Cooperation Agreement.

5. Application of Rent Payments. The Team will make quarterly Rent Payments to the Authority for the term set forth in and in accordance with the provisions of the Stadium Lease. Although the Authority will not pledge the Rent Payments as security for the payment of the Public Infrastructure Bonds, the Authority and the City hereby agree that the Authority shall apply the Rent Payments as described herein to pay debt service on the Public Infrastructure Bonds and for no other purpose. For so long as any Public Infrastructure Bonds remain outstanding, the Authority shall transfer each quarterly Rent Payment to the bond trustee to satisfy the Debt Service Requirements. Any Rent Payments applied in satisfaction of the Debt Service Requirement for a principal or interest payment date shall be credited against the City's undertaking to make the corresponding Debt Service Payment pursuant to Section 3(b), and, subject to the provisions of Section 4, the City shall only make a Debt Service Payment equal to the amount by which the Debt Service Requirement for such principal or interest payment date exceeds such Rent Payments and any other funds available under the Trust Agreement to make such debt service payment as described in Section 3(b).

6. Assignment.

(a) Neither the City nor the Authority shall have the right to assign or transfer their respective rights, liabilities and obligations under this Cooperation Agreement to any person without the prior written consent of the other party. This Cooperation Agreement shall be binding upon, inure to the benefit of and be enforceable by the City and the Authority and their respective successors and permitted assigns. So long as any Public Infrastructure Bonds remain outstanding,

any assignment or transfer of either party's rights, liabilities or obligations under this Cooperation Agreement shall be subject to such additional conditions or limitations, if any, as may be set forth in the Trust Agreement.

(b) The Authority's rights, title and interest to (i) receive Debt Service Payments under Section 3(b), (ii) receive Bond Cost Payments under Section 3(c), but only to the extent such Bond Cost Payments relate the replenishment of any debt service reserve fund established in connection with the Public Infrastructure Bonds and (iii) seek performance by the City of its undertakings pursuant to Section 4 are hereby assigned to the bond trustee as security for the payment in full of the Public Infrastructure Bonds. By its execution and delivery of this Cooperation Agreement, the City has evidenced its consent to such assignment. Notwithstanding any provision of this Cooperation Agreement or the Trust Agreement to the contrary, neither the bond trustee nor the holders of the Public Infrastructure Bonds shall have any rights, title or interest with respect to the application of Rent Payments pursuant to Section 5.

(c) The City consents to any such assignment by the Authority to the bond trustee for the benefit of the holders of the Public Infrastructure Bonds.

7. Notices. Any notice, request or other deliveries required to be given hereunder will be deemed given if sent by registered or certified mail, or overnight delivery service, postage prepaid, addressed to the following addresses:

City: Chief Administrative Officer
City of Richmond, Virginia
900 East Broad Street, Suite 201
Richmond, Virginia 23219

with a copy to: City Attorney
City of Richmond, Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

Authority: Chairman
Economic Development Authority of the City of Richmond,
Virginia
1500 East Main Street; 4th Floor
Richmond, Virginia 23219

with a copy to: General Counsel
Economic Development Authority of the City of Richmond,
Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

Either party may designate any other address for notices or requests by giving notice under this Section 7.

8. Amendments. This Cooperation Agreement may only be supplemented, amended or modified in writing signed by each of the parties hereto or their successors and assigns. So long as any Public Infrastructure Bonds remain outstanding, any supplement, amendment or modification to this Cooperation Agreement shall be subject to such additional conditions or limitations, if any, as shall be set forth in the Trust Agreement. Notwithstanding any provision of this Cooperation Agreement or the Trust Agreement to the contrary, neither the bond trustee nor the holders of the Public Infrastructure Bonds shall have any right to consent to any supplements, modifications or amendments to the provisions of Section 5 of this Cooperation Agreement.

9. Limited Liability of City. Notwithstanding any provision of this Cooperation Agreement to the contrary, the undertakings of the City hereunder are not general obligations of the City, but are limited obligations payable solely from payments of Contract Performance Payments, Debt Service Payments and Bond Cost Payments. No officer, official, employee or agent of the City shall be personally liable on the City's obligations hereunder.

10. Governing Law and Venue. This Cooperation Agreement will be governed by the laws of the Commonwealth of Virginia without regard to its conflict of law rules. Any action or dispute arising out of this Cooperation Agreement that cannot be resolved among the parties will be resolved in the City of Richmond Circuit Court or in the United States District Court, Eastern District of Virginia, Richmond Division and in no other forum.

11. Severability. If any clause, provision or section of this Cooperation Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Cooperation Agreement, which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Cooperation Agreement.

12. Term of Cooperation Agreement. This Cooperation Agreement shall remain in full force and effect from the date hereof until the later of (a) the date on which of the Term of the Development Agreement expires and (b) the date on which all Public Infrastructure Bonds have been paid in full or otherwise deemed no longer outstanding (the "Cooperation Term").

13. Counterparts. This Cooperation Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank;
Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have each caused this Cooperation Agreement to be executed in their respective names as of the date first above written.

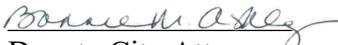
CITY OF RICHMOND, VIRGINIA

By _____

Name: _____

Title: _____

Approved as to form:


Deputy City Attorney

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**

By _____

Name: _____

Title: _____