

INTRODUCED: September 12, 2022

A RESOLUTION 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.

\_\_\_\_\_  
Patrons – Mayor Stoney and All Members of Council

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: SEP 26 2022 AT 6 P.M.

WHEREAS, the City has completed a solicitation and evaluation process culminating with the issuance and evaluation of a Request for Offers issued June 3, 2022, for the development of approximately 67.57 acres located within an area comprised of the properties identified as 2907, 2909, 2911, 3001, 3017, and 3101 North Arthur Ashe Boulevard and 2728 Hermitage Road, known as the "Diamond District," and the Mayor has recommended, based on this process, that the City select RVA Diamond Partners LLC as the developer for the Diamond District project and negotiate definitive agreements for the Diamond District project in

AYES: 8 NOES: 0 ABSTAIN: \_\_\_\_\_

ADOPTED: SEP 26 2022 REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

accordance with certain proposed minimum business terms and conditions set forth in a document entitled “Basic Business Provisions Term Sheet, Diamond District;”

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That:

1. In accordance with the solicitation and evaluation process that the City has conducted, the City selects RVA Diamond Partners LLC as the developer for approximately 67.57 acres located within an area comprised of the properties identified as 2907, 2909, 2911, 3001, 3017, and 3101 North Arthur Ashe Boulevard and 2728 Hermitage Road, known as the “Diamond District.”

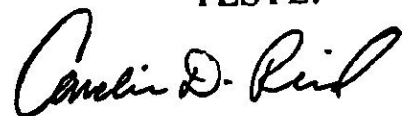
2. The Council supports the proposed minimum business terms and conditions set forth in the document entitled “Basic Business Provisions Term Sheet, Diamond District,” a copy of which is attached to this resolution. The Chief Administrative Officer and the City Attorney are authorized and requested to prepare and negotiate, for the Council’s consideration and approval by ordinance, the definitive agreements necessary to consummate a transaction that will result in the development of the Diamond District between the City and RVA Diamond Partners LLC, consistent with those proposed minimum business terms and conditions.

3. It is the intent of this resolution that the officers identified above and all other officers and employees of the City be authorized and empowered to take all actions necessary to effectuate the provisions of this resolution within the parameters set by this resolution as soon as practicable after the adoption of this resolution.

4. This resolution shall be in force and effect upon adoption.

**A TRUE COPY:**

**TESTE:**



**City Clerk**



# City of Richmond

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

## Item Request


File Number: **insert**


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### O & R Request

**DATE:** 12 September 2022 **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor 

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

**FROM:** Sharon L. Ebert, Deputy Chief Administrative Officer for Planning and Economic Development 

**RE:** Diamond District Development Team Selection and Term Sheet

**ORD. OR RES. No.** TBD

**PURPOSE:** To select RVA Diamond Partners LLC as the developer of the Diamond District site and express City Council's support for the proposed business terms and conditions for the development of the Diamond District.

**REASON:** The reason for this request is to express support for the selection of the City's preferred development team to lead the redevelopment of the Diamond District site and key business terms that will inform the creation of legal documents, Ordinances and Resolutions to be approved by City Council that will enable the development project to proceed.

**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 shift in the site is due two factors: 1) to comply with the new minor league baseball stadium requirements set by Major League Baseball, the City needs to deliver a new baseball stadium in time for opening day in April 2025 and in order to meet the April 2025 deadline, the stadium construction should begin in spring 2023; and 2) the Hermitage site for the baseball stadium identified in the Small Area Plan overlaps with the Sports Backers Stadium, which will not be demolished by spring 2023.

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](http://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](http://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 – 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.

The attached Terms Sheet outlines the business terms and the proposed development by RVA Diamond Partners LLC.

**FISCAL IMPACT/COST:** At closing, the Development team will reimburse the City for expenditures, up to \$500,000, related to selecting a development partner for the Diamond District Redevelopment Project.

**FISCAL IMPLICATIONS:** A Fiscal Impact Analysis will be included with the request to approve the Purchase, Sale, and Development Agreement and other documents. The redevelopment of the Diamond District site is intended to be financially self-sustaining, meaning that the new development in the Diamond District will generate enough tax revenue to pay debt service for Community Development Authority ("CDA") bond financing and additional municipal services that may be required to support the new development. The cost of the infrastructure and the cost of the new baseball stadium will be paid using CDA bond financing that is repaid using (1) revenues generated in the CDA district from the real estate tax; business, professional, and occupational license tax; meals tax (excluding the 1.5% for schools); a 2% additional assessment on hotel revenues; and a 0.25% additional tax on sales; (2) revenues generated in the baseball stadium from the admissions tax; the local portion of the state sales tax; lease payments; and other negotiated revenues. After the CDA bond is repaid, the excess revenues will revert to the City. Each phase of the Diamond District site redevelopment will issue separate bonds for infrastructure and will utilize a portion of the revenue from that phase for debt repayment. The City will need to establish the CDA and authorize the use of the aforementioned revenues to repay the CDA bonds.

**BUDGET AMENDMENT NECESSARY:** N/A

**REVENUE TO CITY:** After CDA bond debt repayment, the Diamond District Redevelopment Project is projected to generate \$156.2 million in new General Fund revenue from the first phase of the project over a 30 year period. The project will generate additional General Fund revenue upon completion of the additional phases of the project.

**DESIRED EFFECTIVE DATE:** Upon adoption.

**REQUESTED INTRODUCTION DATE:** Monday, September 12, 2022

**CITY COUNCIL PUBLIC HEARING DATE:** Monday, September 26, 2022



**REQUESTED AGENDA:** Regular

**RECOMMENDED COUNCIL COMMITTEE:** Finance and Economic Development

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**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.:** N/A

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:**

Diamond District Business Terms Sheet

**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

BASIC BUSINESS PROVISIONS TERM SHEET  
DIAMOND DISTRICT

This non-binding Term Sheet sets forth the proposed basic business terms and conditions regarding the sale and lease of the 67 +/- acre Diamond District site located in the city of Richmond (as detailed in Exhibit A, the “Property”) for development by RVA Diamond Partners LLC of a mixed-use project and baseball stadium; the development criteria for the mixed-use project and baseball stadium; and the community benefits to be provided. This Term Sheet is not intended to create, and it does not create, any legal rights, obligations or consequences. Only those rights and obligations that are set forth in definitive written agreements (“Definitive Agreements”), if any, duly authorized, executed, and delivered by all parties thereto, will create any legally binding rights, obligations or consequences with respect to the subject matter thereof or of this Term Sheet. While this Term Sheet primarily addresses Phase 1, it contains certain, but not exhaustive, business terms applicable to the development of the entire project known as the Diamond District Redevelopment Project (the “Project”), which shall be developed in multiple phases (each, a “Phase” and, collectively, “Phases”) over a number of years. The parties intend to work expeditiously to draft, negotiate and finalize the Definitive Agreements following approval of this Term Sheet.

**Phase 1 General Terms and Conditions:**

**Seller:** City of Richmond (“City”)

**Purchaser:** RVA Diamond Partners LLC (“Developer”) or its assign(s), subject to the restrictions set forth in the “Assignment” section of this Term Sheet

**Phase 1 Purchased Property:** 21.83 +/- acres of land and improvements at 2728 Hermitage Road and 2907 North Arthur Ashe Boulevard (Parcel ID N0001510013 and N0001510012), less and except the portion of such parcels comprising the Leased Stadium Property (“Phase 1 Purchased Property”). See Exhibit B.

**Purchase Price:** The City shall convey the Phase 1 Purchased Property, in fee simple, to the Developer in exchange for a purchase price of Sixteen Million Dollars and Zero Cents (\$16,000,000.00) to be paid in immediately available funds at Closing by the Developer to the City (“Purchase Price”), plus the considerations described in the “Closing” section and other sections of this Term Sheet.

**Stadium Property:** 6.69 +/- acres of land and improvements at 2907 North Arthur Ashe Boulevard (Parcel ID N0001510012) (“Stadium Property”), which real estate is to be transferred by the City to the Economic

Development Authority of the City of Richmond (“EDA”) and subsequently leased by the EDA pursuant to the Stadium Leases (as hereinafter defined). See Exhibit B.

**Deposit:** The Developer shall furnish the City’s Chief Administrative Officer with a deposit for the Property (excluding the Stadium Property and the Sports Backers Property) made in accordance with the requirements of section 8-59 of the City Code of the city of Richmond (“Deposit”).

**Sports Backers Property:** Developer shall purchase 6.6 +/- acres of land from Sports Backers Property owner (Parcel ID N0001510001), which is the property known as Sports Backers Stadium (“Sports Backers Property”). See Exhibit A. If the Developer does not proceed with future Phases of the Project, the City shall have an option to purchase undeveloped portions of the Sports Backers Property from the Developer for the then current fair market value of such property, as determined by appraisers selected by the City and the Developer who shall work together to mutually determine the then current fair market value of such property.

**Stadium Leases:** The EDA shall enter into lease agreements (“Stadium Leases”) with Navigators Baseball LP (“Navigators”) and Virginia Commonwealth University (“VCU”). Rent from the Stadium Leases and certain other agreed revenues generated from the Stadium shall be used to pay debt service for the Bond Financing. The Stadium Leases shall include provisions to schedule other public and private events to fully activate the Stadium and Stadium Property throughout the year, as well as other mandatory provisions to be set forth in the Definitive Agreements.

During the term of the Stadium Leases, a third-party manager shall be retained to operate and manage the Stadium on the EDA’s behalf in accordance with an operation and maintenance plan to be mutually agreed upon by the City, the Developer and the third-party manager and in accordance with an operation and management agreement to be mutually agreed upon by the City, the Developer and the third-party manager.

