

NAVY HILL REDEVELOPMENT PROJECT



Navy Hill Project Overview
September 23, 2019



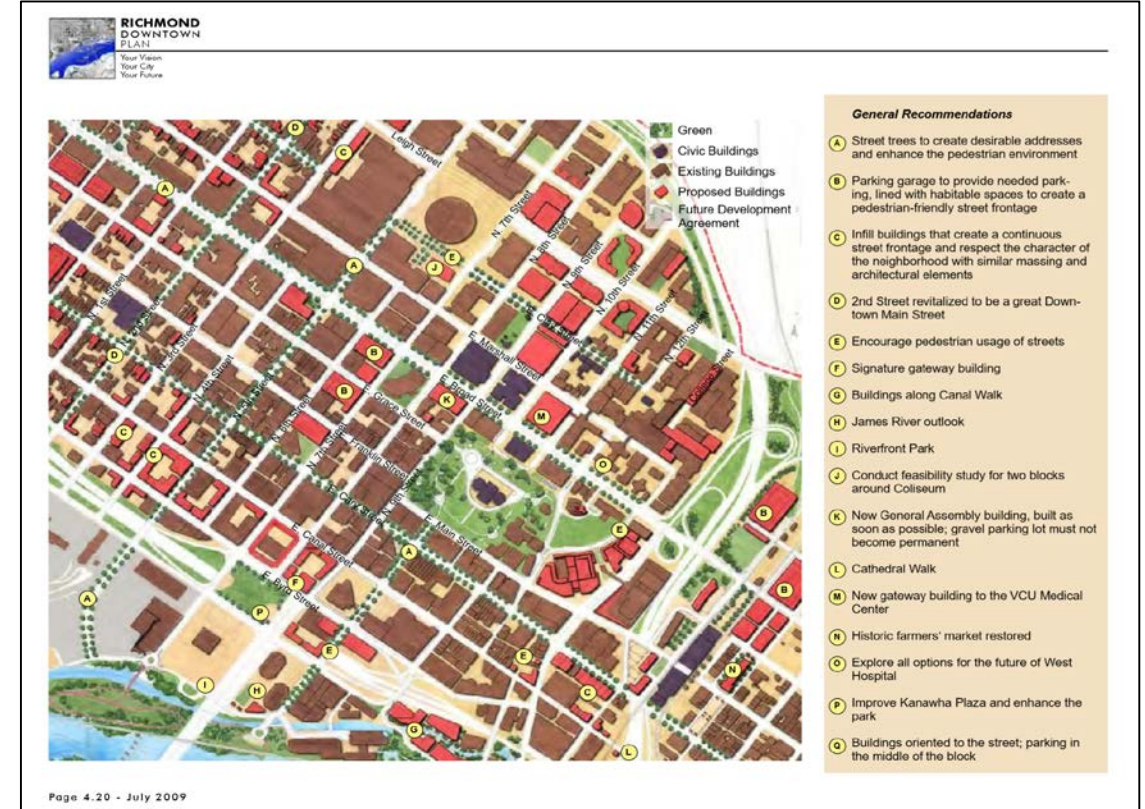
NAVY HILL

WHY WE ARE REDEVELOPING THE CITY'S CENTER



RICHMOND DOWNTOWN PLAN


July 2009




- ✓ City Council approved the 2009 Richmond Downtown Plan
- ✓ Citizen engagement

WHY WE ARE REDEVELOPING THE CITY'S CENTER

Getting There



The absence of street life around the Convention Center demonstrates the affect of wide roadways, parking lots and parking lots on the pedestrian realm. This is an opportunity for infill.



Vibrancy that was once present in the area.

Reopen East Clay Street and Revive Court End
When the Virginia Capitol was moved to Richmond in 1786, a new neighborhood, known as Court End, quickly grew to the north, home to the offices, courts, and stately homes of lawyers, judges and politicians. Court End has a high concentration of Federal-era historic buildings, homes, and museums, such as the Valentine Museum, the White House of the Confederacy, the Museum of the Confederacy, and the John Marshall House and Museum. Expansion and redevelopment by all entities in this area should complement the unique historic character of these buildings. The height and scale of buildings should be considered in relation to these historic structures. Furthermore, the closing of Clay Street has limited access to Court End. Streetscape improvements to identify the area and connect to other areas of Downtown should be continued. Pedestrian connections to and from the State Capitol should be enhanced with signage, lighting, benches, and other elements to unify the streetscape. The 900 block of Clay Street should be re-opened for pedestrian and vehicular traffic. The opening of Clay Street would provide a visual and physical connection between the Convention Center and Court End. Parking for visitors should occur at a centralized location within a five-minute walk of the area.

