



Addendum 1

Issued June 15, 2022

The City received the questions below via email from the respondents invited to submit responses to the Diamond District RFO. Questions and responses are listed in no particular order. Certain questions have been grouped together by category with one corresponding response. Answers to project specific questions have not been provided as the objective of this Q and A is to clarify any ambiguity in the RFO.

Question: Is there a guarantee that the 100 project-based voucher units will be allocated to this project?

Response: RRHA leadership has verbally indicated support to the City's Administration for providing such vouchers.

Question: Will the VCU Athletic Village have a gym, and will it be open to the public?

Response: No, the VCU Athletic Village plans do not include a gym at this time. A site plan and rendering are attached to [Addendum 2 to the RFAI](#).

Question: Can you provide specific requirements (i.e. square feet, specific uses, or any other relevant parameters) for the uses/functions that the developer must replace with respect to the Arthur Ashe Center? How many and which of those functions need to be replaced within the 67 acres? How many and which of those functions must be replaced in Phase I?

Response: City anticipates some of these functions being integrated into the VCU Athletic Village and other City and/or VCU facilities. None of the center's functions need to be replaced within the 67 acres.

Question: The RFO indicated your preference to have the developer purchase all the property all at once at the beginning of the development timeline. Does this include land that will not be immediately accessible for development like the existing stadium? If it does, will the developer own the existing stadium and collect rent from Squirrels?

Response: The City anticipates a scenario under which the Squirrels operation/use of the Diamond will be permitted to continue through at least the end of the 2024 baseball season in the same/a similar manner as contemplated by the current Stadium Use Agreement (a link to which can be accessed via [Addendum 2 to the RFAI](#)).

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Question: The RFO states the ballpark will be owned by a public entity. Do you anticipate property taxes being paid on the ballpark? Will the debt on the ballpark be subordinated or unsubordinated to the ground lease?

Question: If a public entity owns the ballpark, will that entity be empowered to enter into a lease with the Squirrels?

Question: Do you have a contemplated structure of the public entity of that would own the ballpark? Is it possible a representative of the Squirrels would have a board seat on that entity?

Question: Do you have a contemplated timeline of when the public entity that would own the ballpark would be created? Should the developer anticipate that ballpark being a partner prior to commencing construction of the stadium or will the developer deliver the stadium to that entity?

Question: In the RFO it was not clear to us who is the ground lessor in this scenario- the developer or the City of Richmond?

Response: Taking into account the information/goals/clarifying assumptions in the RFI/RFAI/RFO, Respondents should include in their responses to the RFO the Respondent's proposed structure/timeline for stadium ownership, financing, construction, and operation. Respondent's proposed structure could include a newly created public entity or an existing public entity (e.g., a CDA or the City's EDA).

Question: Due to the current market costs for stadium build, do you want us to build to capacity (10,000 seats) or cost. In essence, would the City prefer to adjust its budget or its design to capacity?

Response: Per section 3.12 of the RFO, "the baseball stadium should have around 8,000 fixed seats (including club seating) with a total seating capacity around 10,000."

Question: "Admissions tax revenue may not be used to pay debt service"

Question/Comment: If the Squirrels do not have a new stadium by 2025 the City will presumably lose the Squirrels; if the team is successful building a new stadium would admissions tax be available starting in 2025?

If the removal of admissions tax revenue for debt service has a dramatic impact on land value is this something the City would consider re-evaluating if demonstrated by the proposing team and reviewed/confirmed by the City and its consultants?

Question: Please clarify what the City means when it states that the admissions tax revenue "may" not be used to pay debt service.

Response: Admissions tax revenues may be used to support the payment of Stadium debt.

Question: Is City Sales Tax within the stadium available?



Question: Would an increase in city sales taxes from venues other than the stadium be available?

Response: The City is open to using incremental revenues from the City's portion of sales tax generated from the new stadium and elsewhere within the 67.57 acre Diamond District towards the repayment of debt service.

Question: The RFO states that all utilities (including electric, telecom) "must" be located underground. Given the significant expense associated with locating power lines underground (i.e. millions of dollars), and that this is not a requirement under TOD zoning or anywhere else in the city, is this mandatory? Has the city had any conversations with Dominion to understand the feasibility of this?

Response: The City anticipates that the negotiated terms of any final Development Agreement/contract(s) will include a variety of contractual obligations that apply to the development project (i.e., in addition to any applicable zoning/regulatory requirements).