**Stadium Operations and Maintenance** The Developer shall be responsible for (1) the operation and maintenance of the Stadium to the extent such responsibilities are not delegated to the Navigators or VCU pursuant to the terms of the

Responsibility: Stadium Leases and (2) all operations and maintenance costs not otherwise provided for under the terms of the Stadium Leases. Subject to any restrictions set forth in the Stadium Leases, the Developer shall be responsible for scheduling public and private events to fully activate the Stadium year round. The Developer may engage such subcontractors and consultants as necessary to meet these responsibilities, provided that any related expenses shall not be borne by the EDA or the City.

Phase 1 Project Property: The following properties comprise the land assemblage for the Phase 1 Project (as hereinafter defined): Phase 1 Purchased Property, Leased Stadium Property, and Sports Backers Property (collectively, "Phase 1 Project Property").

Due Diligence Period: Developer will have a period of up to ninety (90) days ("Due Diligence Period"), commencing upon execution of the Definitive Agreements, in which to complete Developer's due diligence on the Phase 1 Purchased Property and the Stadium Property; provided, however, Developer has the right to take less than the full Due Diligence Period to complete Developer's due diligence on the Phase 1 Purchased Property and the Stadium Property. During the Due Diligence Period, the City shall provide access to the Phase 1 Purchased Property and the Stadium Property upon reasonable advance notice to the City, and such access shall be at the Developer's sole risk and expense. In the event the City fails to provide such access within two (2) business days of Developer's request therefor, the Due Diligence Period shall be extended on a day for day basis for each day of delay in the City providing such access to the Developer. The City shall not be responsible for and the Developer shall maintain adequate liability insurance and shall indemnify, hold harmless, defend, and release the City in connection with any liability arising out of its due diligence, provided, however, such indemnity shall not extend to the mere discovery, or any repair or remediation of, any existing conditions, except to the extent such condition was, upon discovery, knowingly or negligently exacerbated by the Developer. In order to assist the Developer with its due diligence, within five (5) days of the commencement of the Due Diligence Period, the City shall deliver copies of all existing information in the City's actual possession regarding the condition of the Phase 1 Purchased Property and the Stadium Property and title thereto, including, without limitation, all records of past structures and uses of such property, including any correspondence with the Virginia Department of Environmental Quality, with the goal of

enabling the Developer to perform environmental due diligence on such property and discovering any underground storage tanks in a timely and accurate manner. In the event the City fails to deliver such information to the Developer within such period, the Due Diligence Period shall be extended on a day for day basis for each day of delay in the City providing such information to the Developer.

## **Closing and Basic Business Terms**

Closing: Pre-Closing Conditions – Closing shall not occur and the Phase 1 Purchased Property shall not be conveyed to the Developer until and unless each of the following are achieved in compliance with this section as well as any timeframes and parameters set forth elsewhere in this Term Sheet, as applicable, and as further provided in the Definitive Agreements. Unless otherwise expressly noted herein, these conditions will be applicable to closing for all Phases.

- Developer has completed due diligence
- Developer has applied for and obtained a Zoning Compliance Letter
- Developer has applied for any rezoning or special use permits necessary to develop the Project (or shall have written confirmation from the City that no zoning changes are necessary to develop the Project)
- Developer has provided, in a form deemed acceptable by the City, proof that Developer has demonstrated the ability to secure financing sufficient to construct the Project (which, for purposes hereof, the City acknowledges and agrees may consist of commitment letters from debt and equity providers)
- Developer has secured an opinion from the Commonwealth of Virginia stating that the State portion of state sales tax generated from sales within the Stadium is available to be used for debt service on the Bond Financing per Virginia Code § 58.1-608.3
- Developer has provided, in a form deemed acceptable by the City, proof that Developer has partnered with the City's Office of Community Wealth Building to provide workforce training and construction jobs for Richmond citizens on the Project
- Developer has provided, in a form deemed acceptable by the City, proof that Developer has required that all construction management companies, general contractors, and subcontractors commit to make a good faith effort to achieve the following employment

outcomes for residents of the City during the construction of the Project:

- 100% of all newly hired construction laborers to work on the Project by the aforementioned parties are residents of the City
- 60% of all existing construction laborers employed by the aforementioned parties and assigned to work on the Project are residents of the City
- 50% of all newly hired construction skilled tradepersons to work on the Project by the aforementioned parties are residents of the City
- 15% of all existing construction skilled tradepersons employed by the aforementioned parties and assigned to work on the Project are residents of the City
- Developer has provided, in a form deemed acceptable by the City, for the Project:
  - An MBE/ESB plan
  - Evidence of Developer's proposed good faith efforts to achieve a goal of 40% minority business enterprise and emerging small business participation in the Project through (1) development and construction related activities before the issuance of a certificate(s) of occupancy and (2) in the management and operation of the Project after the certificate(s) of occupancy are issued
- Developer has provided, in a form deemed acceptable by the City, evidence of project labor agreements for the Project that at a minimum include the following for all construction management companies, general contractors, and subcontractors:
  - Pay at a minimum \$16.50 per hour or the prevailing wage rate for the City (whichever is higher) as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended, to each laborer, worker, and mechanic employed on the Project
  - Participate in apprenticeship programs that have been certified by the Virginia Department of Labor and Industry or the U.S. Department of Labor, graduated at least one (1) enrollee in each of the last three (3) years, and graduated at least 75% of program enrollees
  - Establish preferences for hiring veterans for work performed on the site

- Make a good faith effort to hire residents of the City, women, and minorities for work performed on the site
- Require health insurance and retirement benefits for all full-time employees performing work on the site
- Developer has provided, in a form deemed acceptable by the City, evidence that it will require all construction management companies, general contractors, and subcontractors working on the Project and who are not parties to project labor agreements for the Project to pay at a minimum \$16.50 per hour or the prevailing wage rates for the City (whichever is higher) as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended, to each laborer, worker, and mechanic employed on the Project

Additional Closing Conditions – The following additional conditions must be satisfied at (or simultaneously with) Closing or Closing shall not occur and the Phase 1 Purchased Property shall not be conveyed to the Developer: (i) the EDA shall have entered into the Stadium Leases with the Navigators and VCU; (ii) the Developer shall have received, in a form deemed acceptable by the Developer and the City, evidence of a long-term commitment by Major League Baseball to maintain a baseball team in the City in the Stadium; and (iii) the Developer shall have completed the Developer’s acquisition of the Sports Backers Property from the Sports Backers Property owner.

Closing Mechanics – Subject to satisfaction of the Additional Closing Conditions, Closing shall occur within forty-five (45) days after satisfactory completion of the Pre-Closing Conditions. The City shall convey the property “as is” “where is”. The City makes no representations or warranties with respect to any adverse environmental conditions on, below or through any Phase 1 Purchased Property conveyed for development of the Phase 1 Project.

At Closing, the Developer shall pay the City the remaining portion of the Purchase Price by immediately available funds.

Public  
Infrastructure

The Developer shall construct all required public infrastructure necessary to facilitate the development of the Project to include

**Obligations:** demolition of existing structures, utilities and roads, grading, soils work, water, sewer, stormwater, parks, greenspace, and pedestrian improvements for the entire Property to facilitate pedestrian/vehicular movements (“Infrastructure”), which shall include but not be limited to: traffic signals, street signs, curb and gutter, sidewalks, crosswalks, decorative pavement, landscaping, street lighting, street trees and tree wells, and other pedestrian amenities including public art, trash receptacles, benches, and planters, all in accordance with the City’s Better Streets Manual and VDOT Design Standards and Specifications. All Infrastructure shall be shown on the plan of development submitted for approval. The Developer shall confer with the City and the City Transportation Engineer on the scope of work to complete the Traffic Impact Analysis (“TIA”) for the Phase 1 Project within thirty (30) days of the approval of this Term Sheet by City Council. The Developer shall use commercially reasonable efforts to submit to the City a complete TIA per the agreed upon scope of work no later than forty-five (45) days after the execution of the Definitive Agreements. The TIA shall be performed by a licensed traffic engineer knowledgeable of all applicable laws, standards, and regulations and with the professional experience and qualifications necessary to complete the TIA. The entire cost of the Public Infrastructure Obligations shall be funded from proceeds of the Bond Financing.

**Design Guidelines:** The City, Developer, and VCU shall jointly develop design guidelines (“Design Guidelines”) for all Phases of the Project.

**Target Budget:** The City and Developer shall mutually agree upon a target budget for the Phase 1 Project, including the cost of the Stadium and Infrastructure (the “Target Budget”). The Target Budget shall provide for capital investment at least equal to the Minimum Capital Investment (as hereinafter defined) for the Phase 1 Project.

**Phase 1 Project** Phase 1 of the Project (“Phase 1 Project”) shall be constructed on the Phase 1 Project Property and shall materially conform to the conceptual site plan and rendering in Exhibit C and include the Infrastructure necessary to support it.

The Phase 1 Project shall have a minimum capital investment of \$627.6 million, and the Project shall have an aggregate minimum capital investment of \$2.44 billion (the “Minimum Capital Investment”). The Minimum Capital Investment shall consist of Bond



Financing net proceeds, private equity, and private financing used to develop the Project.

The Project shall consist of a baseball stadium anchored mixed-use and mixed-income development.