Integrate the Richmond Coliseum into a walkable urban fabric
The Richmond Coliseum was built in 1971 as a Downtown entertainment venue meant to bring activity to a declining urban center. While the Coliseum has brought a variety of sporting events and concerts to Downtown, it is only used at particular times of day for specific events. The building stands empty most of the time, doing little to contribute to Downtown vitality during those periods. Furthermore, the deep plazas and the super-block configuration of the building have had a negative impact on the surrounding urban fabric. The building cannot be expanded with its current configuration, leading City officials to consider building a new facility on the outskirts of Downtown. A short-term solution for the Coliseum is to fill in vacant lots between the Armory and Clay Street to redefine the (pedestrian) street edge and provide daily activity in this minimally utilized area. Office, residential, and retail should all be considered to add vibrancy to the area and increase the plaza (park) use. New buildings could be built along the street edge, increasing the value of this Downtown address by adding additional habitable space. A


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Improve connections between the Convention Center and its environs
The Greater Richmond Convention Center is a major generator of economic activity for the Richmond region, drawing over 500,000 visitors to Richmond every year. The Convention Center was built in 1986, however it was expanded dramatically in 2003 from 167,000 square feet to 700,000 square feet encompassing five and a half city blocks. The Convention Center is an example of a regional partnership in Downtown Richmond, as it is the result of the combined efforts of the City of Richmond and Henrico, Hanover, and Chesterfield Counties.

The Convention Center fronts Broad Street, creating an opportunity to draw convention-goers and visitors into Downtown. At the moment, however, the area around the Convention Center has little street life and is unappealing to visitors, discouraging convention-goers from venturing further into Downtown. City leaders and Downtown investors should make the physical and economic revitalization of this area a priority. Some private and public investment in the area is already beginning to take place; it is important that this investment be channeled towards healthy urban development. The surface parking lot directly south of the Convention Center along Broad Street should be developed as a mixed-use, street-oriented building. Additional lodging, retail, and cultural attractions should be recruited to return to the area. Increased connections and public awareness for the businesses and cultural amenities along Broad Street should be marketed to Richmond residents, visitors, and workers.

There is also an opportunity to channel activity from the Convention Center to neighboring Jackson Ward. The rebirth of 2nd Street in Jackson Ward will need both local residents and out-of-town visitors support to have the best chance of success. Improved connections and visual interest on Marshall Street should work to encourage Convention Center patrons to visit the nearby Jackson Ward neighborhood.



New development around the Convention Center is mixed-use, combining restaurants, business centers, shopping and gathering places.

Conduct feasibility study for two-block area around Coliseum.

A pedestrian street terminates Clay Street and provide additional connections through the Coliseum superblock.

