



City of Richmond

900 East Broad Street
Richmond, VA 23219
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Minutes

Organizational Development Standing Committee

Monday, February 3, 2020

5:00 PM

Council Chamber, 2nd Floor - City Hall

Committee Members

The Honorable Cynthia Newbille – Chair
The Honorable Chris Hilbert – Vice Chair
The Honorable Andreas Addison – Member
The Honorable Kim Gray – Member
The Honorable Michael Jones – Member
The Honorable Kristen Larson – Member
The Honorable Stephanie Lynch – Member
The Honorable Ellen Robertson – Member
The Honorable Reva Trammell – Member

Others in Attendance

Lawrence Anderson, Council Chief of Staff
Haskell Brown, Interim City Attorney
Candice Reid, City Clerk
Tabrica Rentz, Acting Deputy City Attorney
RJ Warren, Deputy City Clerk

Call to Order

Chair Cynthia Newbille called the meeting to order at 5:03 p.m., and presided.

Chamber Emergency Evacuation Plan and Citizen Speaker Guidelines

Upon the Chair's request, Deputy City Clerk RJ Warren provided information on the appropriate manner in which the Council Chamber is to be evacuated in the event of an emergency along with citizen speaker guidelines.

Approval of the Minutes

There were no corrections or amendments to the minutes of the Monday, January 6, 2020, Organizational Development Standing Committee meeting at 5:00 p.m., and the minutes were approved as presented.

Reports from City Administration, Council Staff and Other Parties

Navy Hill Development Proposal Review – Independent Consultant ~ C.H. Johnson Consulting

Charles Johnson, C.H. Johnson Consulting president and project executive, addressed the committee and provided overall comments during the presentation regarding C.H. Johnson Consulting's independent review of the proposed Navy Hill Development (NHD) project.

Brandon Dowling, C.H. Johnson Consulting principal and project manager, provided comments and information regarding the proposed NHD arena and potential arena events.

Kelvin Hanson, The Hanson Company, LLC president and affordable housing expert, provided comments and information regarding affordable housing components within the proposed NHD project.

Robert Spain, CHA Consulting, Inc, provided comments and information regarding the proposed NHD project's effects on public facilities and infrastructure.

Robert Jacquette, Wolverton Transportation, provided comments and information regarding public transportation and its relationship with the proposed NHD project.

A copy of the material provided has been filed.

Vice Chair Chris Hilbert inquired about data referenced in the report regarding arena events, impact on city services and tax revenue.

Member Kim Gray inquired if the project was recession proof and if the potential increase in the number of Richmond Public Schools students in the development area would negatively affect city services.

Charles Johnson stated new tax revenue would address impacted city services and informed the committee that effects of any potential economic downturn were still being reviewed by C.H. Johnson Consulting.

Member Stephanie Lynch requested additional information regarding event attendance at the proposed 17,150 seat arena and inquired if a smaller arena could work.

Brandon Dowling stated a smaller arena could work, but informed the committee a smaller arena would have greater competition amongst other localities with similar sized arenas.

Member Gray inquired if average medium income (AMI) statistics were calculated with city or regional data.

Kelvin Hanson confirmed the data was regional and was provided to C.H. Johnson Consulting by the NHD development team.

Member Lynch addressed the report noting \$300,000,000 would be spent on minority owned businesses taking part in development construction and inquired how the developers would be held accountable to that number.

Charles Johnson indicated the agreement with the city required 30% minority business involvement. Mr. Johnson expressed his belief that the requirement should be 35% and noted 35% was the average percentage for other economic development projects C.H. Johnson Consulting reviewed.

Member Ellen Robertson requested additional information regarding the proposed NHD project's use of density housing and natural gas utilities.

Chair Cynthia Newbille informed members that C.H. Johnson Consulting was still in the process of finalizing its report regarding the proposed NHD project. Chair Newbille requested the final report include answers and information requested by members during C.H. Johnson Consulting's presentation.

PAPERS FOR CONSIDERATION

The following ordinances and resolution were considered:

ORD. 2019-211

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute the Navy Hill Development Agreement between the City of Richmond, Virginia, and The NH District Corporation for the purpose of providing for the financing, construction, maintenance, and operation of public improvements and private development within an area generally bounded on the west by North 5th Street, on the north by East Leigh Street, on the east by North 10th Street, and on the south by East Marshall Street.

ORD. 2019-212

To Create the Navy Hill Fund.

ORD. 2019-213

To declare surplus and direct the conveyance of a portion of the City-owned real estate known as 601 East Leigh Street, consisting of 171,906± square feet, for nominal consideration to the Economic Development Authority of the City of Richmond.