In accordance with the Target Budget, the Developer shall design, construct, and deliver a new Minor League Baseball Stadium that complies with the standards created and approved by Major League Baseball (“Stadium”). Subject to delays for force majeure and delays beyond the reasonable control of the Developer, the Developer shall ensure that the Stadium achieves substantial completion by March 1, 2025, to be ready for the Navigators to host home baseball games on or before Opening Day for the 2025 Minor League Baseball season. Contemporaneously with the announcement of this Term Sheet, the Developer shall undertake to engage an architectural firm to design the Stadium and commence initial design discussions with the Navigators and VCU. Following approval of this Term Sheet by City Council, the Developer shall commence the formal Stadium design process with the City, Navigators, and VCU, provided that (1) the Developer’s obligation to advance the design process shall be subject to a budget cap of \$50,000 for any design work undertaken or commissioned by the Developer prior to the finalization of the draft Definitive Agreements for City Council’s review and approval and (2) the budget cap for such design work shall be increased to \$75,000 following the finalization of the draft Definitive Agreements for City Council’s review and approval. The Developer acknowledges and understands that the Developer is 100% at risk for all costs associated with the design of the Stadium and that neither the City nor any political subdivision of the Commonwealth or affiliate of the City will reimburse the Developer for any design cost or expenses for the Stadium, or for any aspect of the Phase 1 Project in any respect (provided the Developer shall be reimbursed for such costs through the Bond Financing). The City and the Developer shall mutually agree upon a Phase 1 Project Milestone Schedule. In addition:

- The City and the Developer shall confer and agree on the design/build contract terms and conditions;
- The City reserves the right to review and accept the Stadium design documents at 60% design stage;
- Developer shall reuse the stadium lighting installed at the Diamond in 2022; and

- The Stadium shall be designed and constructed to achieve LEED Silver certification.

The Phase 1 Project shall also consist of:

- A minimum of 1,134 residential rental units (+/- 1.13 million square feet)
  - A minimum of 20% of the residential rental units will have the following minimum affordable housing development components:
    - 184 units at 60% AMI
    - 39 units at 30% AMI, with at least 20 such units set aside for public housing residents with project based vouchers
- A minimum of 92 residential for sale units (+/- 206,400 square feet)
  - A minimum of 20% of the residential for sale units will have the following minimum affordable housing development components:
    - 18 units between 60% to 70% AMI
- A minimum of a 180 key full-service hotel (+/- 108,906 square feet) with the hotel brand approved by the City, but similar to and consistent with discussions between the City and Developer that outlined a hotel flag like “Curio”, which is a Hilton boutique brand
- A minimum of +/- 58,018 square feet of retail
- A minimum of +/- 1,695 structured parking spaces (+/- 679,925 square feet) and a minimum of 50 surface parking spaces

## Bond Financing

Community Development Authority:

The City and Developer shall work collaboratively to cause the creation of a Community Development Authority (“CDA”) for the purpose of financing the Infrastructure, Stadium, and other public improvements for the Project. The boundaries of the CDA (the “CDA District”) shall consist of the boundaries for the Project.

Bond Financing:

The City, EDA, and Developer shall work collaboratively to cause the issuance of revenue bonds by the CDA to finance the construction of the Infrastructure, Stadium, and other public improvements (not including structured parking) for the Project and to pay fees related to establishing the CDA and issuing the bonds (“Bond Financing”).

The Bond Financing shall be secured from certain hereinafter described revenues paid to or collected by the CDA and shall be non-recourse to the City; therefore, not requiring a moral or financial obligation from the City. The Bond Financing shall have a Special Assessment requirement that obligates the Developer and other future landowners within the District to pay all debt service payment shortfalls in the event the revenues generated in the CDA District are not sufficient to pay debt service payments.

Revenue from the Stadium Leases shall be transferred by the EDA to the CDA and used to pay debt service for the Bond Financing. Subject to annual appropriation by City Council, the City agrees to transfer to the CDA the following general fund revenues generated in the CDA District in such amounts as are necessary to pay debt service for the Bond Financing:

- Real Estate Tax
- Meals Tax (not to include the portion dedicated to Richmond Public Schools)
- Local Portion of the State Sales Tax
- Admissions Tax
- Business, Professional and Occupational License Tax

The City's Chief Administrative Officer shall ensure that the head of each applicable department reporting to the Chief Administrative Officer includes, in the annual estimates of revenue and expenditure for that department submitted to the Mayor for inclusion in the Mayor's proposed annual budget submitted to City Council, a request that the aforementioned general fund revenues be transferred to the CDA to pay debt service on the Bond Financing until such time as the Bond Financing has been repaid in full.

The City will coordinate with the Developer and the CDA to establish the following revenue sources in the CDA District to pay debt service for the Bond Financing:

- 2.00% surcharge paid by hotel guests at hotels
- 0.25% surcharge paid by consumers for all purchases

The City will use its best efforts to collaborate with the Developer to facilitate the transfer of the State portion of the Sales Tax generated in the Stadium to pay debt service for the Bond Financing and to request approval from the Commonwealth of Virginia to allow the

State portion of the Sales Tax generated in the CDA District and outside of the Stadium to be used to pay debt service for the Bond Financing.

In addition to other customary reserve funds, the Developer shall create and fund Special Reserve Fund A ("Special Reserve Fund A") in the amount of not less than \$3.5 million. Special Reserve Fund A and its associated accumulated interest shall be available and used for debt service payments for the Bond Financing. The Developer shall forego its development fee for the Stadium to create and fund Special Reserve Fund B ("Special Reserve Fund B") in the amount of not less than \$2.8 million. Special Reserve Fund B and its associated accumulated interest shall be available and used for debt service payments for the Bond Financing.

The Developer shall purchase approximately \$20 million of the initial series of bonds for the Bond Financing. Repayment of the approximately \$20 million bond purchase (1) shall be subordinated to all CDA bonds issued as part of the Bond Financing for the Phase 1 Project (the "Phase 1 Bonds") as well as all future Phases of the Project and (2) shall only be made if the following conditions are satisfied: (a) the Developer has completed the Phase 1 Project, (b) the revenues from the Phase 1 Project available for debt service payments on the Phase 1 Bonds due in the current year exceed the debt service coverage requirements for the Phase 1 Bonds for such year and (c) the Developer has closed on the purchase of the Property necessary to complete Phase 2 of the Project.

The Developer shall use CDA bond financing proceeds to pay the City for the City's cost of relocating the Hanover Water line, estimated at approximately \$3 million.

Reverter:

The Developer and the City acknowledge and agree that the Stadium must be financeable in order for the Bond Financing to be successful. To that end, the parties acknowledge and agree that the Developer's obligation with respect to delivery of the Stadium is to deliver a Stadium that complies with the minimum standards created and approved by Major League Baseball for a double A minor league baseball stadium (the "Minimum Standard"). The parties also acknowledge and agree that there are factors outside of their control, including interest rates, market conditions, and liquidity in the bond market, and that the maximum allowable Stadium budget will be determined by the market's receptiveness to certain bond sizing

metrics, interest rates, and an underwriter-determined debt service coverage ratio. If the determination is made by the parties, in consultation with a public finance consultant mutually acceptable to the parties, that the Stadium is not financeable due to the budget exceeding the maximum bond sizing due to the design of the Stadium exceeding the Minimum Standard, the City and Developer shall make a collaborative effort to reduce the cost of the Stadium through value engineering, provided the Stadium continues to at least meet the Minimum Standard, and such effort shall continue until the parties, in consultation with the aforementioned public finance consultant, determine that the Stadium is financeable.

Notwithstanding the foregoing, if the Stadium is not financeable, at the option of the City, (1) the Phase 1 Purchased Property shall revert back to the City, (2) the EDA shall terminate the Stadium Leases and (3) the City shall have a right of first refusal to purchase the Sports Backers Property, subject to the following terms, conditions and limitations: (a) to the extent that Developer has either (i) obtained a building or land disturbance permit and started construction on any portion of the Phase 1 Purchased Property or (ii) closed on a construction loan for any portion of the Phase 1 Purchased Property, the City may not exercise its right of reversion with respect to that portion of the Phase 1 Purchased Property; and (b) to the extent the City elects to exercise its right of reversion with respect to any portion of the Phase 1 Purchased Property, the City shall pay to the Developer an amount equal to that portion of the Purchase Price allocable to such portion of the Phase 1 Purchased Property. Notwithstanding the foregoing, upon an official determination that the Stadium is not financeable, the Developer shall have a period of ninety (90) days before this reversion right may be exercised by the City to develop and propose an alternative Stadium financing plan to the City for consideration, which the City shall have no obligation to accept, but which the Developer shall have an opportunity to present in a public forum with the goal of providing one final attempt at salvaging the Stadium development. The Developer shall not be considered at fault if the Navigator's reject a structure that is aligned with industry standards comparable to other double A minor league teams.