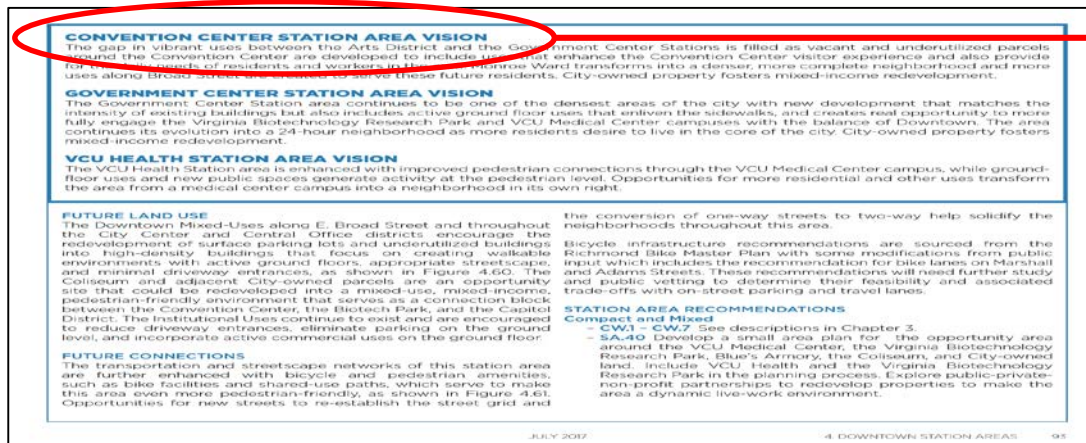
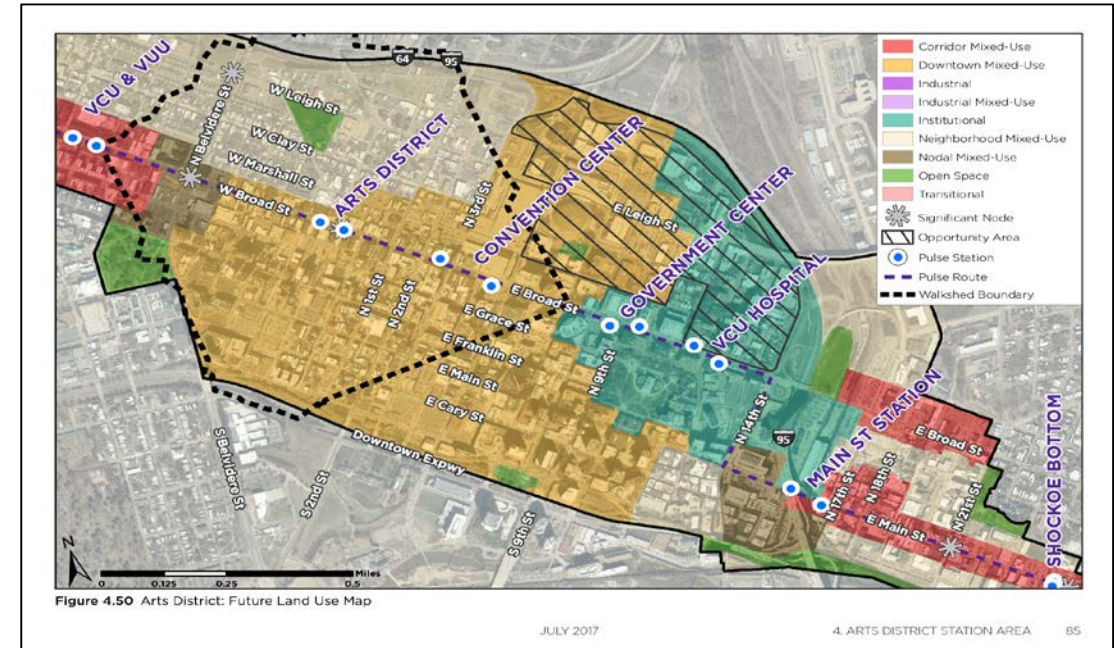
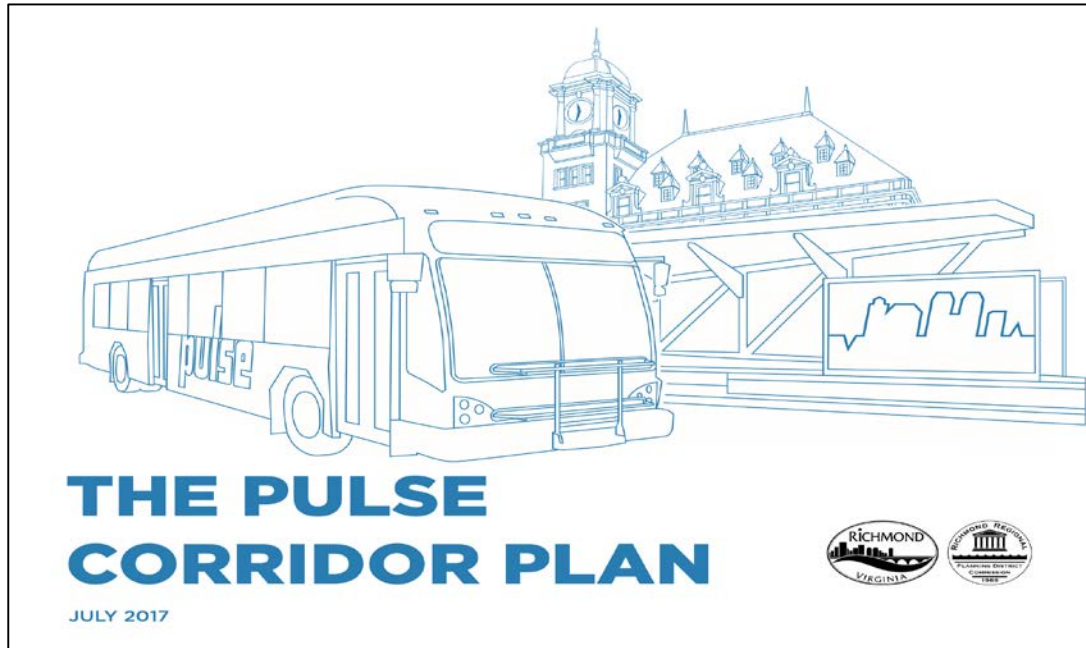
Clay Street is reopened with the removal of the City's Public Safety Building.

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- ✓ Reopen East Clay Street and Revive Court End...
- ✓ Integrate the Richmond Coliseum into a walkable urban fabric...
- ✓ Improve connections between the Convention Center and its environs...

