



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Finance & Economic Development Standing Committee

April 18, 2024

Legislative Summary

Previous Meeting: March 21, 2024

Next Meeting: May 16, 2024

Paper(s) for Consideration

1. ORD. 2024-077

Patron: Mayor Stoney

To amend Ord. No. 2023-071, adopted May 8, 2023, which adopted the Fiscal Year 2023-2024 General Fund Budget and made appropriations pursuant thereto, by increasing revenues from estimated interest income by \$9,000,000.00, to appropriate a portion of such estimated interest income to various City departments and a non-departmental agency, to create certain new line items in the Non-departmental agency, appropriate a portion of such estimated interest income revenue thereto, and transfer certain funds; to amend Ord. No. 2023-073, adopted May 8, 2024, which accepted a program of proposed Capital Improvement Projects for Fiscal Year 2023-2024 and the four fiscal years thereafter, adopted a Capital Budget for Fiscal Year 2023-2024, and determined a means of financing the same, by establishing a new project for the Department of Parks, Recreation, and Community Facilities in the Capital Investment Opportunities category called the "Parks Improvement Projects" project; and to appropriate \$988,156.00 in transferred funds of such \$9,000,000.00 of increased revenue from estimated interest income to the Department of Parks, Recreation, and Community Facilities' Parks Improvement Projects project in the Capital Investment Opportunities category for the purpose of funding improvements in City parks and recreation facilities.

Key Points:

- A.** As part of the "Well-managed Government" strategy, the Administration is recommending amendments to align agency and project budgets more closely with their projected expenditures. In previous years, similar re-appropriation papers were introduced and adopted to adjust various agencies' budgets.
- B.** This reappropriation includes funding to ensure departments can perform necessary municipal functions.



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- C. Note that this legislation was previously continued to allow members to receive additional information.

Fiscal Impact: None. Yes. The City will receive \$9,000,000 in anticipated surplus one-time revenue.

2. ORD. 2024-108

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program between the City of Richmond, the Commonwealth of Virginia, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing CoStar Realty Information, Inc., with incentives for the development of infrastructure of existing and planned facilities at its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond. (6th District)

Key Points:

- A. The company announced that it would invest \$460.5 million and create 1,984 new jobs with an average wage of over \$85,000. As part of its collaborative proposal with the City to induce the Company to expand in Richmond, the Commonwealth offered two incentives:
- a. (1) the "Market-Based Sourcing" incentive, which reduces the Company's corporate income tax burden (and to which the city is not a party to) and
 - b. (2) a \$15,000,000 infrastructure grant program to reimburse the Company for infrastructure improvements like site grading and utilities on and around the site.
- B. The project is projected to generate an estimated \$30.6 million in new revenue over the next ten years. There are no city funds associated with the state infrastructure grant.

Fiscal Impact: None Yes.

3. ORD. 2024-109

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Property Tax Grant Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., and the Economic Development Authority



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of the City of Richmond for the purpose of providing a grant to CoStar Realty Information, Inc., to expand, equip, improve, and operate its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond. (6th District)

Key Points:

- A. The company announced that it would invest \$460.5 million and create 1,984 new jobs with an average wage of over \$85,000.
- B. To induce the company to expand in Richmond, the State offered its "Market-Based Sourcing" incentive which reduces the Company's corporate income tax burden, and a \$15 million infrastructure grant, which the City is a party to the performance agreement.
- C. The project is projected to generate an estimated \$30.6 million in new revenue over the next ten years. The incentive leverages a portion of new, incremental taxes only and does not involve any existing city revenue. The first grant payment may be requested by the Company in FY 2027 and based on performance, will be disbursed annually until FY 2036.

Fiscal Impact: None Yes. The incentive leverages a portion of new, incremental taxes only and does not involve any existing city revenue.

4. ORD. 2024-110

Patron: Mayor Stoney

To authorize the Chief Administrative Officer, for an on behalf of the City of Richmond, to accept grant funds in the amount of \$100,000,000.00 from the Virginia Department of Environmental Quality and to appropriate the increase to the Fiscal Year 2023-2024 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Public Utilities' Combined Sewer Overflow project in the Utilities category by \$100,000,000.00 for the purpose of funding the Combined Sewer Overflow project.

Key Points:

- A. The grant allows for continued wastewater treatments associated with the water quality of the James River as well as the implementation of the City's CSS Plan.
- B. The grant is funds are fully reimbursable and no matching funds are required.

Fiscal Impact: None Yes.