## **Project Requirements**

Sustainable                      The Developer shall construct all buildings to at least the Silver rating

- Development:** in the Leadership in Energy and Environment Design (“LEED”) rating system administered by the U.S. Green Building Council. The Developer shall construct the overall Project to the Silver rating in the Sustainable SITES Initiative (“SITES”) rating system administered by the Green Business Certification Inc. The Project shall manage stormwater for reuse in irrigating green spaces and endeavor to only use recycled stormwater for irrigation. The Developer shall use good faith efforts to incorporate in the Project renewable energy production as part of the building design, site design, or both.
- Park:** The Project includes the development of approximately 11.1 acres of park space (the “Parks”), as shown on Exhibit D. The Developer, in consultation with the City, shall develop a plan to address the maintenance, operation and programming for the Parks and the proper allocation of responsibilities with respect thereto between the Developer and the City.
- Ability to Convert To Office Use:** The City acknowledges and agrees that the Developer retains the right to convert a portion of the Phase 1 Purchased Property from multi-family residential use to class A office use, as shown on the conceptual site plan and rendering attached hereto as Exhibit C, in which case the minimum number of residential rental units required to be constructed in the Phase 1 Project shall be reduced by the number of residential rental units originally intended to be constructed on such portion of the Phase 1 Purchased Property.
- Other Financing:** To the extent the Developer elects to seek funding for the Project or any Phase of the Project from the Commonwealth of Virginia or the federal government that is in addition to the funding sources previously identified in this Term Sheet, the City shall work collaboratively with the Developer to obtain such funding.
- Taxable Parcels:** Upon the initial conveyance of the Property to the Developer and at all times thereafter, the Property and all improvements developed and constructed thereon from time to time, including, without limitation, the initial improvements, shall be subject to full real estate taxes and assessments in the same manner as imposed by the City on other similarly situated properties located in the City. At no time will the Developer, or any owner, lessee, sublessee, or user apply for or attempt to receive any tax abatement, tax exemption, or any other kind of relief from the payment of real estate taxes. If for any reason Developer, owner, lessee, sublessee, or user, or the Property and improvements thereon are not subject to real estate taxation,

said Developer, owners, lessees, sublessees, or users shall pay to the City annually an amount equal to the real estate taxes that would be required if subject to taxation. The foregoing provisions may be enforced by way of deed conditions for the benefit of the City operating as a covenant binding Developer, running with the land; by a requirement of City approval prior to any land transfer; or by similar or additional enforcement mechanisms. Notwithstanding the foregoing, with respect to future Phases, Developer shall be entitled to participate in any tax abatement or similar programs that the City may then make publicly available to support the development of affordable housing; provided, however, the Developer may only participate in such programs if the revenues generated within the CDA District from the sources described above are producing surplus cash flows in excess of the amount required to pay the debt service on the Bond Financing.

**Expenses:** The Developer shall reimburse the City's and EDA's actual out-of-pocket expenses incurred for the Diamond District redevelopment process up to an amount not to exceed \$500,000 at Closing. The reimbursed expenses shall be used to provide technical assistance, grants, and loans to MBE/ESB businesses in the City. The Developer shall be responsible for its own attorney fees and other expenses that Developer incurs during the course of this transaction.

The Developer shall be responsible and bear all costs for construction of the Project, including but not limited to development fees, permit fees, tap fees, and any additional fees associated with development of the Project.

**Assignment:** The Developer may not assign its interest or any part thereof in the Definitive Agreements, the Property, or the Project without the prior written approval by the City, which approval the City shall be under no obligation to provide. Notwithstanding the foregoing, assignments or partial assignments to affiliated entities of Developer identified or described in the Definitive Agreements shall be permitted without the prior written approval of the City, provided the Developer provides the City with prior notice of such assignments.

**Key Professional Project Participants:** The City and the Developer contemplate that the Definitive Agreements will list certain entities or other parties with which the Developer will partner or has partnered and identified in its project proposals ("Key Professional Project Participants"). Key Professional Project Participants listed in the Definitive Agreements

may only be replaced by Developer with the City's consent, which consent shall not be unreasonably withheld.

**Construction Jobs for Richmonders:** To the extent permitted by law and without establishing preferences for Virginia residents over non-Virginia residents, the Developer shall make good faith efforts to achieve a goal that 100% of construction laborers not previously employed by the contractors or subcontractors but hired to work on the construction of the Project are Richmond residents; that 60% of a contractor's or subcontractor's existing laborers employed in the construction of the Project are Richmond residents; that 50% of skilled construction trades workers not previously employed by a contractor or subcontractor but hired to work on the construction of the Project are Richmond residents; and that 15% of a contractor's or subcontractor's existing skilled construction trades workers not previously employed by the contractor or subcontractor but hired to work on the construction of the Project are Richmond residents, provided that all such residents meet all of the knowledge, skills and eligibility requirements for any such available position.

**Minimum Construction Wages:** Developer shall cause all construction management companies, general contractors, and subcontractors to pay the local prevailing wage rate as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq., as amended, to each laborer, worker, and mechanic employed on the site; and no less than \$16.50 per hour for construction jobs for the Project. This provision shall include all unskilled and skilled construction workers for the Project.

**Union Labor Man Hours Goal:** To the extent permitted by applicable law, a goal of 40% for construction man-hours for non-skilled and skilled union personnel will apply to the publicly financed portions of the Project, including the Stadium and Infrastructure, and a goal of 25% for construction man-hours for non-skilled and skilled union personnel will apply to the privately financed portions of the Project.

**Reporting (Construction & Operation):** The Developer shall provide quarterly progress reports for the Project to the City's Department of Economic Development by no later than the 15th day of January, April, July, and October of each calendar year beginning January 1, 2023. Reporting shall include but not be limited to: construction milestones; MBE participation; union hours; construction spend (hard costs and soft costs); and other agreed upon information.



**Project Expeditors:** In order to assist the Developer with obtaining all required approvals and permits for the Project and each subsequent Phase of the Project in a timely fashion, the City shall designate an employee of the City to serve as the Project Expeditor. The role of the Project Expeditor shall be to ensure that various City departments respond to submittals made by the Developer in connection with the Project in a timely manner. The Project Expeditor may, in turn, appoint a designee to serve as the Developer's day-to-day contact for all matters relating to the Project.

**Insurance Requirements:** The Developer shall carry adequate and customary insurance coverages for the Project and its operations, including liability insurance based on industry standards for a project of this size and scope. Proceeds from property and casualty insurance policies shall be used to restore or reconstruct any damaged or destroyed portions of the Project.

**Legacy:** In coordination with the family of Arthur Ashe, Jr., the Developer shall continue to honor the legacy of Arthur Ashe, Jr. by creating elements in the Phase 1 Project and the overall Project.

**Community Benefits:** The Developer shall include a minimum ownership stake of 45% from minority business enterprise and emerging small businesses.

The Developer, for itself and its successors and assigns, agrees to make good faith efforts towards a goal of 40% minority business enterprise and emerging small business participation in the construction of the Project up to and including the issuance of a Certificate(s) of Occupancy and after the issuance of a Certificate(s) of Occupancy for the ongoing operations and maintenance of the Project. To accomplish this goal, the Developer shall partner with the City's Office of Minority Business Development, hire a minority business enterprise/emerging small business coordinator, and submit a minority business enterprise/emerging small business plan to the City no later than sixty (60) days after approval of this Term Sheet by City Council.

A minimum of five percent (5%) equity ownership shall be made available for local investors to invest in the Project.

Developer agrees to partner with the City's Office of Community Wealth Building and other organizations to provide workforce training

and construction jobs for Richmond citizens on the Project, and submit a workforce development plan to the City no later than sixty (60) days after approval of this Term Sheet by City Council.

Developer agrees to create a \$1 million fund to assist in paying the closing cost and other transaction expenses for buyers of the for sale affordable housing in the Project.

The Developer shall partner with Virginia Union University (“VUU”) to establish the Diamond District Small Business Institute and an associated \$500,000 Revolving Loan Program for graduates of the program who are approved for a Small Business Administration loan.

The Developer shall cause the creation or display of public art throughout the Project. The Developer shall consult with the secretary of the City’s Public Art Commission in creating its public art program. If the public art is to be dedicated to the City or if the public art is to be built on City-owned property, the Developer must follow the Public Art Commission approval process for creating new public art.

The Developer shall partner with VUU’s hospitality and business programs to provide enriching student learning opportunities on the hotel development and financing.

The Developer shall establish the Diamond District Scholarship Program (in the amount of \$50,000 annually, commencing upon achievement of stabilization of the Phase 1 Project and continuing for a minimum of ten (10) years thereafter) that will include paid internships, part-time jobs and summer employment opportunities for students of Richmond-based technical and community college programs.

The Developer shall fund and create the Diamond District Baseball League for tee-ball and coach pitch for youth ages five to eight through partnerships with existing organizations.

In an effort to create an available local workforce with sufficient experience to support the development of the Project, the Developer shall make a good faith effort to collaborate with the School Board of the City of Richmond, Virginia (“School Board”), to develop a technical training center at 2301, 2401, and 2416 Maury Street, owned by Project Ace, LLC, an affiliate of the School Board

("Technical Training Center"). If the Developer is successful in developing the Technical Training Center, the Developer shall provide funding sufficient to hire a training coordinator that will ensure that graduates from the Technical Training Center are offered apprenticeships and employment opportunities in the development of the Project.

The Developer shall share with the City its net profit from the sale of any individual parcels of real property (including both land and any improvements thereon) in the Project at the time of closing thereon, with 50% being payable to the City and 50% being payable to the Project investors, provided that the Project investors in such parcel of real property have achieved a minimum of a 20% internal rate of return on the equity invested in such parcel of real property. By way of example, if a building is sold and produces a 25% internal rate of return and the net profit above the 20% threshold is \$10,000,000, 50% will go to the City (\$5,000,000) and 50% (\$5,000,000) will go to the Project investors in such building. The parties intend that these funds will be used, subject to the approval of City Council, for programs that support economic inclusiveness, such as the Affordable Housing Trust Fund.

Developer acknowledges that it is voluntarily agreeing to provide the Community Benefits. Developer warrants that it or its agents, or contractors, will independently analyze the legal basis for its, or their, selected means and methods of performance and implementation of each Community Benefit to ensure that it, or they, do not engage in any conduct inconsistent with local, state, or federal law in such means and methods of performance and implementation. In addition Developer shall indemnify, hold harmless, and defend City from and against any claims and liabilities arising out of, caused by, or resulting from the performance and implementation of the Community Benefits by Developer, its agents, or its contractors. Developer shall release City, its officers, employees, agents and volunteers from and against any and all losses, liabilities, claims, damages, costs, and expenses (including, but not limited to, court costs and attorneys' fees) that Developer may suffer, pay, or incur caused by, resulting from, or arising out of the performance and implementation of the Community Benefits. This acknowledgement, warranty, and indemnification obligation will be included in the Definitive Agreements.