Moreover, the City envisions a development project that furthers goals/objectives of the Richmond 300 Master Plan and Scotts Addition Small Area Plan such as goals/objectives to: (1) "Bury utilities underground along all Great Streets and bury utilities underground where possible on all other streets" (Richmond 300 Objective 4.4(c)) and (2) "Transform N. Arthur Ashe Boulevard and Hermitage Road into Great Streets, featuring buildings addressing the street, underground utilities, street trees, lighting, enhanced transit, and other amenities" (Greater Scotts Addition Priority Growth Node Goals 9 and 17).

Question: Can you provide an approximate date when the Sports Backers stadium will be ready for demolition if it is to be included in Phase I?

Response: Propose a date for demolition in alignment with your phasing strategy. The earliest demolition date would likely be summer of 2023.

Question: We want to confirm that the city will now only count units at or below 60% AMI towards the affordability requirement. Since 1998 when HUD published PDR-98-02, the definition of low-income households has been households with incomes between 50% and 80% of the area median income. Since HUD programs - including public housing - accommodate households up to 80% AMI, omitting individuals and families at the 80% AMI threshold could have potential significant impacts on who may be eligible for housing on the site.

For example, it is likely that some current Gilpin Court residents/households earn up to 80% AMI – so restricting the definition of "affordable" to 60% AMI or below would inadvertently exclude those Gilpin Court residents from moving to the Diamond District.

Additionally, the Low-Income Housing Tax Credit program in 2018 adjusted its eligibility criteria to include serving households up to 80% AMI, as long as the average LIHTC household area

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median income is 60% or less, and as long as the project otherwise meets either the 20/50 or 40/60 set asides (i.e. income averaging or the “average income test”).

Given these considerations, we wonder if the city intended to require that affordable rental units should be affordable up to 80% AMI, consistent with HUD program guidelines and LIHTC / Section 42 requirements.

Response: From the RFO (Clarifying Assumptions to Section 3.16): “The City’s goal is to have 20% of the units be affordable units...The affordable rental units should be affordable at or below 60% AMI (including the Gilpin replacement/relocation units). The affordable for-sale units should be affordable for households between 60% and 80% of AMI.”

Question: Does the cost estimate associated with Phase 1 include engineering?

Response: Yes, include all soft and hard costs.

Question: Perimeter Right of Way (Page 4): Please confirm this is the perimeter edge of the property and the expectation is for standard repair work impacted by construction. Please also confirm that the repair does not include reworking road configuration or rebuilding traffic configuration.

Response: The City may require the developer to construct certain upgrades/improvements to the right-of-way along the perimeter of the site based on the scope/scale of the chosen development project and the results of the TIA for such project (e.g., new traffic light(s), new turning lane(s), etc.).

Question: Understanding the significant economic disparities of for-rent and for-sale housing, does the City have a cap for for-sale or for-rent housing?

Response: No.

Question: The City listed its desire to have more traditional for sale housing “two-over-two condos” and “townhomes”; those uses yield anywhere from 12-20 units / acre.

Adding for-sale housing of this type will have a negative impact on density, land value and property taxes.

Does the City have a desired unit count for traditional for-sale housing product as described in the RFO?

Response: No.

Question: Would the hotel tax be available if the other jurisdictions in the regional hotel tax agreement would agree to its use in this project?



Question: “Lodging/Hotel tax revenue is not available to be used to pay debt service”

Question/Comment:

The development team understands that a first pledge of hotel taxes has been made to the convention center bonds. In light of the following comment, would the City be open to a subordinate pledge of new hotel occupancy taxes within the Diamond District. These tax revenues would be available only to the extent the convention center bonds were paid.

Response: No.

Question: The total development budget (inclusive of vertical hard costs) will be between 1.5B-2B. Is the City envisioning \$15M to \$20M for art in the public realm? This will lead to a dollar/dollar reduction in purchase price for the land. Is that a problem for the City / Selection committee?

Response: Public art can be items beyond traditional statues and murals. Public art can include lighting, landscape design, street furnishing, fountains, play structures, and more. We are looking for the developer and their design team to be creative in the use of these funds.

Question: If the fund is required what is the City’s target raise / amount for this fund?

Response: No target.

Question: Is the City’s intent for the fund to be managed by the Office of Minority and Business Development and the Office of Community Wealth Building?

Response: No.

Question: Please confirm “Private Source” means the funding source / capital institution

Response: Yes.
