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# Fiscal and Economic Impact Statement & Related Analysis Diamond District Project

City of Richmond, Virginia



April 24, 2023

# Executive Summary

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- The Diamond District Project (the “Project”) is a \$2.44 Billion transformational project that will revitalize approximately 67 acres in the heart of the City adjacent to the vibrant Scott’s Addition area.
  - The mixed-use Project will include residential (market rate and affordable) housing, commercial office, retail space, restaurants, and a hotel.
  - The aggregate planned Phase I investment approximates \$627.6 Million.
  
- The Project will result in a new Stadium for the Squirrels that will meet Minor League Baseball standards and provide an enhanced baseball experience and expanded uses beyond baseball. The new Stadium will also be used by the VCU Baseball team.
  
- The Non-Recourse CDA Revenue Bonds will provide approximately \$80 Million of the \$110 Million in funding for the Stadium. Additional Sources include:
  - The Developer is providing \$20 Million of Non-Recourse subordinate loans in connection with the Stadium, which will be repaid after the payment of the CDA Revenue Bonds and meeting specified targets; and
  - The Sale of Phase I Land by the City to the Developer will also provide approximately \$10 Million of Equity (cash) for the Stadium.
  
- The City will receive approximately \$68.3 Million for the Sale of 67 acres of Land to the Developer of the Project.



# A: Fiscal Impact Statement per City Code Section 2-303

## Section 2-303(a)



- a) *The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.*
- The Total Investment in the Project approximates \$2.44 Billion.
    - The aggregate planned Phase I investment approximates \$627.6 Million
  
  - The Public Investment in the Project approximates \$202.7 Million and is comprised of the following:
    - Replacement Minor League Stadium funded with approximately \$80 Million from Non-Recourse CDA Revenue Bonds, \$20 Million Subordinate Developer Loan (both of which the City will have no obligation to repay in the event that revenues are insufficient), and \$10 Million Equity (Land Sale Proceeds).
    - Infrastructure Investment approximating \$92.7 Million funded from a combination of:
      - CDA Revenue Bonds - \$39.0 Million;
      - New G.O. Bonds - \$23.7 Million;
      - DPU Enterprise Bonds - \$17.0 Million;
      - Equity (Land Sale Proceeds) - \$10.8 Million; and
      - Previously Issued G.O. - \$2.3 Million.
  
  - Other Investment related to the Project:
    - Replacement Sports Backers facility approximating a \$25 Million investment funded with EDA Revenue Bonds repaid from non-City derived lease revenues and backed by a Moral Obligation. Note: these revenue bonds will not count against the City's debt capacity. The City will only be responsible for these bonds if the lease revenues go away.

# Section 2-303(a) | Sports Facilities Sources and Uses



a) The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.

■ The table shows the Sources and Uses of the Sports Facilities as a result of the Project.

- The New Stadium funding is comprised of CDA Revenue Bonds. Key assumptions include the following
  - The CDA Revenue Bonds are repaid from a portion of the revenues from the impacted area and backed by a Special Assessment within the CDA area.
  - Non-Recourse to the City (the City will have no obligation to repay in the event of revenue shortfall).
  - Will not count against the City’s Debt Capacity.
  - Approximate 34 year maturity<sup>(3)</sup>.
  - Minimum stabilized Debt Service Coverage range of 1.30x to 1.50x<sup>(3)</sup>.
- New Sports Backers facility funding is to be issued through the EDA<sup>(2)</sup>.
  - The Revenue Bonds backed by the City’s Moral Obligation<sup>(2)</sup>.
  - Approximate 10 year maturity<sup>(2)</sup>.
  - Repaid from Lease Revenues from third party and not associated from City General Funds, and as a result will not count against the City’s Debt Capacity.