## **Purchase of Land in Subsequent Phases**

The City acknowledges and agrees that, in order to fully implement the Project, it is necessary for the Developer to purchase and develop the City-owned land within the Diamond District site in multiple Phases, and the City further acknowledges and agrees that the Developer would not undertake development of the Phase 1 Project without assurances from the City that the Developer may acquire the land in subsequent Phases of the Project at later dates for a fixed purchase price. To that end, provided that the Developer has made the required Deposit for the Property and is not then in default of any of its material obligations under the Definitive Agreements beyond any applicable notice and cure periods provided for in the Definitive Agreements and subject to the satisfaction of any conditions precedent set forth in the Definitive Agreements, the City covenants and agrees to make the land in subsequent Phases available for purchase by the Developer in accordance with the schedule set forth in the chart below (as such schedule may be modified from time to time by the Developer based on market demands) and at the purchase price set forth in the chart below.

| Phase   | Purchase Price | Acreage | Appx Date/Year of Closing | Price Per Acre | Required Deposit Per Phase |
|---------|----------------|---------|---------------------------|----------------|----------------------------|
| Phase 2 | \$7,260,000    | 7.34    | Q4 2027                   | \$989,101      | \$726,000                  |
| Phase 3 | \$16,390,000   | 12.90   | Q4 2030                   | \$1,270,543    | \$1,639,000                |
| Phase 4 | \$28,680,000   | 11.90   | Q4 2033                   | \$2,410,084    | \$2,868,000                |

Prior to the completion of development in Phase 1, in the event that the Developer is required to make special assessment payments, the purchase price for Phase 2 shall be discounted dollar for dollar up to \$7,260,000. Also, prior to the completion of development in Phase 2, in the event that the Developer is required to make special assessment payments, the purchase price for Phase 3 shall be discounted dollar for dollar up to \$16,390,000.

Exhibit E includes the illustrative master plan for the Project and outlines the program for Phase 1 through Phase 4. The Developer agrees that the total build out of the subsequent phases of the Project, beyond Phase 1, shall include the following components:

- A minimum of 1,729 residential rental units (+/- 1,729,000 square feet)
- A minimum of 20% of the residential rental units will have the following minimum affordable housing development components:
  - 285 units at 60% AMI
  - 61 units at 30% AMI, with at least 31 such units set aside for public housing residents with project based vouchers
- A minimum of 65 residential for sale units (+/- 117,000 square feet)

- A minimum of 20% of the residential for sale units will have the following minimum affordable housing development components:
  - 13 units between 60% to 70% AMI
- A minimum of a 150 key full-service hotel (+/- 90,000 square feet) with the hotel brand approved by the City
- A minimum of +/- 136,982 square feet of retail
- +/- 5,105 structured parking spaces (+/- 2,144,000 square feet), subject to market demand

EXHIBIT A: DIAMOND DISTRICT REDEVELOPMENT PROJECT PARCELS

# Exhibit A

## Diamond District Redevelopment Project Parcels

| Map Reference | Property Address             | Tax ID      | Acreage |
|---------------|------------------------------|-------------|---------|
| A             | 3101 N Arthur Ashe Boulevard | N0001512001 | 5.481   |
| B             | 3017 N Arthur Ashe Boulevard | N0001510009 | 4.015   |
| C             | 3001 N Arthur Ashe Boulevard | N0001510020 | 9.32    |
| D             | 2909 N Arthur Ashe Boulevard | N0001510011 | 12.15   |
| E             | 2907 N Arthur Ashe Boulevard | N0001510012 | 19.1    |
| F             | 2911 N Arthur Ashe Boulevard | N000151001  | 6.604   |
| G             | 2728 Hermitage Road          | N0001510013 | 10.9    |

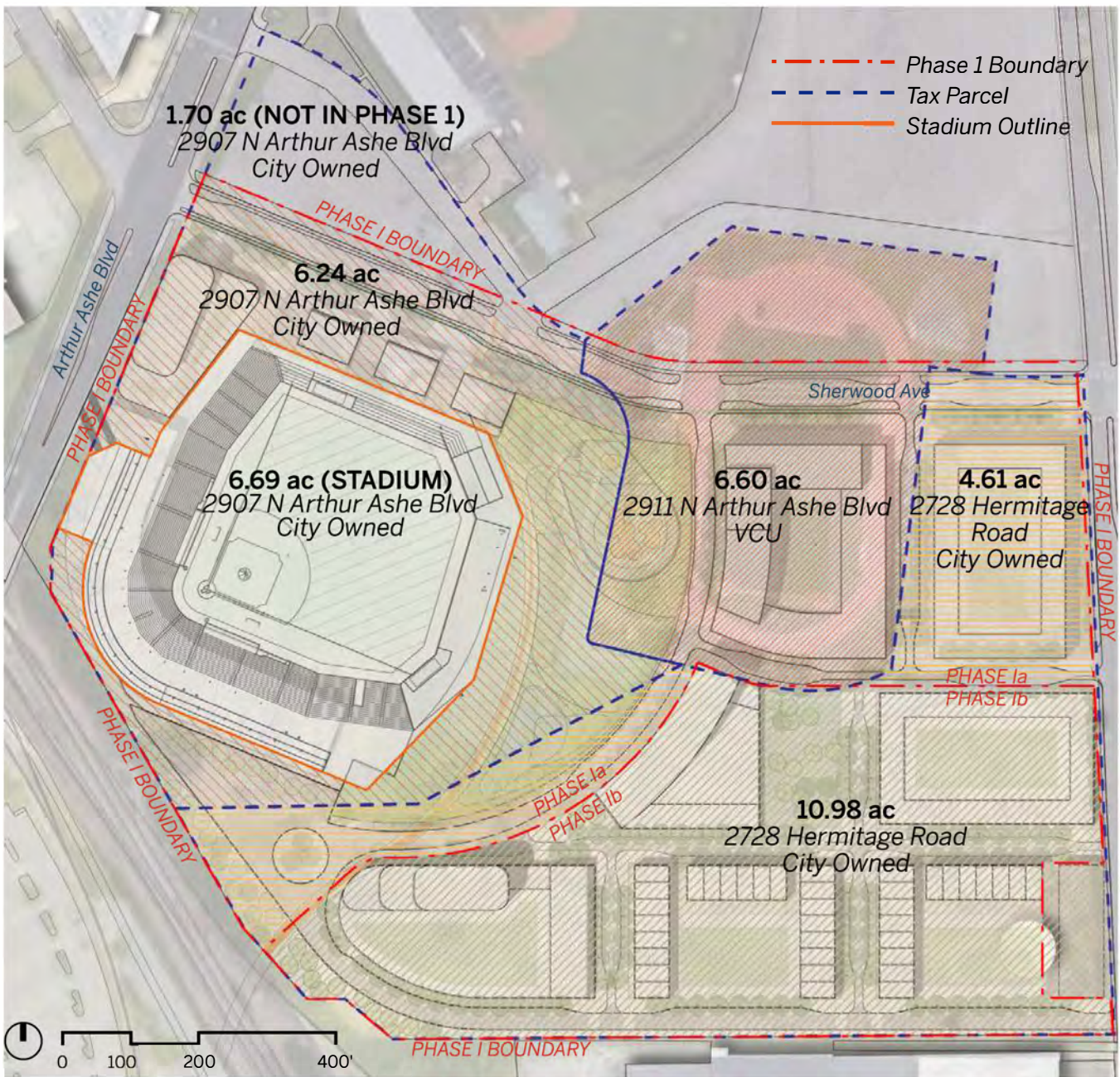


## EXHIBIT B: PHASE 1 LAND PURCHASE



# Exhibit B Phase 1 Land Purchase

| Tax Parcel                            | Parcel Area (ac) | Land to Purchase for Phase 1 |                           | Land Excluded from Phase 1 Purchase |                   |
|---------------------------------------|------------------|------------------------------|---------------------------|-------------------------------------|-------------------|
|                                       |                  | Area Within Phase Ia (ac)    | Area Within Phase Ib (ac) | Area Outside of Phase I (ac)        | Stadium Area (ac) |
| 2911 N Arthur Ashe Blvd<br>VCU Owned  | 6.60             | 6.60                         |                           |                                     |                   |
| 2728 Hermitage Road<br>City Owned     | 15.59            | 4.61                         | 10.98                     |                                     |                   |
| 2907 N Arthur Ashe Blvd<br>City Owned | 14.63            | 6.24                         |                           | 1.70                                | 6.69              |
| <b>Total</b>                          |                  | <b>17.45</b>                 | <b>10.98</b>              |                                     |                   |