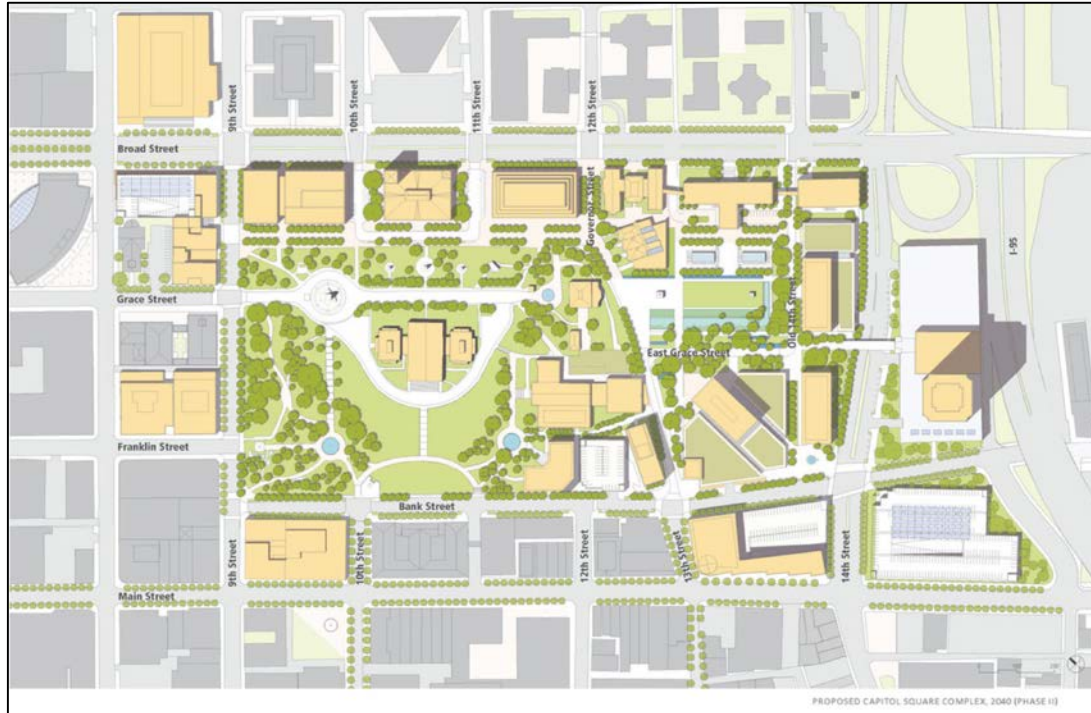
WHY WE ARE REDEVELOPING THE CITY'S CENTER



The gap in vibrant uses between the Arts District and the Government Center Stations is filled as vacant and underutilized parcels around the Convention Center are developed to include uses that enhance the Convention Center visitor experience and also provide for the daily needs of residents and workers in the area. Monroe Ward transforms into a denser, more complete neighborhood and more uses along Broad Street are created to serve these future residents. City-owned property fosters mixed-income redevelopment.