Fiscal Year	Phase I		Phase I Total (Facilities)
	2024 (Stadium)	2025 (Sportsbackers)	
<b>1 Sources of Funds</b>			
2 CDA Revenue Bonds <sup>(1)</sup>	80,000,000	-	80,000,000
3 EDA Revenue Bonds <sup>(2)</sup>	-	25,000,000	25,000,000
4 Subordinate CDA Bonds (Developer)	20,000,000	-	20,000,000
5 DPU Enterprise Revenue Bonds	-	-	-
6 Previously Issued G.O. Bonds	-	-	-
7 New G.O. Bonds	-	-	-
8 Phase I Land Sale Proceeds (Cash)	10,000,000	-	10,000,000
<b>9 Total Uses of Funds</b>	<b>110,000,000</b>	<b>25,000,000</b>	<b>135,000,000</b>
10			
<b>11 Uses of Funds</b>			
12 Site Grading & Earthwork	-	-	-
13 Roads, Sidewalks, Curb, & Gutter	-	-	-
14 Park & Skatepark	-	-	-
15 Streetlights	-	-	-
16 Sewer	-	-	-
17 Gas	-	-	-
18 Water	-	-	-
19 Stormwater	-	-	-
20 Other	-	-	-
21 Stadium/Sports Facilities	110,000,000	25,000,000	135,000,000
<b>22 Total Uses of Funds</b>	<b>110,000,000</b>	<b>25,000,000</b>	<b>135,000,000</b>

Notes:

- (1) Net Proceeds based on CDA Revenue Bond Debt Service estimates provided by Loop Capital Markets.
- (2) Assumption provided by City of Richmond.
- (3) Assumption provided by Loop Capital Markets.



# Section 2-303(a) | Net Benefit to the City – All Phases Through FY 2068



a) The sources of information, assumptions and methodologies used to reach the conclusions set forth in the fiscal impact statement.

- The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds<sup>(1)</sup>, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project.
  - Scenario 1<sup>(1)</sup> assumes a 6.75% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.50x in FY 2033 for Phase I.
    - Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.
  - Scenario 2<sup>(1)</sup> assumes a 7.50% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.33x in FY 2033 for Phase I.
    - Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

Total All Phases Through FY 2068		
	Scenario 1 CDA Bonds @ <b>6.75%</b>	Scenario 2 CDA Bonds @ <b>7.50%</b>
1	<b>Revenues Generated by the Project</b>	
2	<b>Total Project Revenues (including Stadium Rent)</b>	
3	<b>Other Non-CDA Revenues</b>	
4	Schools Portion of Meals Tax (1.5%)	
5	GRCCA Lodging Tax (8.0%)	
6	Stadium Rent	
7	<b>Total Estimated Revenues Generated by the Project</b>	<b>Total Estimated Revenues Generated by the Project</b>
8		
9	<b>Less Debt Service:</b>	
10	CDA Revenue Bond Debt Service (Phases I-IV) <sup>(1)</sup>	
11	Other Debt Service/CDA Expenses <sup>(2)</sup>	
12	<b>Total Debt Service/CDA Expenses</b>	<b>Total Debt Service/CDA Expenses</b>
13		
14	<b>Net Benefit Before City Expenditures</b>	<b>Net Benefit Before City Expenditures</b>
15		
16	<b>Less Estimated Operating Expenditure Impact<sup>(3)</sup>:</b>	
17	Department of Public Works	
18	Department of Public Utilities	
19	Department of Emergency Communications	
20	Department of Planning/Development	
21	Department of Fire/Emergency Services	
22	Richmond Police Department	
23	Office of Children and Families	
24	<b>Total Estimated Operating Expenditures</b>	<b>Total Estimated Operating Expenditures</b>
25		
26	<b>Net Benefit to the City</b>	<b>Net Benefit to the City</b>

Notes:

- (1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets
- (2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.
- (3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.



## Section 2-303(b)(cont.) | Impact on Cumulative Debt Capacity

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- b) *A debt capacity schedule, if debt is a funding mechanism. In addition, the debt capacity schedule shall show the City's current debt capacity and how the City's current debt capacity is expected to change if the Council approves the proposed ordinance to which the fiscal impact statement relates for adoption or amendment.*
- The full build-out of the Project, will have a positive effect on the City's Debt Capacity.
    - The Project is projected to add approximately \$154,421,000 of additional Debt Capacity under Virginia Law.
    - The \$23,700,000 to be used for public infrastructure investment in the Diamond District will be programmed into the CIP through FY 2028.
      - Of the \$23.7 Million, approximately \$18,000,000 of the G.O. Bonds is directly related to the City's Storm Water Enterprise system – to the extent that this becomes self supporting through user rates and charges, then this amount would not count against the City's Debt Capacity.