## EXHIBIT C: PHASE 1 PLAN



# Exhibit C

## Phase 1 Plan

Phase 1 Plan

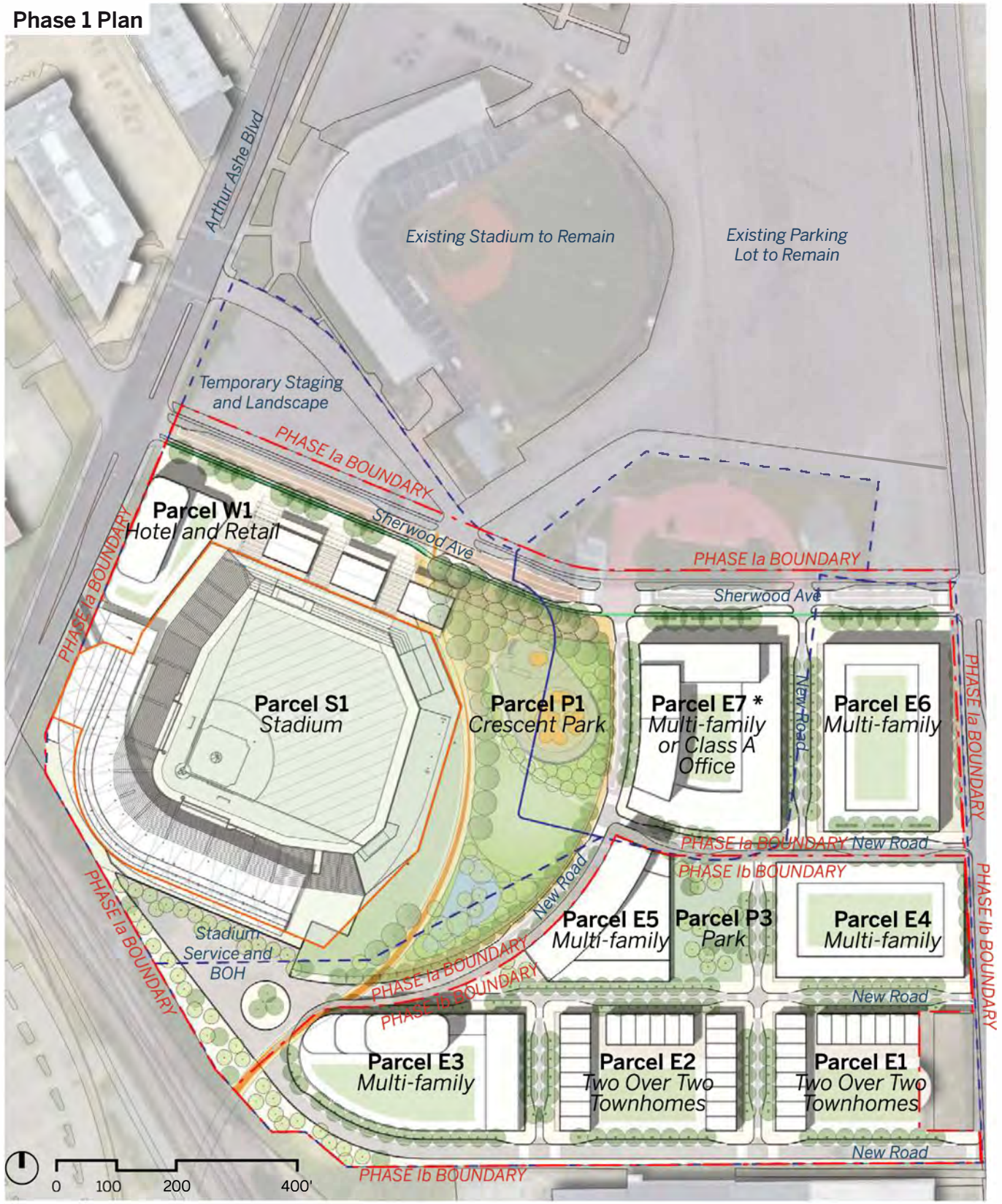


EXHIBIT D: CONCEPTUAL PARK MASTER PLAN

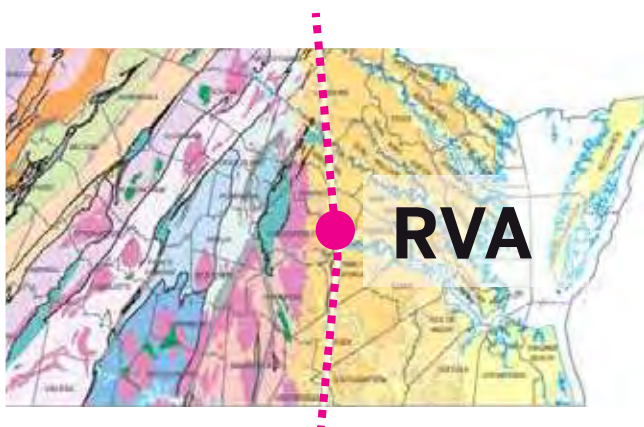
# Exhibit D

## Conceptual Park Master Plan

Where tectonic plates collide, Fall Lines are created as the physical manifestation of millions of years of geologic energy. These district transitions form where two different geologies intersect and overlap creating more diversity in the ensuing flora and fauna.

The Diamond District lies in the heart of Richmond's seven-mile wide Fall Line zone, marking a transition between the hard bedrock of the Piedmont and the soft sediments of the Coastal Plain. Its physical manifestation is most dramatically evident in the rapids and waterfalls that mark a 100 foot elevation change on the James River, which influenced the location of the city, due to ships inability to travel further inland.

Our vision for the Diamond District's signature open space is to celebrate the geological phenomena of the Fall Line by marking transitions, celebrating diversity, and embracing expression – of this place and its people. Specifically, we propose a series of landscape features that tell the rich story of Richmond's geological history and its diverse ecology. Parallel to and intersecting those features, we propose a gently meandering path that traces the life and legacy of Arthur Ashe.



Piedmont

Coastal Plain



Diamond District Tectonics





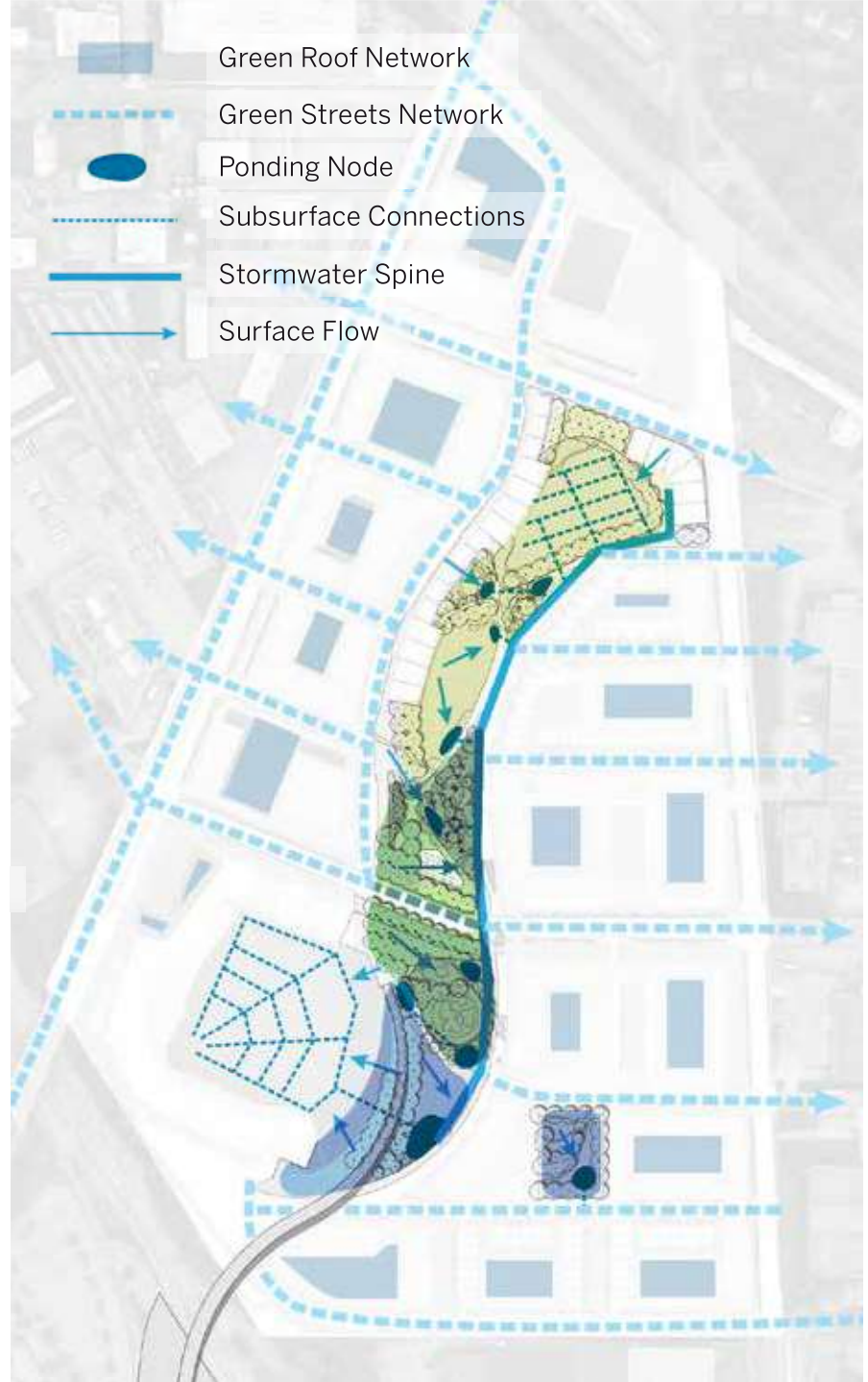
Piedmont Fields and Meadows



Piedmont Forests and Clearings



Coastal Plain



Ecological Zones and Stormwater



# Crescent Park



**Fall Line - Cultural/Ecological History**

Plants, stormwater, materials, and text at the Fall Line interventions shift visitor's attention to the site's cultural, ecological, and geological history.



**Piedmont Playgrounds**

Landscape forms of the Piedmont Playgrounds mimic geologic formations while creating dynamic spaces for play. Two age-appropriate spaces on either side of the Flex Lawn engage children with the local flora and fauna.



