

DEVELOPMENT UPDATES 2024

Diamond District



CITY OF RICHMOND

Overview: The Diamond District

- Home of Richmond's beloved Flying Squirrels
- Identified by residents through dozens of public meetings as an important community asset in both the Richmond 300 Master Plan and the Greater Scott's Addition Area Plan
- A 67-acre, publicly-owned, prime redevelopment site



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Overview: The Diamond District

The Diamond District will create a neighborhood with a much-anticipated new ballpark, signature park, retail, office, and mixed-income, mixed-use residential development for a large tract of underdeveloped land.



What Remains the Same in the Project

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- 67-acre site anchored by a new ballpark and mixed-use buildings
- A signature central park
- 40% Minority Business Enterprise requirements
- 40% union labor for the stadium and infrastructure
- 25% union labor for the privately financed portions of the project
- 20% of the residential units to be affordable to households with incomes averaging 60% AMI: Phase 1 to include up to 100 units with project-based vouchers to assist households at or below 30% AMI
- Partnership with Virginia Union University (VUU) to establish the Diamond District Small Business Institute and an associated \$250,000 Revolving Loan Program
- Sustainably designed buildings to at least the Silver rating in the Leadership in Energy and Environment Design (LEED) rating system



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Updates on the Project

- The Flying Squirrels are now managing the design and construction of the stadium through contracts with ODELL and Machete)
- The development team has changed from RVA Diamond Partners LLC composed of:
 - Thalhimer Realty Partner
 - LOOP Capital
 - Republic
- To Diamond District Partners LLC:
 - Thalhimer Realty Partner
 - LOOP Capital

The Diamond District will be developed by both an established local developer, Thalhimer Realty Partner, and the nation's largest Black-owned developer, LOOP Capital.



Phase One Build Out

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	RESIDENTIAL UNITS	RENTAL UNITS	FOR SALE UNITS	AFFORDABLE UNITS	% OF UNITS AFFORDABLE	HOTEL KEYS	COMMERCIAL GSF	PARKING SPACES
PHASE 1A	891	891	0	161	18%	180	20,000	965
PHASE 1B	335	325	10	124	38%	0	12,407	675
PHASE 1C	467	453	14	54	12%	0	104,248	552
TOTAL PHASE 1	1,693	1,669	24	338	20%	180	136,655	2,192
NET CHANGE	678	654	24	237	-	SAME	120,655	1,147