## Section 2-303(c) | Comparison of Funding Options/Sources (cont.)



c) *A comparison of funding and financing options available, including, but not limited to, expenditures from City funds, the issuance of general obligation bonds, and the issuance of revenue bonds.*

- As discussed in the response to Section 2-303(a)/Infrastructure Sources and Uses, and Section 2-303(b)/Impact on Cumulative Debt Capacity:
  - The City will use approximately \$23.7 Million of its Debt Capacity to fund public infrastructure.
    - *It is important to note that this public infrastructure would have to be undertaken by the City for any development to occur on the Phase I Project site.*
    - *In addition, to the extent that the Storm Water Utility becomes fully self supporting through user rates and charges, then approximately \$18 of the \$23.7 Million of G.O. Bonds would not count against the City's Debt Capacity.*
    - The estimated planning rate for 20 Year G.O. Bonds is 5%.
  - The approximate \$17 Million of DPU Enterprise Revenue Bonds for water, sewer and gas infrastructure are repaid from user rates and charges, are fully self supported and thus do not count against the City's Debt Capacity.
  - The \$25 Million EDA Revenue Bonds issued for the Sports Backers facility will have a Moral Obligation from the City and are to be repaid from Lease Revenues from an outside third party and not from City General Funds. As a result, these bonds will not count against the City's Debt Capacity.
    - The estimated planning rate for these Bonds with an approximate 10 year term is 5%.



# Section 2-303(e) | Revenue/Expenditures/Net Benefit to the City – All Phases Through FY 2068



e) A Projected revenue and expenditure estimates attributable to the City, as a result of the proposed ordinance for adoption or amendment, if it is approved, covering at least the next ten fiscal years, including, but not limited to, debt repayment, new tax revenue, ownership, management, and maintenance costs, and additional service delivery costs for police and fire protection services and refuse collection services.

■ The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds<sup>(1)</sup>, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project.

– Scenario 1<sup>(1)</sup> assumes a 6.75% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.50x in FY 2033 for Phase I.

- Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

– Scenario 2<sup>(1)</sup> assumes a 7.50% interest rate for the CDA Revenue Bonds and a minimum stabilized Debt Service Coverage of 1.33x in FY 2033 for Phase I.

- Debt Service Coverage for Phases II, III and IV exceed the minimum in all years.

Notes:

- (1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets
- (2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.
- (3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Total All Phases Through FY 2068		
	Scenario 1 CDA Bonds @ 6.75%	Scenario 2 CDA Bonds @ 7.50%
<b>1 Revenues Generated by the Project</b>		
2 Total Project Revenues (including Stadium Rent)	1,580,034,507	1,580,034,507
3 Other Non-CDA Revenues		
4 Schools Portion of Meals Tax (1.5%)	63,507,718	63,507,718
5 GRCCA Lodging Tax (8.0%)	52,255,048	52,255,048
6 Stadium Rent	132,233,892	132,233,892
<b>7 Total Estimated Revenues Generated by the Project</b>	<b>1,828,031,166</b>	<b>1,828,031,166</b>
8		
<b>9 Less Debt Service:</b>		
10 CDA Revenue Bond Debt Service (Phases I-IV) <sup>(1)</sup>	466,009,320	523,131,258
11 Other Debt Service/CDA Expenses <sup>(2)</sup>	123,722,081	126,438,149
<b>12 Total Debt Service/CDA Expenses</b>	<b>589,731,401</b>	<b>649,569,407</b>
13		
14 Net Benefit Before City Expenditures	1,238,299,764	1,178,461,758
15		
<b>16 Less Estimated Operating Expenditure Impact<sup>(3)</sup>:</b>		
17 Department of Public Works	13,151,298	13,151,298
18 Department of Public Utilities	-	-
19 Department of Emergency Communications	6,140,645	6,140,645
20 Department of Planning/Development	1,061,085	1,061,085
21 Department of Fire/Emergency Services	126,865,228	126,865,228
22 Richmond Police Department	19,880,564	19,880,564
23 Office of Children and Families	-	-
<b>24 Total Estimated Operating Expenditures</b>	<b>167,098,819</b>	<b>167,098,819</b>
25		
<b>26 Net Benefit to the City</b>	<b>1,071,200,946</b>	<b>1,011,362,940</b>

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

# Section 2-303(e) | Revenue/Expenditures/Net Benefit to the City – All Phases Annual First 10 Years After Stadium Completion (Scenario 2)



e) A Projected revenue and expenditure estimates attributable to the City, as a result of the proposed ordinance for adoption or amendment, if it is approved, covering at least the next ten fiscal years, including, but not limited to, debt repayment, new tax revenue, ownership, management, and maintenance costs, and additional service delivery costs for police and fire protection services and refuse collection services.