ORD. 2019-214

To declare surplus and direct the conveyance of certain parcels, or portions thereof, of City-owned real estate known as 601 E. Leigh St., 501 N. 7th St., 808 E. Clay St., 800 E. Clay St., 500 N. 10th St., 500 E. Marshall St., 500 A E. Marshall St., 116 N. 7th St., 114 N. 7th St., 112 N. 7th St., and 401 E. Broad St. to The NH District Corporation for the purpose of facilitating the redevelopment of the area bounded generally by E. Leigh St. on the north, N. 10th St. on the east, E. Marshall St. on the south, and N. 5th St. on the west.

ORD. 2019-215

To close, to public use and travel, certain right-of-way areas comprised of portions of East Leigh Street, East Clay Street, North 5th Street, and North 7th Street, such portions together consisting of 44,590± square feet, to retain easements in certain of the closed right-of-way areas, and to authorize the Chief Administrative Officer to accept the dedication of right-of-way improvements and property, consisting of approximately 66,977± square feet, in connection with the closing of the right-of-way areas, for the purpose of facilitating the redevelopment of the area bounded generally by East Leigh Street on the north, North 10th Street on the east, East Marshall Street on the south, and North 5th Street on the west.

ORD. 2019-216

To authorize the Economic Development Authority of the City of Richmond to encroach upon the public right-of-way with proposed encroachments on East Clay Street and East Leigh Street between their intersections with North 5th Street and North 7th Street for the purpose of facilitating the redevelopment of the area bounded generally by East Leigh Street on the north, North 10th Street on the east, East Marshall Street on the south, and North 5th Street on the west.

ORD. 2019-217

To repeal ch. 30, art. IV, div. 26 (§§ 30-448.1-30-448.4) of the City Code; to amend ch. 30, art. IV, by adding therein a new div. 26 (§§ 30-448.1-30-448.8); and to amend City Code §§ 30-503, 30-519, 30-710.1, 30-710.4, 30-710.13, and 30-1220, all for the purpose of modifying the zoning regulations applicable in the CM Coliseum Mall District.

ORD. 2019-218

To amend the official zoning map for the purpose of designating certain street blocks as “priority streets” and certain street blocks as “street-oriented commercial streets” in the area bounded generally by East Leigh Street on the north, North 10th Street on the east, East Marshall Street on the south, and North 5th Street on the west.

ORD. 2019-219

To rezone the properties known as 601 E. Leigh St., 501 N. 7th St., 808 E. Clay St., 800 E. Clay St., 500 N. 10th St., 900 E. Marshall St., 406 N. 7th St., 408 A N. 7th St., 500 E. Marshall St., and 500 B E. Marshall St. from the B-4 Central Business District to the CM Coliseum Mall District.

RES. 2019-R044

To establish a policy for the future allocation of any surplus revenues the City receives as a result of a certain redevelopment of the area bounded generally by East Leigh Street on the north, North 10th Street on the east, East Marshall Street on the south, and North 5th Street on the west.

Member Kristen Larson inquired why the ordinances and resolution associated with the proposed Navy Hill Development (NHD) project were scheduled for consideration by the Organizational Development Standing Committee.

Committee Chair Cynthia Newbille stated the ordinances and resolution were continued from the January 6, 2020 Organizational Development Standing Committee meeting to the February 3, 2020 meeting for consideration. Chair Newbille informed members that the ordinances and resolution would be forwarded to the February 10, 2020 Council meeting with any recommendation approved by the Organizational Development Standing Committee. Chair Newbille also stated that any potential amendment to the ordinances or resolution could be addressed at the February 10, 2020 Council meeting or potential Special meeting with the amended legislation then continued for final deliberation at the February 24, 2020 Council meeting.

Interim City Attorney Haskell Brown informed members that the committee could continue the ordinances and resolution to the March 2, 2020 Organizational Development Standing Committee meeting, forward the items to Council with a recommendation to strike, forward the items to Council with a recommendation to approve, forward the items to Council with a recommendation to approve with amendments, or forward the items to Council with no recommendation.

Opposition

Jonathan Miller spoke in opposition to the proposed NHD project and informed members that the city's financial advisor, Davenport & Company, was fined \$20,000.00 for misleading Fluvanna County regarding county financing.

Kristin Reed spoke in opposition to the proposed NHD project and stated that there was widespread opposition to the project throughout the city. Ms. Reed expressed her concern that there would not be adequate time to review any potential amendments to the legislation and requested the committee make a recommendation to strike the ordinances and resolution.