Updates on the Project

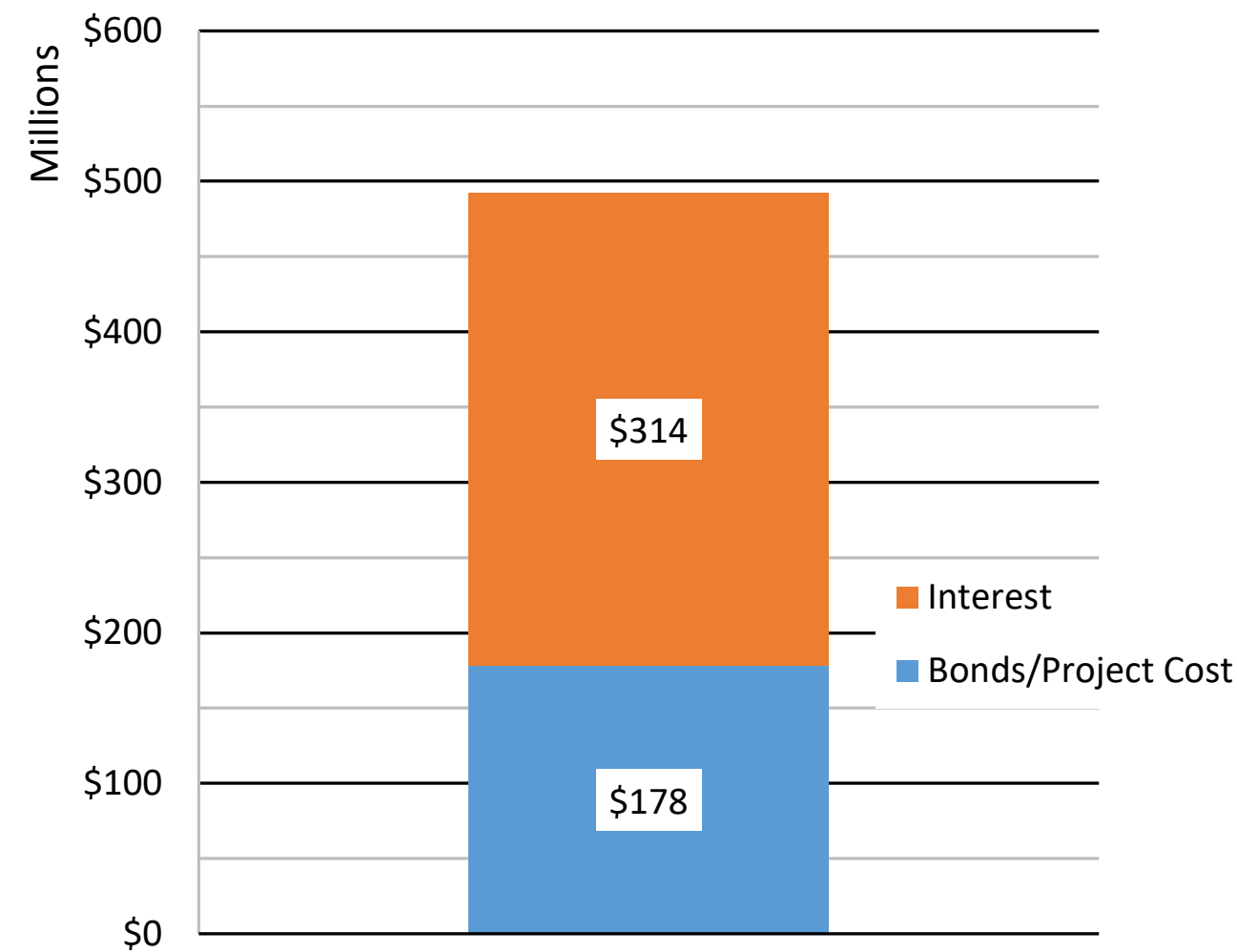
- The City is recommending, based on advice from our independent financial advisor, using a City Special Revenue Bond approach, instead of a Community Development Authority (CDA) revenue bond approach to finance the Flying Squirrels' baseball stadium and Phase One infrastructure (includes the public park, streets, and utilities).
 - New approach will reduce costs by an estimated \$215 million over 30 years, because of a decreased interest rate from +8% to 4%.
 - It will also secure an additional ~\$24 million by utilizing the currently available state sales tax incentive program, prior to its expiration on July 1st.

To be clear, the Special Revenue Bond approach does not impact current capital improvement projects or our ability to afford other capital improvement projects, like new schools.