**The Grove - Urban Bosque**

The Grove is a block-scale urban forest that counters the urban heat island effect notably intense in this part of the city. The seasonal shade re-introduces a healthy tree canopy to build on Richmond 300 campaign.



**Forest Falls - Splash Pad**

Forest Falls sits east of the Grove providing a refreshing refuge from the summer sun and the flexibility of an open plaza for a variety of events and uses throughout the year.



**The Bowls - Skate Park**

The Bowls animate and diversify the broadened Sherwood Ave pedestrian way. Sculptural and iconic, the Bowls also play a functional role retaining stormwater during the first flush.



**Stormfalls - Stormwater Park**

Referencing the fall zone in the James River, Storm Falls intertwines geology, hydrology, and ecology to create a variety of experiences that are both functional and recreational.



# Open Space Plan

## Landscape Illustrative Plan





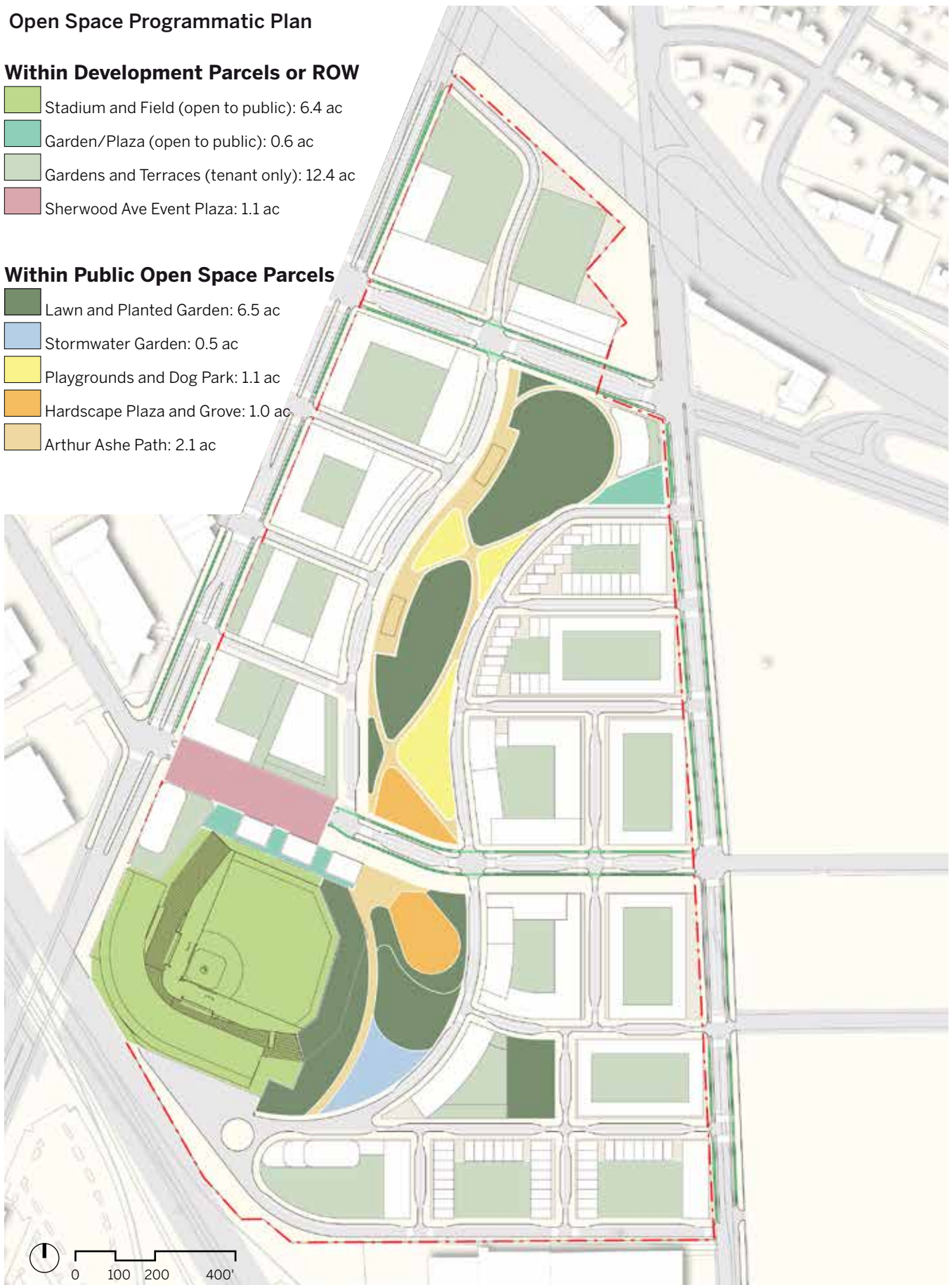
# Open Space Programmatic Plan

## Within Development Parcels or ROW

- Stadium and Field (open to public): 6.4 ac
- Garden/Plaza (open to public): 0.6 ac
- Gardens and Terraces (tenant only): 12.4 ac
- Sherwood Ave Event Plaza: 1.1 ac

## Within Public Open Space Parcels

- Lawn and Planted Garden: 6.5 ac
- Stormwater Garden: 0.5 ac
- Playgrounds and Dog Park: 1.1 ac
- Hardscape Plaza and Grove: 1.0 ac
- Arthur Ashe Path: 2.1 ac



# Crescent Park



Diamond Slopes, Flyover Walk, Stormfalls



Promenade

The Fall Line

Park Blvd West

Park Pavilions, Flex Lawn, Piedmont Climb Playground







An architectural rendering of a park or campus area. The scene is filled with lush green trees and a large central tree. In the background, a multi-story building is visible. People are shown walking on paths and sitting on a low wall. The foreground is dominated by a dense garden of green foliage and small white and purple flowers. Several white text boxes with black borders are overlaid on the image, each containing a label for a different area of the park.

OAK GROVE

RESIDENTIAL  
COMMUNITY

ARTHUR ASHE PATH

*"From what we get, we can make a living.  
What we give; however, makes a life."*

POLLINATOR MEADOW

STORMWATER  
CATCHMENT



# CRESCENT PARK: IMMERSIVE, ECOLOGICAL, WITH PROGRAMS FOR ALL

FALL LINE SCULPTURE

PAVILION IN THE PARK

PICNIC LAWN



EXHIBIT E: ILLUSTRATIVE MASTER PLAN

# Exhibit E

## Illustrative Master Plan

- 1 Sherwood Ave + Ballpark Forecourt
- 2 The Diamond Stadium (10,000 capacity)
- 3 The Diamond Hotel (180 Keys)
- 4 F&B Pavilions, Culture + Cuisine
- 5 Pedestrian Bridge (to Scott's Addition)
- 6 Flyover Walk Landbridge
- 7 Stormfalls Stormwater Park
- 8 Neighborhood Park
- 9 Arthur Ashe Path
- 10 Pickup Play Lawn
- 11 The Bowls
- 12 The Grove Urban Plaza
- 13 Forest Falls Plaza
- 14 Fall Line Garden
- 15 Piedmond Playground
- 16 Flex Lawn
- 17 Pavilions in the Park
- 18 Dog Park
- 19 Event Lawn
- 20 The Mural Mews
- 21 Pavilion Promenade
- 22 New Bus Stop Shelter
- 23 Event Parking Garage
- 24 The Fall Line Hotel (150 Keys)







Greyhound  
Station

Bldg W

Arthur Ashe Blvd

64 / 95

Heritage Rd

VCU Athletic  
Village

Sherwood Ave

CSX Tracks



# Illustrative Master Plan









# Overall Phasing Sequence



# Programmatic Plan

| Parcel       | Multi Family Type I or II Units | Multi Family Type III Units<br>(50% Affordable, 30% -60% AMI) | Two Over Two Condos Units | Hotel Keys      | Class A Office GSF | Retail, Amenities, Community GSF | Stadium GSF        | Structured Parking Spaces |
|--------------|---------------------------------|---------------------------------------------------------------|---------------------------|-----------------|--------------------|----------------------------------|--------------------|---------------------------|
| W1           |                                 |                                                               |                           | 180             |                    | 39,000                           |                    |                           |
| W2           | 157                             |                                                               |                           |                 | 244,000*           | 34,000                           |                    | 840                       |
| W3           |                                 | 180<br>(85 affordable)                                        |                           |                 |                    | 17,000                           |                    | 470                       |
| W4           |                                 |                                                               |                           |                 | 329,000            |                                  |                    | 660                       |
| W5           | 354                             |                                                               |                           |                 |                    | 45,000                           |                    | 620                       |
| N1           |                                 |                                                               |                           |                 | 362,000            |                                  |                    | 1,620                     |
| N2           |                                 | 150<br>(71 affordable)                                        |                           |                 |                    | 16,000                           |                    | 290                       |
| E1           |                                 | 63<br>(29 affordable)                                         | 30                        |                 |                    |                                  |                    |                           |
| E2           |                                 |                                                               | 44                        |                 |                    |                                  |                    |                           |
| E3           | 169                             |                                                               | 15                        |                 |                    |                                  |                    | 220                       |
| E4           |                                 | 215<br>(101 affordable)                                       |                           |                 |                    |                                  |                    | 410                       |
| E5           | 215                             |                                                               |                           |                 |                    |                                  |                    | 90                        |
| E6           |                                 | 197<br>(93 affordable)                                        |                           |                 |                    | 7,000                            |                    | 410                       |
| E7           | 338                             |                                                               |                           |                 |                    | 8,000                            |                    | 190                       |
| E8           |                                 | 209<br>(98 affordable)                                        |                           |                 |                    |                                  |                    | 410                       |
| E9           | 410                             |                                                               |                           |                 |                    | 9,000                            |                    | 230                       |
| E10          |                                 | 151<br>(71 affordable)                                        | 28                        |                 |                    |                                  |                    | 270                       |
| E11          |                                 | 56<br>(26 affordable)                                         | 40                        |                 |                    |                                  |                    | 100                       |
| E12          |                                 |                                                               |                           | 150             |                    | 14,000                           |                    |                           |
| S1           |                                 |                                                               |                           |                 |                    |                                  | 125,000            |                           |
| P1           |                                 |                                                               |                           |                 |                    | 7,000                            |                    |                           |
| P2           |                                 |                                                               |                           |                 |                    |                                  |                    |                           |
| P3           |                                 |                                                               |                           |                 |                    |                                  |                    |                           |
| <b>Total</b> | <b>1,643 Units</b>              | <b>1,220 Units</b><br>(573 Units Affordable)                  | <b>157 Units</b>          | <b>330 Keys</b> | <b>935,000 GSF</b> | <b>195,000 GSF</b>               | <b>125,000 GSF</b> | <b>6,800 Spaces</b>       |