- The table shows the estimated Net Benefit to the City after the payment of all CDA Revenue Bonds<sup>(1)</sup>, Other Debt Service/Expenses and Estimated Operating Expenditures as a result of the Project based on Scenario 2.

## Revenue/Expense Summary

### Diamond District

FY	Total Project Revenues	Other Non-CDA Revenues			Total Revenues	Scenario 2			Total Allocated Operating Expense (3)	Benefit (Cost)
		Schools Meals Tax	GRCCA Lodging Tax	Stadium Rent		CDA Revenue Bond Debt Service (1)	Other Debt Service (2) CDA Expense	Total Debt Service/ CDA Expense		
2024	670,538	65,063	-	-	735,601	-	-	-	150,861	584,741
2025	1,454,930	88,486	-	-	1,543,416	-	418,333	418,333	457,079	668,003
2026	5,423,334	215,001	585,736	3,200,000	9,424,071	2,287,219	4,350,893	6,638,112	397,943	2,388,016
2027	8,647,153	335,004	796,600	3,230,000	13,008,757	9,148,875	5,010,520	14,159,395	1,635,993	(2,786,631)
2028	9,475,554	349,529	812,532	3,260,900	13,898,515	9,148,875	5,272,015	14,420,890	1,271,973	(1,794,348)
2029	11,094,716	356,520	828,780	3,292,727	15,572,742	9,148,875	6,247,588	15,396,463	1,359,138	(1,182,858)
2030	12,956,604	403,078	845,356	3,325,509	17,530,546	9,296,650	7,107,351	16,404,001	1,431,286	(304,740)
2031	15,629,629	441,743	862,264	3,359,274	20,292,910	10,440,375	7,872,412	18,312,787	1,493,899	486,225
2032	18,586,906	489,096	879,512	3,394,052	23,349,566	10,445,250	9,353,427	19,798,677	1,572,000	1,978,889
2033	20,186,727	572,931	897,100	3,429,874	25,086,632	10,661,638	10,044,899	20,706,536	1,674,316	2,705,780
2034	22,341,958	605,792	915,044	3,466,770	27,329,563	12,350,250	10,280,428	22,630,678	1,758,445	2,940,440
2035	23,309,764	707,794	933,344	3,504,773	28,455,676	12,352,125	10,766,216	23,118,341	1,871,333	3,466,003
<b>Ten Year Total</b>	<b>149,777,812</b>	<b>4,630,037</b>	<b>8,356,268</b>	<b>33,463,879</b>	<b>196,227,996</b>	<b>95,280,131</b>	<b>76,724,080</b>	<b>172,004,211</b>	<b>15,074,266</b>	<b>9,149,519</b>
<b>2036 Through 2068</b>	<b>1,430,256,695</b>	<b>58,877,681</b>	<b>43,898,780</b>	<b>98,770,013</b>	<b>1,631,803,169</b>	<b>427,851,127</b>	<b>49,714,069</b>	<b>477,565,196</b>	<b>152,024,553</b>	<b>1,002,213,420</b>
<b>Grand Total</b>	<b>1,580,034,507</b>	<b>63,507,718</b>	<b>52,255,048</b>	<b>132,233,892</b>	<b>1,828,031,166</b>	<b>523,131,258</b>	<b>126,438,149</b>	<b>649,569,407</b>	<b>167,098,819</b>	<b>1,011,362,940</b>

Notes:

(1) CDA Revenue Bond Debt Service estimates, coverage ranges, and interest rate assumptions provided by Loop Capital Markets

(2) Other Debt Service/CDA Expenses include Subordinate Developer Debt, City Issued G.O. Bonds for Infrastructure, EDA Revenue Bonds (Sports Backers) and CDA administrative expenses.

(3) Estimated Operating Expenditure impact assumptions provided by the City and incorporates 3% inflation per year.

Note: Total Project Revenues shown above have been extended to the final projection year (FY 2068) of Phase IV based on assumptions as provided by MuniCap/Developer.