Special Revenue Bond Approach is Much More Cost Effective

CDA Revenue Bond Approach

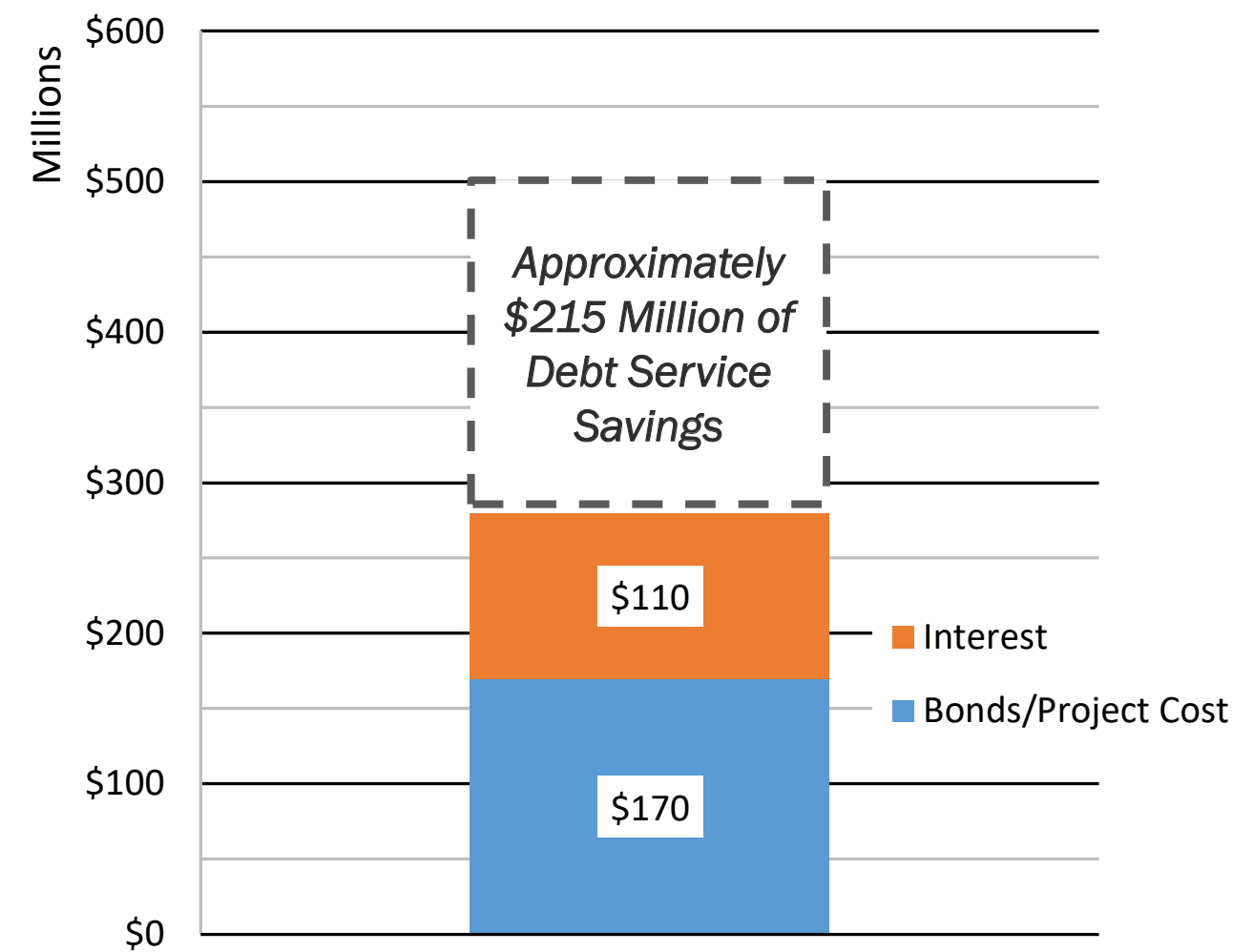


Total: \$493 Million*

- Approximate 8%+ Cost of Funds.
- Requires a Liquidity Reserve of at least \$15 Million (and upwards of \$30 Million) to be funded from the City's Land Sale proceeds
- Less certainty that Bonds can be sold.

* Includes \$10 Million of Phase I Land Sale Proceeds applied directly to New Baseball Stadium construction.

Special Revenue Bond Approach



Total: \$280 Million

- Approximate 4% Cost of Funds
- Excellent likelihood of Bonds being sold.
- *Special Revenue Bond Approach results in approximately \$215 Million of Debt Service Savings versus CDA Approach.*