WHY WE ARE REDEVELOPING THE CITY'S CENTER

Commonwealth of Virginia Capital Square Complex

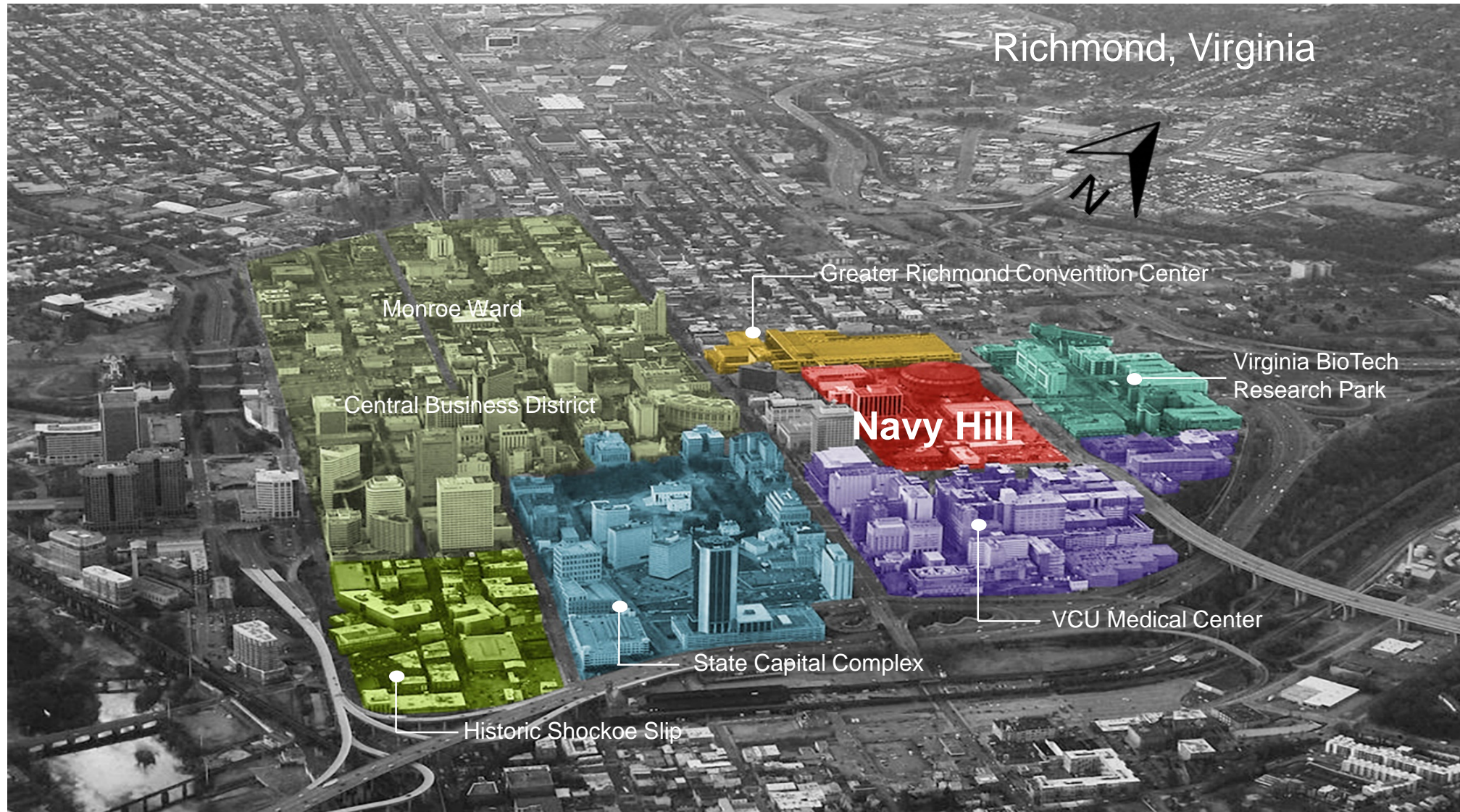


Virginia Commonwealth University



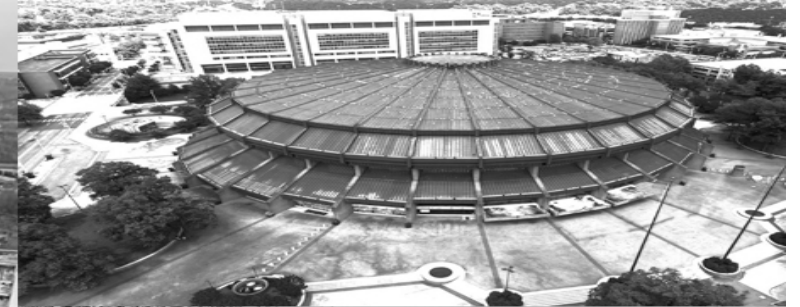
- ✓ Recommendations from other studies are being implemented
- ✓ Assumes connectivity to other master planned areas