Rhonda Hening-Davis, Alliance for a Progressive Virginia president, spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution. Ms. Hening-Davis expressed her belief that good schools would draw new citizens to the city and not the proposed project.

Anneliese Grant spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution. Ms. Grant referenced the Navy Hill Development Advisory Commission and stated the commission found the project would place a significant financial burden on the city.

Omari Al-Qadaffi expressed his concerns regarding C.H. Johnson Consulting's inability to provide answers to certain questions raised by members earlier that evening and referenced C.H. Johnson Consulting's recommendation on a development project in Kansas City, Missouri. Mr. Al-Qadaffi requested the committee make a recommendation to strike the ordinances and resolution.

Marty Jewell spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution. Mr. Jewell stated he was not in favor of a "do-nothing" approach but believed schools should be a priority.

Kalia Harris, Virginia Student Power Network, spoke in opposition to the proposed NHD project and stated the project would negatively affect her family. Ms. Harris expressed her belief that the city should not hedge its bets on the project and instead rebuild schools. Ms. Harris requested the committee make a recommendation to strike the ordinances and resolution.

Scott Price, Alliance for a Progressive Virginia policy director, spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution. Mr. Price expressed his belief that the project would negatively affect children and schools over several generations.

Jeff Cartwright spoke in opposition to the proposed NHD project and expressed his concerns regarding the relationship between C.H. Johnson Consulting and Hunden Strategic Partners. Mr. Cartwright requested the committee make a recommendation to strike the ordinances and resolution.

Allan Chipman spoke in opposition to the proposed NHD project and referenced what he believed were statistical inaccuracies in C.H. Johnson Consulting's presentation. Mr. Chipman expressed his belief that the committee should make a recommendation to strike the proposed ordinances and resolution so the economic development process could start over.

Jessica Shim spoke in opposition to the proposed NHD project and addressed the negative effects capitalism can have on society. Ms. Shim requested the committee make a recommendation to strike the ordinances and resolution.

Debbie Rowe spoke in opposition to the proposed NHD project and stated it should not be approved. Ms. Rowe provided polling data that noted a majority oppose the project and referenced politicians that oppose the project.

Justin Griffin spoke in opposition to the proposed NHD project and described it as a deceptive gamble from a dishonest process. Mr. Griffin requested the committee make a recommendation to strike the ordinances and resolution.

John Moser spoke in opposition to the proposed NHD project and referenced his prior comments at past public hearings. Mr. Moser requested the committee make a recommendation to strike the ordinances and resolution.

Lee Williams, Sierra Club Falls of the James member, spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution.

Whitney Whiting spoke in opposition to the proposed NHD project and requested the committee make a recommendation to strike the ordinances and resolution. Ms. Whiting expressed her belief that the request for proposal process was flawed and noted that Norfolk City was preparing a similar development project.

Breanne Armbrust, community organizer, stated the city was facing a homelessness crisis and the proposed NHD project would not address that issue. Ms. Armbrust also stated the affordable housing provided in the project would not work without living wage legislation. Ms. Armbrust requested the committee make a recommendation to strike the ordinances and resolution.

Alan Schintzius spoke in opposition to the proposed NHD project and expressed his concerns with the project's request for proposals process. Mr. Schintzius informed members that citizens were watching and requested the committee make a recommendation to strike the ordinances and resolution.

Joseph Rodgers spoke in opposition to the proposed NHD project and expressed his concern that there would not be adequate time to review any potential amendments to the legislation.

Support

Jack Berry, Richmond Region Tourism president, spoke in support of the proposed NHD project and referenced successful economic development projects in other cities. Mr. Berry listed potential sporting events that could occur in the city if the project was approved.

Owen Matthews, Kings Dominion director of finance, stated that tourism and hospitality provided a great opportunity for young people to enter the workforce. Mr. Matthews expressed his belief that the city deserved a new arena.

Charles Carter spoke in support of the proposed NHD project and stated in order to rebuild schools, more revenue was necessary. Mr. Carter expressed his belief that the proposed development would create that revenue.

Brian Anderson, ChamberRVA president and chief executive officer (CEO), requested members think about the positive aspects of the proposed NHD project. Mr. Anderson stated the project would provide opportunities for people to improve their lives with employment. Mr. Anderson expressed his support for the project and requested members make a recommendation to adopt the ordinances and resolution.

Carrie Roth, Activation Capital and Virginia Bio+Tech Park president and CEO, spoke in support of the NHD proposal and stated the financial benefit for the city would be significant. Ms. Roth expressed her belief the project was bold and requested the committee support the proposal.

