

North of Broad Project Announcement
Remarks (As Prepared for Delivery) by Mayor Levar M. Stoney
November 1, 2018

Good afternoon.

Thank you for coming.

Almost one year ago, I stood on the Observation Deck of City Hall to announce our plans to seek proposals to redevelop a forgotten neighborhood, and to revitalize underutilized city assets in the middle of our downtown, just north of Broad Street. The bold goals for this proposal were nothing less than to significantly improve the quality of life for all of Richmond's residents.

This is why I insisted, from the very beginning, that any proposal include the creation of jobs and the hiring of local minority businesses.

That is why I insisted that any development include a significant number of affordable housing units.

That is why I insisted on a permanent replacement for the temporary GRTC transfer station, so that our hard-working residents can have a measure of comfort and dignity on their daily commutes to and from work.

We required that any plan include the historic preservation and adaptive reuse of the Blues Armory.

And we imposed one additional, very important condition on the RFP:

That we would not endorse any proposal that would require the city to use its existing tax revenue or debt capacity to fund the project.

And we would not support issuing any bonds that would require the City's moral or general obligation to fund any component of the proposal. Meaning, we would not put the city's solid financial footing at risk, or compromise its ability to finance its priorities of the future.

Ladies and gentlemen, today, I am pleased to announce that after eight months of hard work and very tough negotiation, I believe we have achieved agreement in principle on all of those goals.

And Richmond is one very large step closer to transforming not only its downtown, but the future of neighborhoods, schools and services throughout our city.

I will get into some of the specifics in a moment, but I called you here today to let you know that if we are able to successfully resolve several outstanding details in the coming weeks, my administration will be submitting ordinances to City Council representing an agreement with the nonprofit NH District Corporation to redevelop the Navy Hill neighborhood north of Broad Street.

If approved by the Council, this will easily be the largest economic development project in the history of our city.

But more importantly it will be the largest economic empowerment project in our city's history – one that is driven by our values -- and puts Richmonders first.

In the spirit of One Richmond – that is, creating a city that works for, and benefits, ALL of us...

With this project:

We will create 21,000 jobs -- including more than 9,000 permanent jobs and workforce training opportunities. Less than a mile away in Gilpin Court, 75 percent of our residents live in poverty. This project will offer economic opportunity to thousands of men and women who just need a helping hand.

This project will include more than \$300 million in contracts for minority businesses – this will ensure that our talented minority contractors are in the game and NOT sitting on the sidelines.

We will build nearly 680 units of affordable housing – a substantial down payment on our goal of building 1,500 affordable units by 2023. We want those who work in this neighborhood to be able to live in it as well.

We will build a new GRTC transit center here in the heart of downtown, so that residents across our city can have a facility that offers shelter and dignity to our hardworking men and women who rely on public transit.

We will preserve and restore the historic Blues Armory - bringing it back to life as a centerpiece of this newly revitalized neighborhood.

And we will reconnect our street grid and raise Leigh Street so that we can create a true walkable and vibrant neighborhood that links to a resurgent Jackson Ward.

Employers and those in Richmond's tourism industry have long said that we need an additional convention center hotel that could expand the city's lodging capacity and allow it to compete with other cities for conventions and events, estimating that we have lost more than 31,000 lodging nights over the last five years to other cities with more capacity.

So this project will include an upscale 500-room hotel, with event space, retail and commercial opportunities.

They also said we needed a replacement for the decrepit, 46-year-old Richmond Coliseum, which is costing us more than \$1.5 million every year to keep open and whose maintenance needs threaten to eat into our limited debt capacity.

So this project includes a state-of-the-art arena that will be the largest in Virginia – an asset that will allow us to compete not just with Charlottesville and Norfolk, but with the Charlottes and Nashvilles for major events and the revenues they bring.

I know Richmond is every bit the equal of these places.

For years now, achieving these goals – jobs, housing, neighborhood revitalization and economic empowerment – has been elusive.

We all know the problem – our city has many pressing needs, and we do not have the resources to meet these needs.

We know the state has shortchanged Richmond Public Schools in education funding.

And that same state government, which we are home to as a capital city, has many lovely buildings that occupy a substantial portion of our downtown – and don't pay taxes.

We can – and we are – demanding more.

But until that happens, we can't burden our homeowners and residents with more taxes and higher costs.

And we can't cut our way to funding our schools, fixing our streets and delivering the level of services our residents and families deserve.

I was elected Mayor on the belief of what Richmond can do, of what it can become.

And today is about what Richmond can do.

With this project, we will leverage private investment and underutilized city assets in our downtown, to maximize growth that will benefit everyone in our city. This project represents a \$1.4 billion investment that does not raise taxes and does not incur financial risk to the city.

It will generate an additional \$1 billion in additional tax revenue over the next 30 years.

And we will use that additional revenue to finance the needs of our neighborhoods – for better schools, for better streets and for better core services.