WHERE IS NAVY HILL

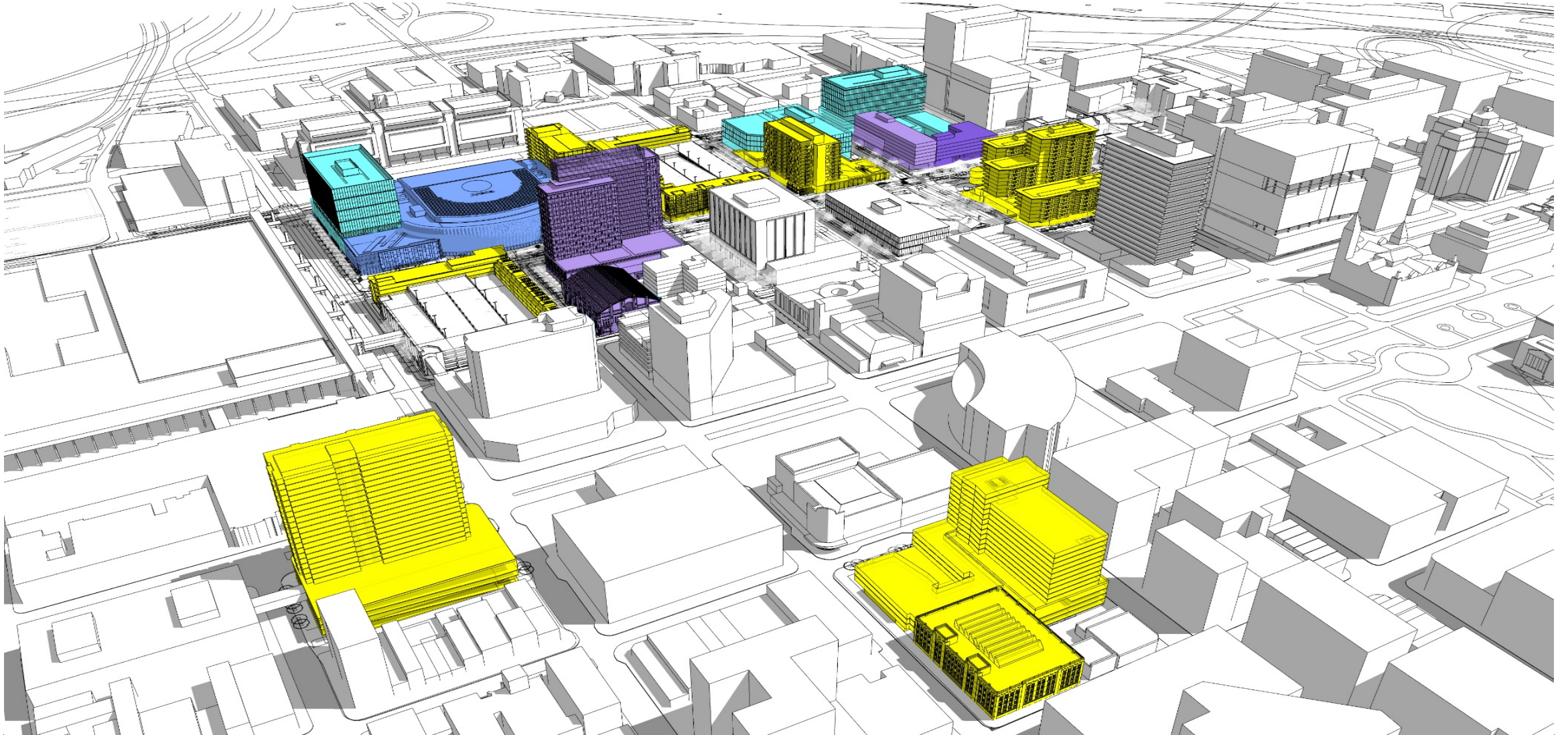


WHY DO WE NEED THE NAVY HILL PROJECT

- ✓ **Because this is what our City's Center looks like today...**
- ✓ **Because we are not getting the highest and best use on City-owned property...**
- ✓ **Because the planning studies approved by the City of Richmond affirms the need for a project that will redevelop the City's Center...**



TRANSFORMATIONAL MIXED-USE DEVELOPMENT



Navy Hill Mixed-Use Development

HOW DOES THIS ALL WORK & GET PAID FOR

- ✓ The City and Navy Hill District Corporation enter into a Development Agreement, Cooperation Agreement, and Purchase and Sale Agreement
- ✓ Navy Hill District Corporation pays the City \$15.8 million for all of the properties that it wants to own and develop using private funding (Note: The funds are placed in escrow)
- ✓ The Richmond Coliseum and Blues Armory properties are transferred to Richmond's Economic Development Authority
- ✓ Navy Hill District Corporation will undertake \$900 million in private development activities contemporaneous with construction of the new arena
- ✓ The Richmond Economic Development Authority then enters into Ground Leases with Navy Hill District Corporation for the Arena (30 year lease) and Blues Armory (65 year lease)
- ✓ The Richmond Economic Development Authority will issue non-recourse revenue bonds that have no moral or general obligations by the City of Richmond
- ✓ This project does not create any new special tax assessments or tax districts for Richmond citizens and property owners

HOW DOES THIS ALL WORK & GET PAID FOR

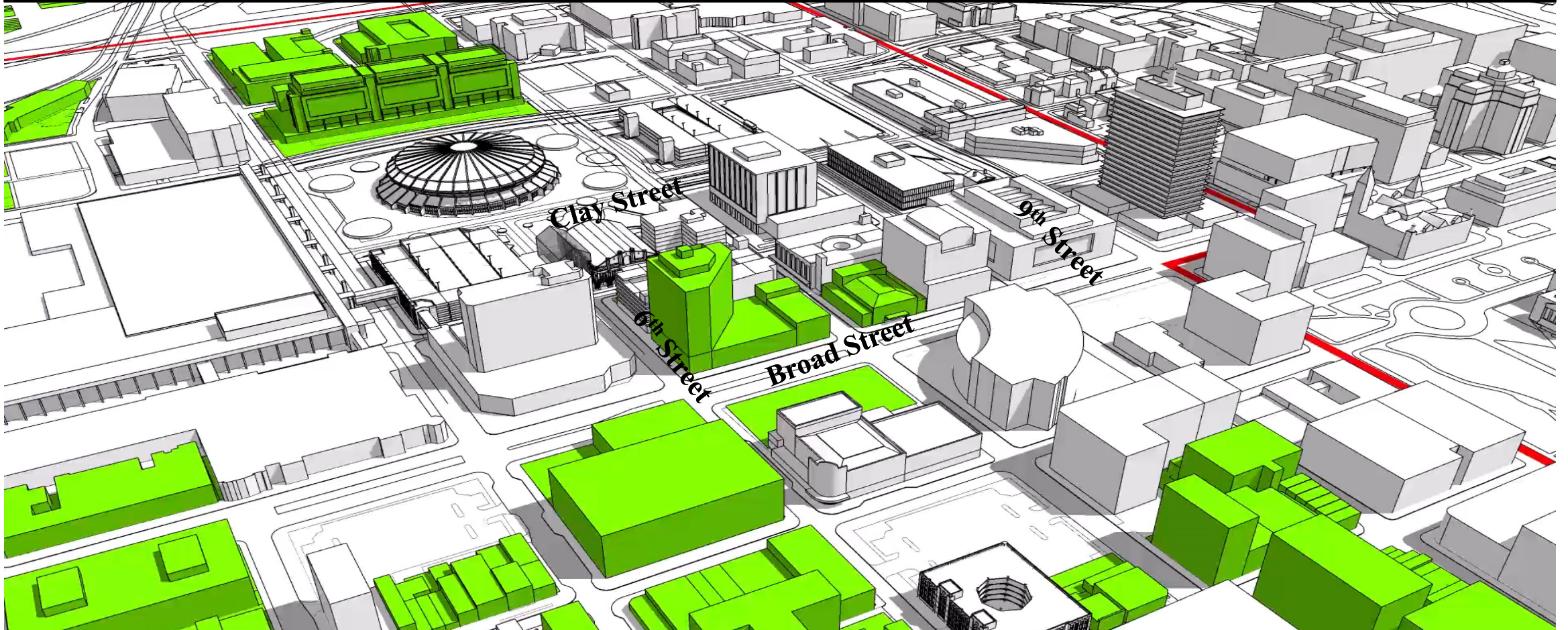
- ✓ The arena is the only part of the project that is financed with bond proceeds
- ✓ The sources of funding to repay the \$350 million bond debt service for the arena are:
 - Incremental new real estate tax from the incremental financing area defined in the agreement
 - Real estate tax from the new Navy Hill developments defined in the agreement
 - New sales tax from the Navy Hill developments defined in the agreement
 - New lodging taxes from the hotel development in the Navy Hill development defined in the agreement
 - New meals tax from the Navy Hill developments defined in the agreements (*Note: 1.5% meals tax continues to go to Richmond City Schools*)
 - New BPOL tax from the Navy Hill developments defined in the agreement
 - New admissions tax from the Navy Hill developments defined in the agreement
 - New parking revenue from the incremental financing area
 - Tax revenue and sponsorships generated by the arena
 - Tax revenue generated by the Blues Armory