Brian Robertson, Marion Marketing Global chief operations officer, spoke in support of the proposed NHD project. Mr. Robertson requested the committee not make a recommendation to strike the ordinances and resolution and allow consideration at the February 24, 2020 Council meeting.

John Bolton, Better Housing Coalition vice president of real estate development speaking on behalf of the Better Housing Coalition Board of Directors, spoke in support of the proposed NHD project. Mr. Bolton addressed the shortage of affordable housing in the city and stated the proposed project would create 200 affordable housing opportunities. Mr. Bolton requested Council improve the proposal and approve the project.

Anthony “Ajay” Brewer spoke in support of the NHD proposal and stated economic development was required to improve schools.

Ervin Clarke, Central Virginia African American Chamber of Commerce (CVAACOC) founder and chairman, spoke in support of the NHD proposal and stated the project would dedicate funding for the involvement of minority businesses. Mr. Clarke also stated the project would provide good paying jobs that would benefit the community. Mr. Clarke requested Council support and pass the proposed NHD project.

Sandra Antoine spoke in support of the proposed NHD project and referenced successful projects of surrounding localities. Ms. Antonie requested members leave a legacy of moving the city forward.

Diane Linderman spoke in support of the proposed NHD project and informed the committee she was involved in the project. Ms. Linderman expressed her belief that investment was difficult to acquire, and she hoped the committee would support the project.

Jennifer Mullen, Roth Jackson member representing the Navy Hill Corporation, informed the committee that draft amendments to the proposed legislation, based on feedback from citizens, Navy Hill Development Advisory Commission and Council, were submitted to the Office of the City Attorney. Ms. Mullen expressed her belief the project would benefit downtown Richmond and requested consideration of the proposed amendments be allowed.

Michael Hallmark, Capital City Partners and Future Cites, spoke in support of the proposed NHD project and stated he wanted to help benefit the city. Mr. Hallmark expressed his view that the Navy Hill area was difficult to develop other than with an arena. Mr. Hallmark requested the committee allow the ordinances, resolution and possible amendments be reviewed at the February 24, 2020 Council meeting.

Kenneth Jones spoke in support of the proposed NHD project and stated the developers were taking the greatest risks. Mr. Jones requested members hear possible improvements to the proposal and move the project forward.

Lenora Reid, Acting Chief Administrative Officer, requested members move the ordinances and resolution forward and allow review of potential amendments. Ms. Reid stated involved parties listened to concerns and created amendments in accordance with issues raised.

Member Michael Jones to forward ORD. 2019-211, ORD. 2019-212, ORD. 2019-213, ORD. 2019-214, ORD. 2019-215, ORD. 2019-216, ORD. 2019-217, ORD. 2019-218, ORD. 2019-219, and RES. 2019-R044 to Council with no recommendation, which was seconded.

Vice Chair Chris Hilbert stated the proposed NHD project should have more regional involvement with other localities and expressed his belief that the proposed arena was not a priority for the city.

Member Andreas Addison expressed his concerns that any recommendation to strike the ordinances and resolution would harm the process of improving the proposal through amendments.

Member Kim Gray inquired if a public hearing would still occur at a Council meeting regardless of the recommendation forwarded by the Organizational Development Standing Committee.

Interim City Attorney Haskell Brown informed members if the committee votes to recommend the ordinances and resolution be stricken, then the items would be referred to the February 10, 2020 Council meeting. Mr. Brown stated if Council then approves that recommendation during review of the Formal Council meeting's agenda amendments, then no public hearing was required.

Member Kristen Larson expressed her concerns that current children in the city would not see any benefits from the proposed NHD project. Member Larson indicated she would not support the motion to forward the ordinances and resolution with no recommendation.

Member Ellen Robertson stated the C.H. Johnson Consulting report was not finalized and should be reviewed before making a final decision on the project. Member Robertson also stated the ordinances and resolution should be forwarded with no recommendation to allow review of potential amendments.

Member Stephanie Lynch stated she had issues with components of the proposed NHD project which included average unit rental costs, Greater Richmond Transit Company operating costs and the number of annual events anticipated at the proposed arena. Member Lynch expressed her concerns with the time available to review any potential amendments.

The motion to forward ORD. 2019-211, ORD. 2019-212, ORD. 2019-213, ORD. 2019-214, ORD. 2019-215, ORD. 2019-216, ORD. 2019-217, ORD. 2019-218, ORD. 2019-219, and RES. 2019-R044 to Council with no recommendation failed: Ayes 4, Jones, Robertson, Addison, Newbille. Noes 5, Larson, Lynch, Gray, Trammell, Hilbert.