\* Parcel W2 can support an additional 171,000 GSF of Class A Office, if a building height variance can be obtained



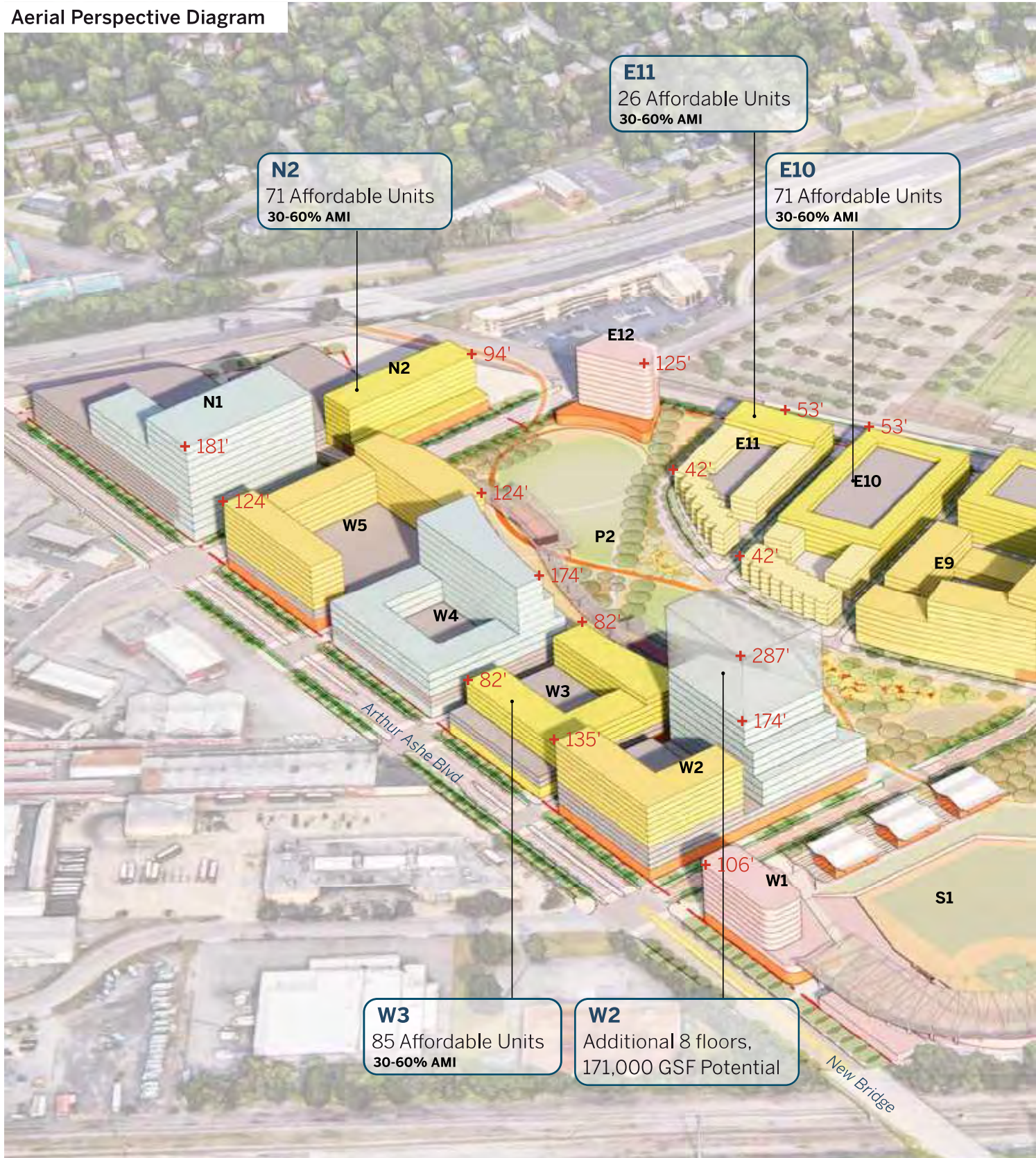
**Programmatic Plan**



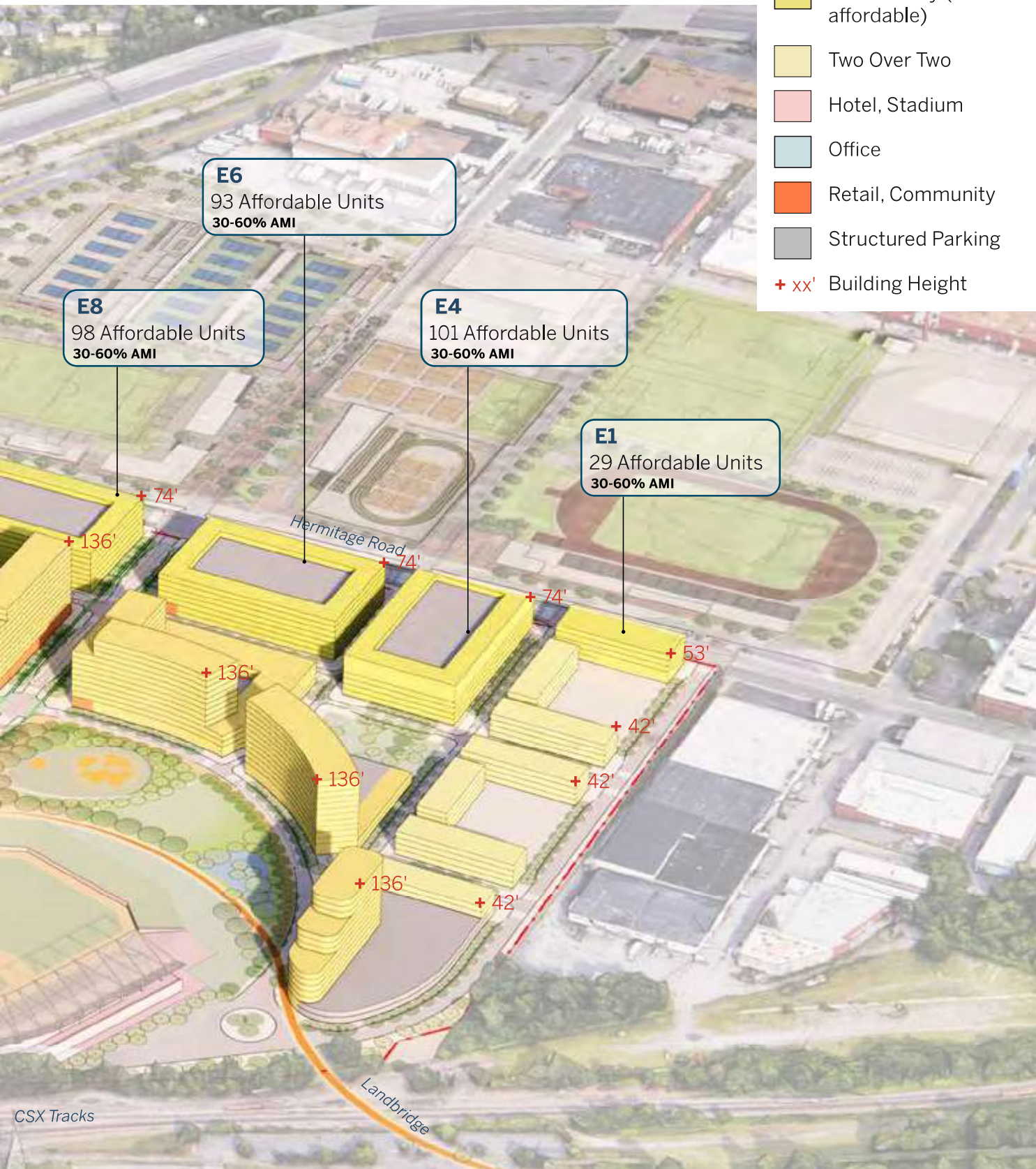


# Programmatic Plan

Aerial Perspective Diagram







- Multi-Family
- Multi-Family (50% affordable)
- Two Over Two
- Hotel, Stadium
- Office
- Retail, Community
- Structured Parking
- + xx' Building Height

**E6**  
93 Affordable Units  
30-60% AMI

**E8**  
98 Affordable Units  
30-60% AMI

**E4**  
101 Affordable Units  
30-60% AMI

**E1**  
29 Affordable Units  
30-60% AMI

Hermitage Road

Landbridge

CSX Tracks