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5. **ORD. 2024-111**

Patron: Mayor Stoney, Ms. Jordan, President Nye, Ms. Newbille, Ms. Trammell, Mr. Addison, Ms. Lynch and Ms. Robertson

To authorize the issuance of general obligation public improvement bonds of the City of Richmond in the maximum principal amount of \$170,000,000 to finance the costs of the design, acquisition, construction and equipping of a new baseball stadium to be developed in connection with the redevelopment of the area known as the "Diamond District" and to pay the issuance and financing costs incurred in connection with such bonds (including, but not limited to, certain capitalized interest on such bonds); to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such bonds for such capital improvement project, to provide for the form, details and payment of such bonds; and to authorize the issuance of notes of the City in anticipation of the issuance of such bonds.

Key Points:

- A. The legislation provides for a bond issuance for the construction of a new baseball stadium and surrounding infrastructure.
- B. The stadium will be leased to the Richmond Flying Squirrels Baseball Team for an initial term of 30 years.
- C. The \$170 million issuance shall consist of \$130 million tax-exempt general obligation bonds and 40 million tax-exempt lease revenue bonds to cover the construction costs of the Stadium and Phase I infrastructure.

Fiscal Impact: None Yes. Estimated debt service associated with G.O. Bonds \$7 million per year; debt services associated with revenue bonds is an estimated \$3 million per year.

6. **ORD. 2024-112**

Patron: Mayor Stoney, Ms. Jordan, President Nye, Ms. Newbille, Ms. Trammell, Mr. Addison, Ms. Lynch and Ms. Robertson

To create the Diamond District Community Development Authority.

Key Points:

- A. The CDA will be an independent legal entity led by a Board consisting of five members, all of which are to be appointed by City Council.



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- B.** The CDA will benefit the citizens of the City by promoting increased employment opportunities in the City, and facilitate the successful expansion of the City's tax base through increased real property, personal property, sales, meals and business, professional and occupational license tax revenues from the increase in investment and economic activity in the CDA District.

Fiscal Impact: None Yes.

7. ORD. 2024-113

Patron: Mayor Stoney, Ms.

Jordan, President Nye, Ms. Newbille, Ms. Trammell, Mr. Addison, Ms. Lynch and Ms. Robertson

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute the Diamond District Redevelopment Project Purchase and Sale and Development Agreement by and between the City of Richmond, Virginia, Diamond District Partners, LLC, and the Economic Development Authority of the City of Richmond, Virginia, for the purpose of providing for the financing, construction, maintenance, and operation of public improvements and private development within an area generally known as the Diamond District along North Arthur Ashe Boulevard and Hermitage Road.

Key Points:

- A.** Authorizes the City to enter into the Agreement with the EDA and the Developer to provide for the sale of approximately 11.67 acres of property within the Diamond District "Phase 1A Property"
- B.** Provides the Developer and the options to purchase an additional, approximately 5.71-acre parcel within the Diamond District "Phase 1B Property"
- C.** Provides purchase of approximately 2.28-acre parcel within the Diamond District (as further described herein, the "Phase 1C Property").

Fiscal Impact: None Yes. Coincides with ORD 2024-011

8. ORD. 2024-114

Patron: Mayor Stoney, Ms.

Jordan, President Nye, Ms. Newbille, Ms. Trammell, Mr. Addison, Ms. Lynch and Ms. Robertson

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



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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.

Key Points:

- A. The legislation provides for the execution of 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

Fiscal Impact: None Yes. Coincides with ORD 2024-011

Committee Follow-up

Fiscal Activities Calendar Items for April 2024:

- Budget Work Sessions (4)
- Quarterly Reporting: 3rd Quarter Forecasting
- Public Hearing of Mayor's Proposed Budget
- Monthly Reporting: HR Vacancies and Over Time Report
- Monthly Reporting: Financial Synopses

Requests from Prior Standing Committee Meeting – February 2024:

- Economic Development Performance Grant Update—Leonard Sledge
 - Information regarding BPOL exemption:
 - Number of small businesses associated with the exemption
 - Number of small businesses opened in the past year



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- ARPA Presentation—Sabrina Joy-Hogg
 - Date associated with the obligation of ARPA funds (final date all funds should be obligated)

Requests from Prior Standing Committee Meeting – March 2024:

- Litter Prevention Recycling Grant
 - Provide litter schedule
- Vehicle Barrier System Grant
 - Impact on vendor fees (will an increase occur)

Proposed Timeline for submittal of legislation relating to Richmond City Code – Article V-Fund Balance

Proposed Timeline	City Council Meeting	Finance & Economic Development Standing Committee Meeting
	Introduced - May 13, 2024	May 16, 2024
Presented for Council Vote	May 28, 2024	