# Section 2-303(e) | Estimated Operating Expense: Department of Emergency Communications, Preparedness and Response



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

## Department of Emergency Communications, Preparedness, and Response (DEC): Projected Expense Impact

### Diamond District

Period	FY	One-Time					Ongoing		Total
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Ph II-IV Consultant	One-Time Exp	Ongoing Staff Exp	Ongoing Oper Exp	
(2)	2024	-	-	-	-	-	-	-	-
(1)	2025	-	-	-	-	-	68,959	-	68,959
1	2026	-	-	-	-	-	71,027	-	71,027
2	2027	-	-	-	-	-	73,158	-	73,158
3	2028	-	-	-	-	-	75,353	-	75,353
4	2029	-	-	-	-	-	77,613	-	77,613
5	2030	-	-	-	-	-	79,942	-	79,942
6	2031	-	-	-	-	-	82,340	-	82,340
7	2032	-	-	-	-	-	84,810	-	84,810
8	2033	-	-	-	-	-	87,355	-	87,355
9	2034	-	-	-	-	-	89,975	-	89,975
10	2035	-	-	-	-	-	92,674	-	92,674
<b>Ten Year Total</b>		-	-	-	-	-	<b>883,206</b>	-	<b>883,206</b>
<b>Total 2036-2068</b>		-	-	-	-	-	<b>5,257,438</b>	-	<b>5,257,438</b>
<b>Grand Total</b>		-	-	-	-	-	<b>6,140,645</b>	-	<b>6,140,645</b>

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, DEC Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
  - Ongoing staffing expense of \$195,000 (\$65,000 for 3 personnel) starting in FY 2025.

# Section 2-303(e) | Estimated Operating Expense: Department of Fire and Emergency Services



- The table shows the Estimated Operating Expense impact – 33% of Total costs allocated to the Project.

## Richmond Department of Fire and Emergency Services (RFD): Projected Expense Impact

### Diamond District

Period	FY	One-Time			Ongoing				Total
		Ph I City Staff	Ph I Consultant	Ph II-IV City Staff	Phase I Equipment	Phases II-IV Equipment	Ph I Ongoing Staff Exp	Ph II-IV Ongoing Staff Exp	
(2)	2024	-	-	-	-	-	-	-	-
(1)	2025	-	-	-	-	-	-	-	-
1	2026	-	-	-	-	-	-	-	-
2	2027	-	-	-	372,356	-	778,852	-	1,151,208
3	2028	-	-	-	-	-	802,218	-	802,218
4	2029	-	-	-	-	-	826,284	-	826,284
5	2030	-	-	-	-	-	851,073	-	851,073
6	2031	-	-	-	-	-	876,605	-	876,605
7	2032	-	-	-	-	-	902,903	-	902,903
8	2033	-	-	-	-	-	929,990	-	929,990
9	2034	-	-	-	69,212	-	957,890	-	1,027,102
10	2035	-	-	-	-	-	986,627	-	986,627
<b>Ten Year Total</b>		-	-	-	441,568	-	7,912,441	-	8,354,009
<b>Total 2036-2068</b>		-	-	-	1,736,569	4,831,655	55,971,497	55,971,497	118,511,219
<b>Grand Total</b>		-	-	-	2,178,137	4,831,655	63,883,939	55,971,497	126,865,228

All expenses assume 3% Inflation Factor through end of projection period.

Source: City of Richmond, RFD/DED Staff

- 33% allocation of expense assumptions shown in 2023 dollars:
  - Company 1 - Ongoing staffing expense of \$2,076,000 (3 Battalion commanders @ \$167,000, 1 Captain @ \$135,000, 2 Lieutenants @ \$120,000, 3 DPO's @ \$100,000, 12 Fire Fighters @ \$75,000) starting in FY 2027; Company 2 - Ongoing staffing expense of \$2,076,000 (3 Battalion commanders @ \$167,000, 1 Captain @ \$135,000, 2 Lieutenants @ \$120,000, 3 DPO's @ \$100,000, 12 Fire Fighters @ \$75,000) starting in FY 2036.
  - 2027 Equipment - 1 Engine and related equipment @ \$842,500 with 15 year replacement cycle; 1 Command vehicle @ \$150,000 with 7 year replacement cycle. 2029 Equipment - 1 Ladder Truck and related equipment @ \$1,742,500 with 15 year replacement cycle; 1 Command vehicle @ \$150,000 with 7 year replacement cycle.

