



DATE: July 25, 2025

TO: Richmond City Council

FROM: Katie McConnell, Senior Deputy Director, Dept. of Economic Development

CC: Sharon Ebert, DCAO for Planning and Economic Development
Matthew Welch, Acting Director, Dept. of Economic Development

RE: Background and Overview of VPM Performance Grant Agreement

This memo provides additional background and summary information for ORD. 2025-160.

BACKGROUND & PROJECT OVERVIEW

- In June 2023, following a two-year site selection search, VPM Media Corporation (VPM) announced that it would relocate its headquarters and television and radio broadcast studios from Chesterfield County to the historic Arts District in Richmond with a facility located at 13-17 East Broad Street.
- The site was an underutilized surface parking lot that was not contributing to downtown vibrancy and generating limited commercial activity and tax revenue (in 2023, the parcel generated \$19,896 in real estate revenue, with just \$504 attributed to the improvements on the parcel).
- The project will feature a five-story main building on Broad Street with state-of-the-art media production studios for television, radio, podcasting, digital, and social media. The first floor will feature a glass-front community space that will be regularly programmed with community events and meetings to activate and enliven Broad Street. The development features a parking deck, which will have spaces available to the public. VPM is also building a retail-like space on Grace Street, creating a new commercial space for a business/organization, and further activating this section of downtown.
- The facility represents an investment of at least \$65 million and will result in at least 70 jobs relocating into the city from the current facility in Chesterfield County.
- In its current location in Chesterfield County, VPM receives a total abatement of all real estate taxes and business tangible personal property taxes, which was specifically authorized by legislation passed by the Virginia General Assembly in 1985.
- As part of the project, City leadership supported VPM's pursuit of an exemption for just VPM's business tangible personal property taxes on its equipment (the majority of which is broadcast equipment) at its new location. VPM submitted proposed legislation for consideration in the 2024 General Assembly session for the personal property exemption. However, due to changes in the underlying law related to how localities grant tax abatements to charitable and educational institutions, VPM learned that such a benefit would need to be extended by the City.
- The performance agreement provides VPM a grant equal to the amount it pays annually in business tangible personal property taxes over a 20-year performance period.
- VPM will pay real estate taxes and will not receive any incentive associated with them. Over the first 10 years, staff conservatively estimates that the project will generate \$2.5M in direct new real estate tax revenue.

- This project aligns with the goals of the Richmond 300 and the Strategic Plan for Equitable Economic Development (SPEED) – it redevelops an underutilized property to create a high-quality commercial space along a key commercial corridor/planning node through the attraction of a headquarters facility of an employer that will contribute education, art, and culture benefits for Richmonders. VPM actively engaged the surrounding community throughout the predevelopment and development process and has received positive feedback and support from many neighborhood stakeholders and small business owners.

INCENTIVE STRUCTURE & COMMUNITY BENEFITS

- ORD. 2025-160 provides a performance-based grant for VPM that essentially functions as a rebate; VPM would receive a grant equal to the amount of its business personal property taxes after it pays them.
- Annually, to receive its benefit, VPM must make full and timely payment of its personal property taxes and submit a performance report. Based on its achievement of targets (\$65 million in capital investment and having at least 70 full-time jobs located in the facility), VPM will receive its grant. If it falls short of its targets, the grant will be proportionally reduced.
- In addition to new jobs and new real estate tax revenue, the project includes several components that will benefit the Richmond community. VPM will:
 - Make at least 50 parking spaces in the parking deck available to the public;
 - Construct storefront-style space along the Grace Street frontage to enhance the vibrancy of this important commercial corridor;
 - Add street lighting, cameras, and other technology on both the Broad Street and Grace Street frontages to enhance public safety and security in the neighborhood;
 - Provide or cause the creation or display of public-facing art at or from the facility;
 - Develop the facility to the LEED Silver standard to complement the City's environmental stewardship efforts;
 - Provide onsite, publicly accessible bike storage and facilitate other efforts to complement multi-modal transportation programs for employees and visitors;
 - Enable the use of broadcast (TV, radio, podcast) capabilities and headquarters facilities for City-sponsored or facilitated public forums;
 - Facilitate sponsored announcements and other communications tools to convey information about City events, public hearings, and community activities;
 - Host cultural, historical, and educational events in cooperation with city-based non-profits, museums, and colleges;
 - Continue service as host of the Emergency Broadcast System for the Richmond area to provide community-wide alerts on weather and other threats;
 - Engage in community outreach for childhood education in Richmond neighborhoods; and
 - Use good faith efforts to identify and encourage qualified Minority Business Enterprises and Emerging Small Businesses in the development of the facility.