INCREMENTAL FINANCING AREA BOUNDARIES



INCREMENTAL FINANCING AREA BOUNDARIES

2019 view of the Navy Hill area showing taxable and non-taxable parcels



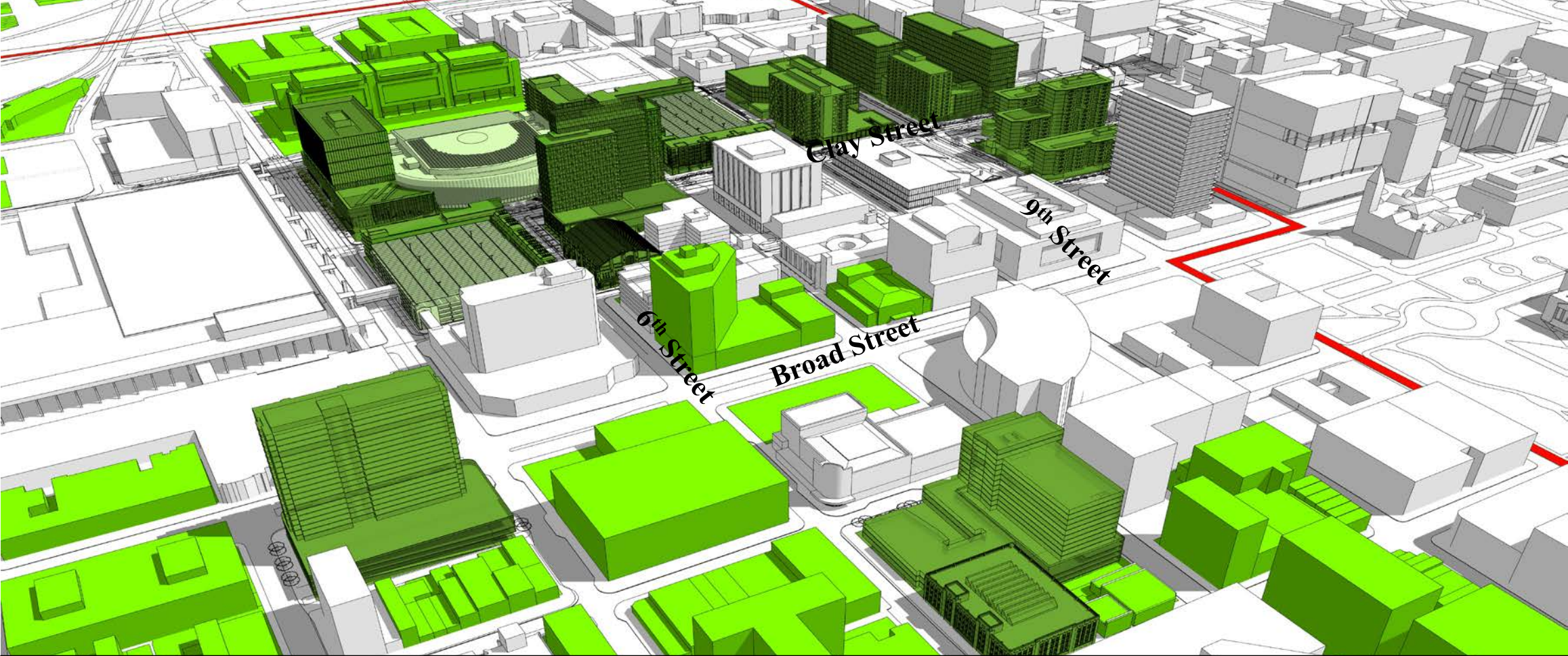
RED – Incremental Financing Area Boundary