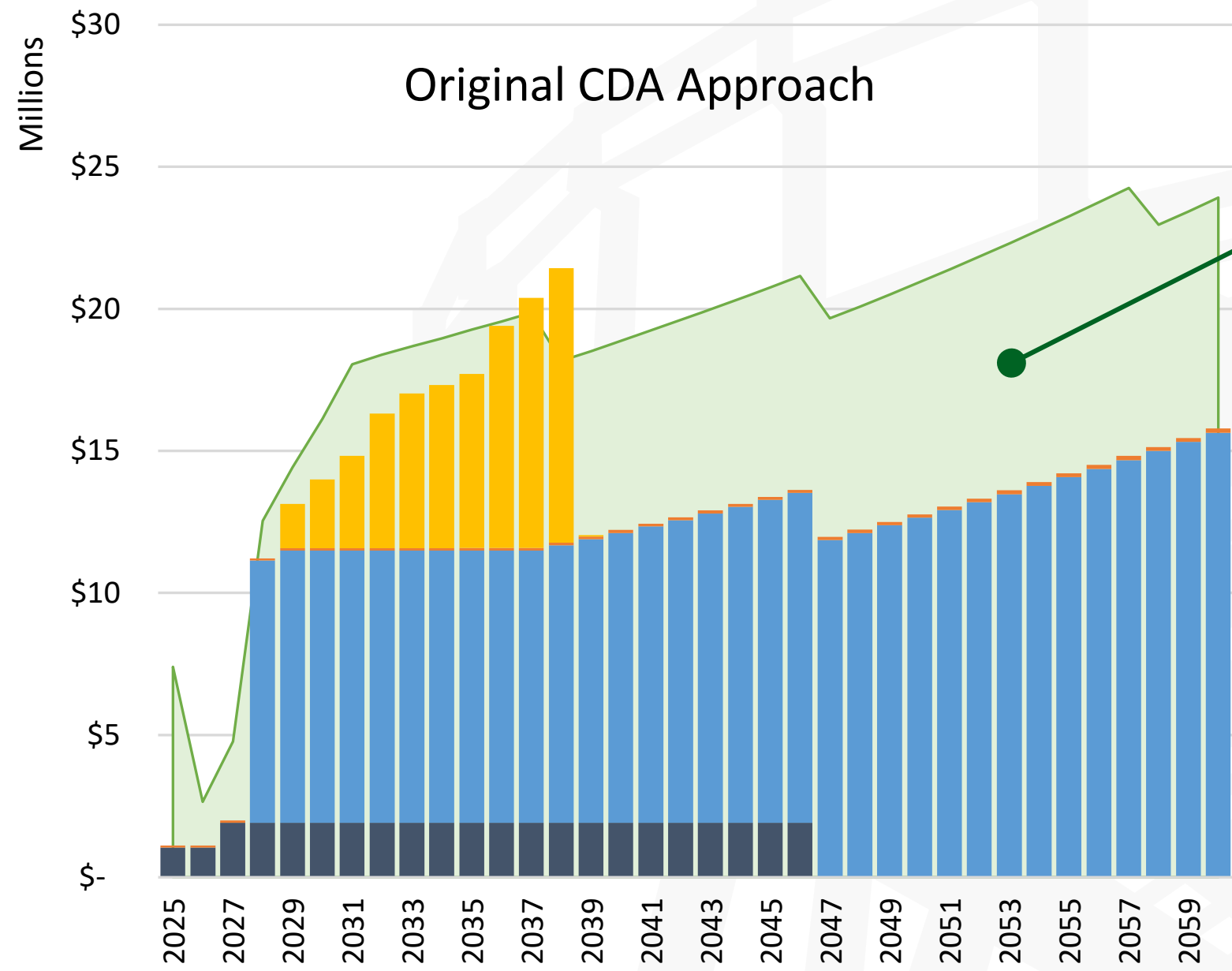


Updates on the Project

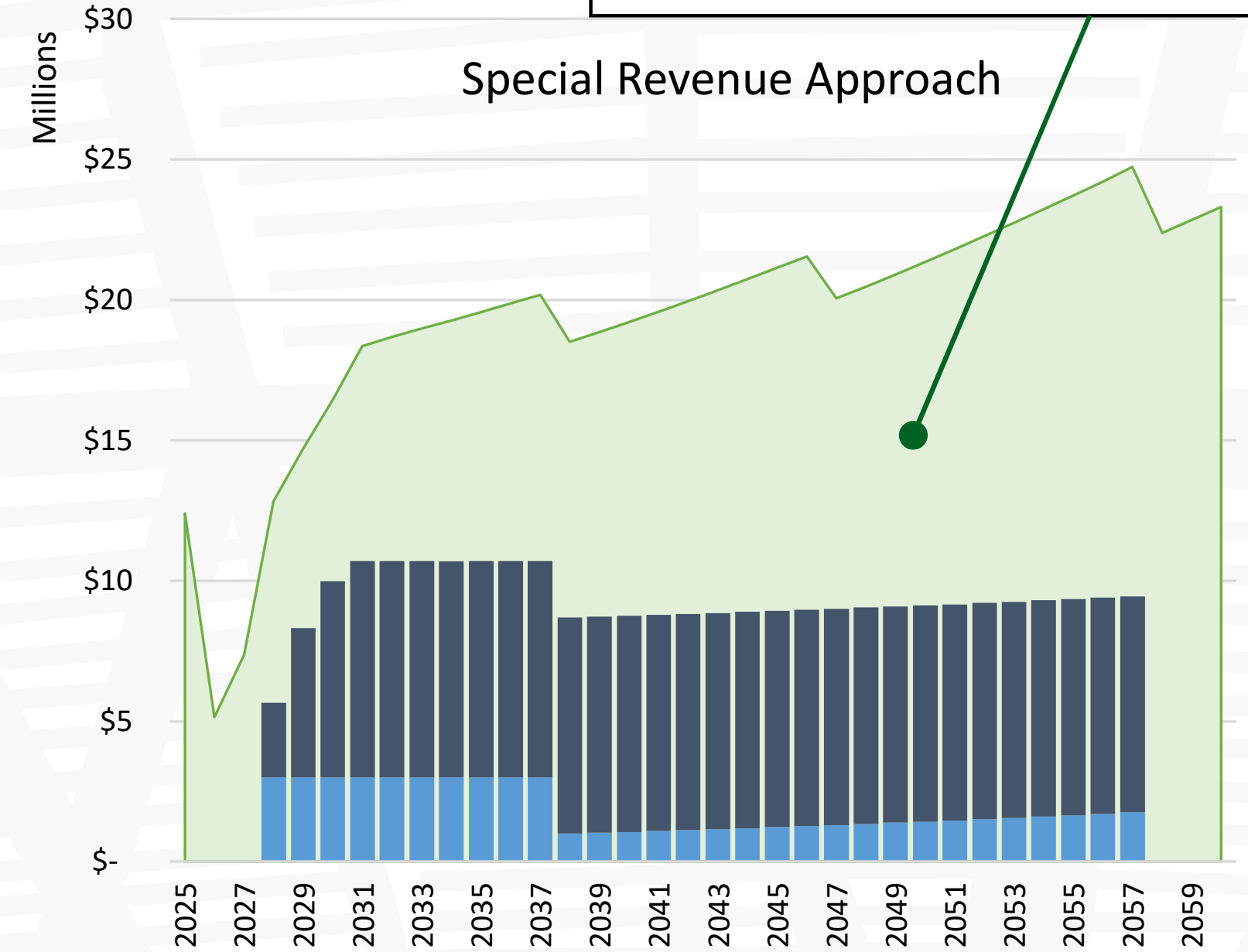
- Funding for the New Baseball Stadium can be accomplished by June 30, 2024, removing the financing risk related to initiate New Baseball Stadium construction and enable the City to meet the Squirrels' deadline.
- This approach eliminates the expanded TIF, but there will be a CDA to collect certain revenues to be utilized for maintenance and improvements.
- Frees up approximately \$23.7 million in debt capacity for Diamond District infrastructure which will now be paid for by the special revenue collection.



Special Revenue Bond Approach is Much More Cost Effective



Green Shaded Area represents \$196 Million of surplus revenue to the City.