Simply put, this is a game changer.

This is not a project into which we enter lightly. And frankly, the final agreement that we hope to present to Council in the coming weeks is very different from the proposal that was submitted to us in January.

As you know, my CAO Selena Cuffee-Glenn, our city attorney's office and top city staff from multiple departments worked with our financial advisors, Davenport and Company, to review and negotiate the proposal.

And as you also know, I said publicly, (and we said privately in negotiations), that the proposal as initially presented to us on issues such as affordable housing and minority business contracting did not go far enough. We were not going to move forward without substantial changes in these and other aspects of the proposal.

As it stands, the \$300 million worth of opportunity to our minority businesses in the agreement represents more economic opportunity than we have been able to create in the last ten years combined as a city for our minority businesses.

The 680 affordable housing units will also represent one of the greatest expansions of affordable housing in our history.

To ensure we were doing everything correctly, to make sure the numbers that we came up with were indeed, numbers that would work for the city, we added another layer of due diligence.

We directed Davenport & Company, our financial advisors, to hire an outside third party to review the projections and details of the proposal, including the Tax Increment Finance district that we propose to use to finance the city owned assets that are part of the project.

The independent analysis by Hunden Strategic Partners, which we will provide to you tomorrow, not only confirmed our own analysis, but forecasts greater revenue projections.

In fact, based on the analysis of our third party, we believe that this project could provide our city with over \$1.7 billion of revenue over 30 years.

This far exceeds the revenue that would be generated if we did nothing.

Ladies and Gentleman, there is a cost for doing nothing.

And just to be clear, tax revenue from the proposed TIF will ONLY go toward paying the debt on the Blues Armory, the Arena, and bringing Leigh Street up to grade. The developers and bond holders will shoulder 100 % of the risk for this project.

I believe that every Richmonder, every neighborhood, should share in our prosperity. Not just old Richmond, but new Richmond, in all its diversity and emerging talent.

For me this is not about a new coliseum. This is about what this project allows us to do. If we do nothing we do not create over 20,000 jobs. If we do nothing we will not build nearly 700 new affordable homes. If we do nothing we will not generate a billion dollars in revenue that can be used to make critical investments in our neighborhoods – our schools, our streets and our services.

We must grow the pie so that everyone gets a piece. Either we take the steps and the unique opportunity we have now with this project to make a transformative difference in the lives of our residents, or we do nothing -- and keep waiting and hoping for all this to happen, without the additional investment needed to make it happen.

I am so proud of the work of many people throughout the city who have helped us reach this point today – it is truly a partnership between the public, non-profit and private sectors working together.

And while the work is not yet done, I would be remiss if I did not recognize the determination, focus and diligence of my team, led by Chief Administrative Officer Selena Cuffee Glenn and her directors, City Attorney Allen Jackson and his team, Matt Welch from economic development and David Rose, Roland Kooch and Jimmy Sanderson from Davenport.

This project simply would not be possible without the dedication and engagement of our business community. I'd like to recognize, and thank Tom Farrell, CT Hill and the board of NH for forming this nonprofit entity to submit this proposal, and acknowledge Union Bank CEO John Asbury for his institution's substantial commitment to this transformational project.

These leaders have not only have invested in Richmond, but they also share a love for this city. They understand its many needs. And they believe, like we all do, in Richmond's potential for greatness, and for that, I thank you.

We also would not have reached today without the support of one of our leading non-profit organizations in the city, The Community Foundation.

The Community Foundation recognized the transformative nature of this project and has committed \$5 million dollars to the affordable housing component of the work.

Thank you, Sherrie Brach Armstrong, for the amazing way The Community Foundation is partnering with us on this.

I'd also like to recognize and thank Greta Harris with the Better Housing Coalition for being here today and for your commitment and partnership in the affordable housing component of this project.

Ladies and gentlemen, this is an important day for our city. It *is* an opportunity.

The cynics out there will point to all the things we can't do. They will point to projects in the past that were either ill-conceived, or poorly timed or poorly executed, that never lived up to their potential, and some of that is true.

But this is the wrong way to think about our future. This is an old Richmond way of thinking -- that Richmond shouldn't try to do great things today; that she can't do great things tomorrow.

Well, we can, and we will.

This city has grown. I am standing here before you as proof that the Richmond of yesterday is not the Richmond of today, or more importantly of tomorrow.

We are changing. We are making progress. And now is not the time not to let our past fears define our future opportunities.

I encourage City Council to take the time it needs to review this agreement once it is submitted, and I encourage the public to ask questions of the developer and of my administration. Everyone will have the chance to kick the tires, as we have. I am excited about embarking on this process, and what we can accomplish for our city together.

This is a game changer.

This is our time. This is our chance to pass on prosperity to everyone in our city, and to secure a better future for our children.

Let's make it happen.

Thank you.