WHITE – Non-taxable parcels

GREEN – Taxable parcels

INCREMENTAL FINANCING AREA BOUNDARIES

2026 view of the Navy Hill area showing taxable and non-taxable parcels



RED – Incremental Financing Area Boundary
GREEN – Taxable parcels

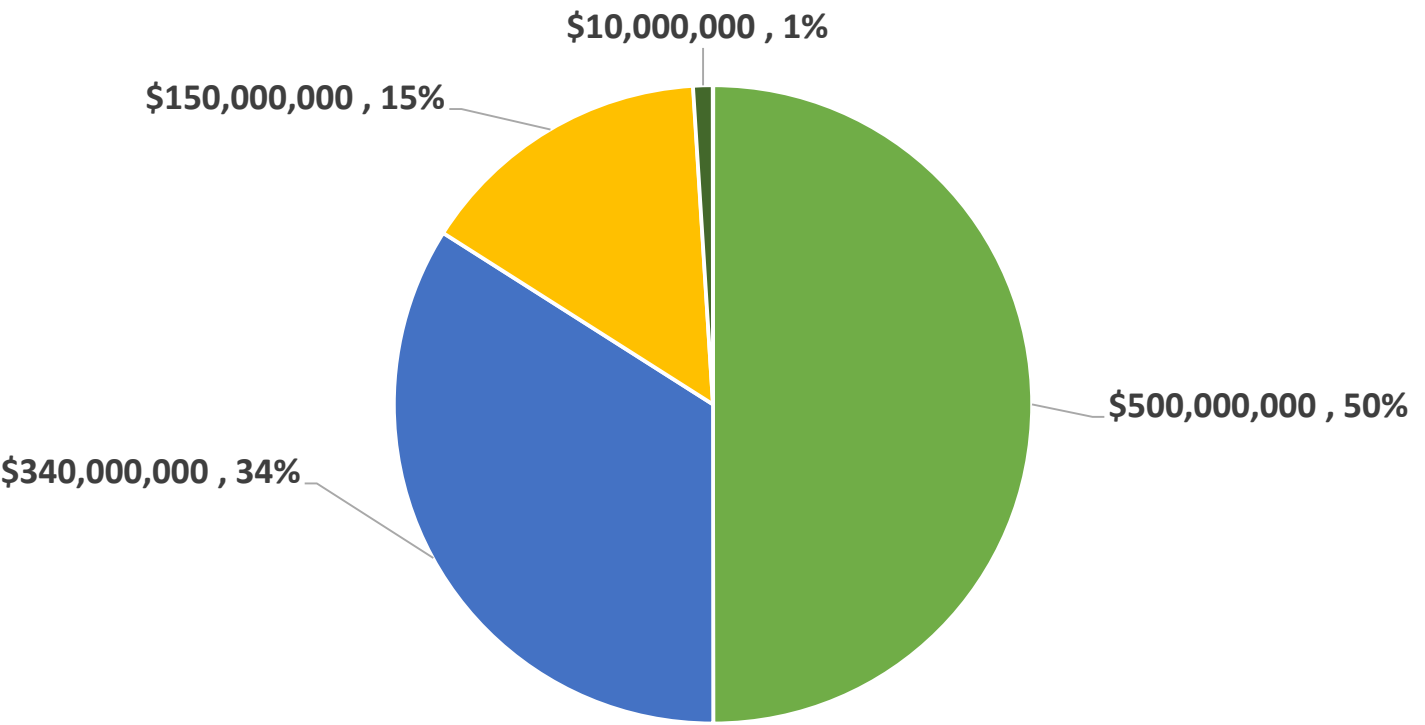
WHITE – Non-taxable parcels
DARK GREEN – New taxable parcels

WHY IS THIS PROJECT GOOD FOR ALL RICHMONDERS

- ✓ Leverages **\$1.3 billion** in private investment
- ✓ Creates **12,500** jobs in construction and **9,300** permanent jobs
- ✓ Creates **2,500** mixed-income residential units with 280 affordable units and \$10 million to fund 200 more affordable units
- ✓ Creates **\$300 million** in minority business participation opportunities
- ✓ Provides a new GRTC bus transit center
- ✓ Provides a state-of-the art arena that will be the largest in Virginia
- ✓ Renovates the historic Blues Armory as a new entertainment and event space
- ✓ Provides a new **500+** room hotel to increase tourism and convention center use
- ✓ Improves walkability by recreating E. Clay Street and 6th Street
- ✓ Helps to attract and retain talent in the City

WHY IS THIS PROJECT GOOD FOR ALL RICHMONDERS

CITY OF RICHMOND SURPLUS GENERAL FUND REVENUE OVER 30 YEARS



- RICHMOND PUBLIC SCHOOLS
- PUBLIC SAFETY, PUBLIC WORKS, & OTHER CORE CITY SERVICES
- HOUSING & HOMELESS SERVICES
- ART, HISTORY, & CULTURE