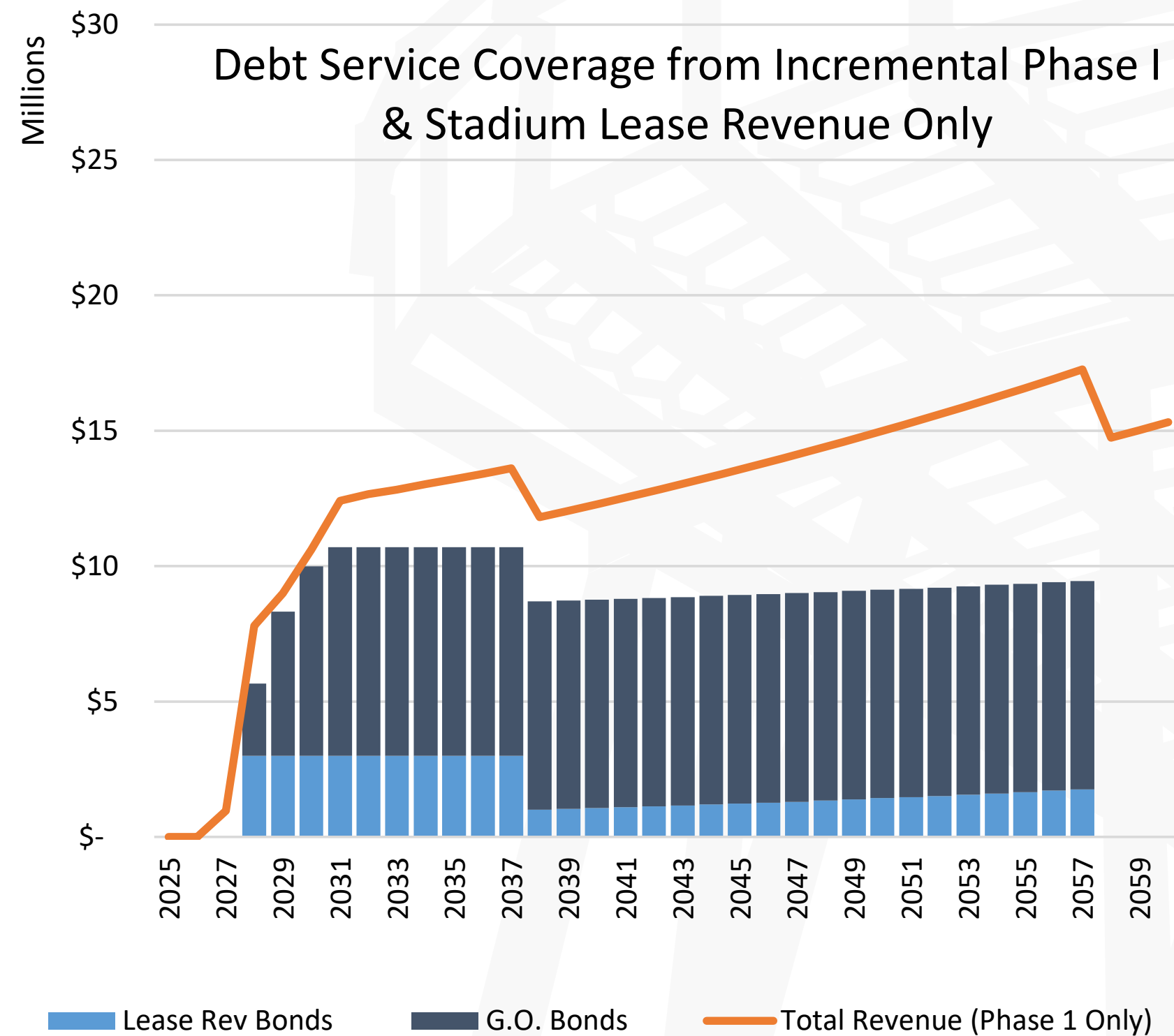
Green Shaded Area represents \$418 Million of surplus revenue to the City.

- Total Revenue
- CDA Bond
- Subordinate Developer Bond
- Infrastructure
- CDA Expense

- Total Revenue
- Lease Rev Bonds
- G.O. Bonds

Special Revenue Bond Approach is Much More Cost Effective

A graphic representation of the cash flows and Dept Service Coverage assuming the recommended Special Revenue Approach is show below:



- The special revenue approach is backed by the full faith and credit of the City if the tax revenue does not materialize as expected.
- City would be responsible for funding \$7 million debt service payment.
- The strong past performance of the Squirrels, and the strength of the market for property in Greater Scotts Addition, provide confidence that the risk to the City is low.



KEY MILESTONES IN THE PROJECT TIMELINE



QUESTIONS

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