## Section 2-303(e) | Department of Public Utilities



- Water
  - No additional staff or equipment needs anticipated in Phase 1 or Total Project.
  - Phase 1 and Total Project water infrastructure to be designed and constructed by development team subject to DPU review, approval, inspection, tie-ins, fees\applications. Other impacts – Phase 1 will see DPU relocated 1600' of the 36" Hanover Transmission Main, which is currently in design. Cost of material & construction to be refunded to DPU by development team once project is complete.
- Sewer/Stormwater
  - DPU predicts, based on the limited information available at this time, that one or more underground stormwater retention basins (which DPU is assuming we'd be responsible for) may be needed to address increased stormwater runoff from the new development. It is also possible that pumping of some of the sanitary sewer will be required and DPU will be responsible for upkeep of these as well. DPU will not be able to determine whether this infrastructure is needed until a preliminary utility plan for the development as a whole is completed. If such equipment is needed, DPU will likely also require new, full-time personnel and equipment to maintain the stormwater retention basins and/or sanitary sewer pump stations.
- Gas
  - Depending on the final layout of the redevelopment, DPU will need to abandon and run new gas lines to the proposed meter locations. The cost won't affect the City Of Richmond budget. The abandonment and new install costs will be the developer's responsibility.

Source: Department of Public Utilities



## Section 2-303(f)



- f) *Subsequent actions that may affect future revenue and expenditures if the proposed ordinance authorizes spending, including, but not limited to, the City's full fiscal obligation, ownership, management and maintenance.*
- As this project is anticipated to have a significant impact through the projection period, incremental changes will need to be incorporated into the annual budgets adopted by City Council, as revenues grow, new housing units are established, etc.

## Section 2-303(h)

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- h) *An estimate of the staff time and staff costs needed to implement the proposed ordinance.*
- Staff time from the City Attorney's Office, Economic Development, Finance, and Planning and Development Review, among others, will be needed to assist with the issuance of public revenue bonds, tracking and disbursement of Increment Area Financing revenues, permitting, etc. Minor increases are anticipated for future years above baseline service levels.

## Section 2-303(j)



j) *Ranges of revenue or expenditures that are uncertain or difficult to project.*

- The Revenue Projections for the Project have been prepared by MuniCap, Inc. and incorporate assumptions from the Developer.
- The Revenue Projections are based on the best available assumptions as of the date of this analysis. Variables that may impact the revenues include:
  - Market absorption of residential and commercial properties;
  - Retail and restaurant sales;
  - Hotel occupancy;
  - Overall economic conditions;
  - Population growth of the City; and
  - Baseball game/event attendance, amongst others.
- Estimated Operating Expense assumptions provided by the City may vary from the enclosed assumptions/estimates due to actual population growth and overall growth of the City, and other unforeseen factors.
- The CDA and Other Debt Assumptions provided herein are estimates as of the date of this analysis based on current market conditions, and the overall economy.
  - The actual results achieved with the proposed debt issuance may differ from the projections shown herein.
  - Factors that affect cost of funds of debt include, investor demand, supply of bonds in the market, U.S. market conditions, global market conditions, and geo-political conflicts.
  - The actual results of the debt issuance(s) will only be known on the day of the bond sale(s).



## B: Economic Impact Statement per City Code Section 2-304

## Section 2-304(b)



- b) *An outline that lists all ordinances, resolutions or actions that are required to be completed related to and for the economic development project, with an associated timeline for each.*
- An ordinance authorizing the CAO to execute the Diamond District Redevelopment Project Development Agreement by and between the City, RVA Diamond Partners LLC (“RVADP”), and the Economic Development Authority (“EDA”), and its attachments, which include, among other things, a Grant Agreement concerning financing of the stadium and other public improvements (2023).
  - An ordinance authorizing the City’s conveyance of parcels of surplus owned real estate to the EDA (2023).
  - An ordinance to create the Diamond District Community Development Authority (2023).
  - An ordinance to create a special revenue fund for the incremental revenues dedicated to bond repayment (2023).
  - Rezoning ordinances (2023).



## Section 2-304(d)

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d) *The partnerships, corporations, businesses, boards, commissions, nonprofit organizations and other entities that the Mayor anticipates will be stakeholders in the economic development project to be authorized by the proposed ordinance and the level and nature of their involvement with the economic development project to be authorized by the proposed ordinance.*

- RVADP (Developer)
- Economic Development Authority
- Community Development Authority (CDA)
- Flying Squirrels MiLB.
- Virginia Commonwealth University.