Member Kristen Larson moved to forward ORD. 2019-211, ORD. 2019-212, ORD. 2019-213, ORD. 2019-214, ORD. 2019-215, ORD. 2019-216, ORD. 2019-217, ORD. 2019-218, ORD. 2019-219, and RES. 2019-R044 to Council with a recommendation to strike, which was seconded.

Member Michael Jones expressed his concerns that a majority of citizens who wanted to speak to the ordinances and resolution were unaware of the committee's consideration that evening.

Member Ellen Robertson requested the ordinances and resolution be forwarded to Council with an opportunity for a public hearing. Member Robertson stated she would not support a recommendation to strike.

Chair Cynthia Newbille stated the timeline for review of the ordinances and resolution was publicized and presented to Council for review and comment. Chair Newbille also stated she hoped Council

could ensure the public has an opportunity to provide comments on the proposal and potential amendments.

There were no further comments or discussion and the **motion to forward ORD. 2019-211, ORD. 2019-212, ORD. 2019-213, ORD. 2019-214, ORD. 2019-215, ORD. 2019-216, ORD. 2019-217, ORD. 2019-218, ORD. 2019-219, and RES. 2019-R044 to Council with a recommendation to strike was approved:** Ayes 5, Larson, Lynch, Gray, Trammell, Hilbert. Noes 4, Jones, Robertson, Addison, Newbille.

The following resolution was considered:

RES. 2020-R009

To request that the Mayor withdraw the existing Navy Hill ordinances and conduct a new request for proposals process.

Support

Rhonda Hening-Davis, Alliance for a Progressive Virginia president, addressed the committee and expressed her support for RES. 2020-R009.

Scott Price, Alliance for a Progressive Virginia policy director, addressed the committee and expressed his support for RES. 2020-R009.

Kirsten Gray, Alliance for a Progressive Virginia member, addressed the committee and expressed her support for RES. 2020-R009.

John Moser addressed the committee and expressed his support for RES. 2020-R009.

Leslie Rubio addressed the committee and expressed her support for RES. 2020-R009.

Lee Williams, Sierra Club Falls of the James member, addressed the committee and expressed her support for RES. 2020-R009.

Whitney Whiting addressed the committee and expressed her support for RES. 2020-R009 and stated many of her friends who did not attend the meeting did as well.

Allen Chipman addressed the committee and expressed his support for RES. 2020-R009. Mr. Chipman referenced a *New York Times* article that listed the city as a top 50 city to visit and noted it made the list without an operating coliseum.

Josh Stanfield, Activate Virginia executive director, spoke in support of RES. 2020-R009 and requested that the mayor withdraw the existing Navy Hill ordinances and resolution.

Omari Al-Qadaffi spoke in support of RES. 2020-R009 and stated the resolution would help those with limited resources.

Marty Jewell spoke in support of RES. 2020-R009 and questioned why it took so long for potential amendments to be proposed.

Jeff Cartwright spoke in support of RES. 2020-R009 and stated the resolution would bring citizens together.

Carolyn Cox spoke in support of RES. 2020-R009. Ms. Cox stated the proposed NHD process was flawed from the start because she believed the request for proposals was specifically written for one applicant. Ms. Cox expressed her hope that any future request for proposals would require a minimum of three applicants.

Alan Schintzius spoke in support of RES. 2020-R009 and stated he looked forward to a real proposal for economic development that is approved by Council unanimously.

Breanne Armbrust, community organizer, spoke in support of RES. 2020-R009 and stated she wanted to help with a better economic development proposal.

Member Stephanie Lynch stated the resolution was not designed to prevent future economic development projects and expressed her hope to work with city administration on better and more transparent projects.

Member Kim Gray stated the proposed resolution would lay the groundwork for a more inclusive and transparent process regarding economic development.

Member Michael Jones expressed his concerns with gentrification in the city and the city's tax abatement program preventing collection of additional revenue to address city needs.

Member Ellen Robertson expressed her concerns with the city's tax abatement program and rising costs of single family homes in Highland Park due to the program. Member Robertson stated the proposed NHD project would provide affordable housing and remove blight from downtown Richmond.

Chair Cynthia Newbille referenced the steps taken by Council to review the proposed NHD project. Chair Newbille stated the final report from C.H. Johnson Consulting would be submitted to Council and that she hoped Council would have an opportunity to review it.

Member Kristen Larson moved to forward RES. 2020-R009 to Council with a recommendation to approve, which was seconded and approved: Ayes 5, Larson, Lynch, Gray, Trammell, Hilbert. Noes 3, Robertson, Addison, Newbille. Abstentions 1, Jones.

Adjournment

There being no further business, the meeting adjourned at 10:29 p.m.