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CITY OF RICHMOND

Diamond District Frequently Asked Questions (FAQs)

Why is the Diamond District a good project for the City and its residents?

In addition to a Baseball Stadium, this project will deliver an 11-acre park in a portion of the city that desperately needs greenspace, mixed-income housing, and new places for businesses to grow in the City. The existing property is largely vacant and publicly owned and does not generate the tax revenue that such prime real estate should. This long-term investment will strengthen the city, with an additional \$16.4 million in net new tax revenue to the general fund by 2035 and \$1.01 billion through 2068.

Is the City committing its general or moral obligation to build the Baseball Stadium?

No. The developer is backing the Economic Development Authority (EDA)-issued Baseball Stadium debt with a special assessment on the private property they are developing within the Diamond District.

What are the key differences between the term sheet and the development agreement?

- Many of the key details remain the same.
- The biggest change is in the timeline for the baseball stadium, with the target completion date moving back 9-months from March 31st of 2025 to December 31st of 2025.
- Also, the developer has flexibility on whether to build a second hotel and has some limited flexibility regarding the timing of completing all housing and commercial spaces – simply to help align with market needs.
- Another change was our approach to financing, which now includes adding nearby parcels to the Incremental Financing Area. This allows the EDA, and ultimately the City, to save money in the long run by helping to issue tax-exempt bonds and secure lower interest rates to expedite paying off the Baseball Stadium bonds and to fund additional infrastructure connections to adjacent neighborhoods. Additionally, the City is funding the Diamond District Phase 1 infrastructure improvements

using DPU enterprise funds, the capital improvement program, and EDA Phase I land proceeds.

When will the Baseball Stadium be completed?

Our original goal was to have a Baseball Stadium ready for 2025, but the shifting financial landscape forced us to revisit some of the original plans and adjust Opening Day at the new ballpark by one year. Instead of being completed by March 31, 2025, we will complete the Baseball Stadium by December 31, 2025, with Opening Day being April 2026. While we will not meet MLB's preferred completion date, we are confident that MLB sees Richmond as a great city for baseball and will work with them to make sure baseball in Richmond is here to stay.

Have the community benefits changed?

No; the many community benefits – including an 11-acre park, opportunities for affordable housing (both for sale and rent), minority business participation, and sustainability requirements in construction – remain in place. The developer remains committed to all of the community benefits, including its pledge to work with RPS to develop the Altria property in Southside.

Why is the incremental financing district larger than the 67-acre Diamond District?

As interest rates increased, the cost of borrowing money increased. Including some additional parcels that are adjacent to the Diamond District secures a lower interest rate (thus saving money) and increases bond proceeds to pay off the debt and create better infrastructure for pedestrians, bikes, and vehicles to get to the Diamond District.

Do property owners or citizens have to pay additional taxes in the incremental financing district that is outside the Community Development Authority (CDA)?

No; property owners and consumers in the areas outside of the CDA will not have to pay special taxes. This area is not a special tax district, nor will property owners have to pay a special assessment.

What are the projects that will be financed outside of the Diamond District but within the Incremental Financing Area?

We heard from the communities that are around the Diamond that we need to improve access to and from the new Diamond District. The projects will include improved sidewalks, lighting, bicycle infrastructure, and other complete street upgrades.

Will properties in the Incremental Financing Area have to pay more in taxes?

No. Incremental financing tools are used simply to direct where real property taxes are allocated – at no additional cost to the property owner. In this case,

those funds will be used to help pay for a small portion of the Baseball Stadium and infrastructure outside of the Diamond District to improve connectivity to adjacent neighborhoods. This does not change the Community Development Authority (CDA) District boundaries (which are the same as the 67-acre Diamond District). Parcels within the CDA are subject to a hotel surcharge, a sales surcharge, and a special assessment backstop to the EDA-issued Baseball Stadium bond. The properties outside of the CDA District are NOT subject to those additional CDA requirements.

What happens with the Arthur Ashe, Jr. Athletic Center?

The Arthur Ashe Center has not hosted student events since the beginning of the pandemic, and even before that, it had largely become functionally obsolete due to years of deferred maintenance by Richmond Public Schools. The facility was once a hub for student athletic events within the city but, in its later years, has been largely used as a storage facility for RPS. Development on the AAJAC site is not planned until Phase 3 of the project. However, the building may be removed earlier, and the functions that the AAJAC once served will be relocated to other public facilities.

What about the RPS technical training center in Southside?

The development agreement includes a requirement for the developer to collaborate with the Richmond School Board to develop a technical training center on Maury Street. We are hopeful that RPS will see the value in converting this space to meet the increasing demand for a technically trained workforce. If RVA Diamond Partners and RPS can come to an agreement, the developer will redevelop the facility and hire a training coordinator to ensure program graduates have opportunities to work in the Diamond District. This is an exciting opportunity, and it isn't merely a community benefit that RVA Diamond Partners is offering – the developer needs skilled workers to work on the site, so they are making every effort to come to an agreement with RPS.

What is the next big milestone in the process?

City Council will be asked to (1) approve the Diamond District property to be transferred to the EDA and then sold in Phases to the developer and (2) approve the development agreement so that the project can get started.