## Section 2-304(f)



f) *A range of economic impact factors that are uncertain or difficult to project.*

- The Revenue Projections for the Project have been prepared by MuniCap, Inc. and incorporate assumptions from the Developer.
- The Revenue Projections are based on the best available assumptions as of the date of this analysis. Variables that may impact the revenues include:
  - Market absorption of residential and commercial properties;
  - Retail and restaurant sales;
  - Hotel occupancy;
  - Overall economic conditions;
  - Population growth of the City; and
  - Baseball game/event attendance, amongst others.
- Estimated Operating Expense assumptions provided by the City may vary from the enclosed assumptions/estimates due to actual population growth and overall growth of the City, and other unforeseen factors.
- The CDA and Other Debt Assumptions provided herein are estimates as of the date of this analysis based on current market conditions, and the overall economy.
  - The actual results achieved with the proposed debt issuance may differ from the projections shown herein.
  - Factors that affect cost of funds of debt include, investor demand, supply of bonds in the market, U.S. market conditions, global market conditions, and geo-political conflicts.
  - The actual results of the debt issuance(s) will only be known on the day of the bond sale(s).

# Section 2-304(h)



h) An analysis and timeline showing the projected revenues that are expected to be generated as a result of the City's expenditure of public funds, if the proposed ordinance is approved by the Council. The analysis and timeline shall include the benchmarks used to determine the revenue projections. An annual progress report concerning the actual revenues collected as a result of the City's expenditure of public funds and how such revenues exceeded, met or failed to meet the revenue projections and benchmarks shall be provided to the Council no later than December 31 of each year for ten years and as may be requested by the Council for any subsequent year beyond the initial ten years.

- The Projected timeline of full buildout of the Private Investment in all four phases is shown below:

	<b>Projected Full Build Out FY</b>
Phase I	2030
Phase II	2032
Phase III	2034
Phase IV	2038

- The Projected revenues generated by the CDA and expenditures attributable to all debt issuances (excluding Self Supporting DPU Enterprise Debt) and Estimated Operating Expense Impacts are shown to the right.

	<b>Total All Phases Through FY 2068</b>	
	<b>Scenario 1 CDA Bonds @ 6.75%</b>	<b>Scenario 2 CDA Bonds @ 7.50%</b>
<b>1 Revenues Generated by the Project</b>	<b>6.75%</b>	<b>7.50%</b>
2 Total Project Revenues (including Stadium Rent)	1,580,034,507	1,580,034,507
3 Other Non-CDA Revenues		
4 Schools Portion of Meals Tax (1.5%)	63,507,718	63,507,718
5 GRCCA Lodging Tax (8.0%)	52,255,048	52,255,048
6 Stadium Rent	132,233,892	132,233,892
<b>7 Total Estimated Revenues Generated by the Project</b>	<b>1,828,031,166</b>	<b>1,828,031,166</b>
8		
<b>9 Less Debt Service:</b>		
10 CDA Revenue Bond Debt Service (Phases I-IV) <sup>(1)</sup>	466,009,320	523,131,258
11 Other Debt Service/CDA Expenses <sup>(2)</sup>	123,722,081	126,438,149
<b>12 Total Debt Service/CDA Expenses</b>	<b>589,731,401</b>	<b>649,569,407</b>
13		
<b>14 Net Benefit Before City Expenditures</b>	<b>1,238,299,764</b>	<b>1,178,461,758</b>
15		
<b>16 Less Estimated Operating Expenditure Impact<sup>(3)</sup>:</b>		
17 Department of Public Works	13,151,298	13,151,298
18 Department of Public Utilities	-	-
19 Department of Emergency Communications	6,140,645	6,140,645
20 Department of Planning/Development	1,061,085	1,061,085
21 Department of Fire/Emergency Services	126,865,228	126,865,228
22 Richmond Police Department	19,880,564	19,880,564
23 Office of Children and Families	-	-
<b>24 Total Estimated Operating Expenditures</b>	<b>167,098,819</b>	<b>167,098,819</b>
25		
<b>26 Net Benefit to the City</b>	<b>1,071,200,946</b>	<b>1,011,362,940</b>



## Section 2-304(j)

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- j) *If it is determined that the proposed ordinance, or any proposed amendments thereto, is not likely to have an economic impact, the basis for such a determination.*
- Davenport's analysis demonstrates that the Project is anticipated to have a positive fiscal impact to the City.