

Revitalize RVA: Understanding the Finances

Revitalize RVA = two chapters:

Chapter 1: Shockoe



- City- & privately-owned.
- The land floods.
- Commitments from private developers & Squirrels.
- Ready to go.
- Ballpark makes it possible.

Chapter 2: Boulevard

- City owns 60 acres.
- First decide concept, then seek proposals.
- Can begin later, after ballpark moves.



(Just one concept, many possibilities)²

Three financial questions for Richmond:

Is a Shockoe ballpark a good
financial deal for Richmond?

Yes.

(It pays for itself.)

Will fully developing the Boulevard
bring in more money
for schools & neighborhoods?

Yes. (A lot more.)

Will the City be on the hook
if something goes wrong? No.

Here's why.

What does a Shockoe ballpark cost?

Ballpark construction: \$56.3 million.

EDA will borrow money to build it.

Using 'project revenue bonds'

(The project generates money to pay the bill.)

Annual debt payment: \$4.1 million for 30 years

Infrastructure upgrades: \$23.4 million

City will borrow money to address flooding & utilities.

Using 'general obligation bonds'

(The City's credit card.)

Includes \$5 million for Slavery & Freedom Heritage site

Annual debt payment: \$1.5 million for 30 years

How will we pay the ballpark debt?

1) Rent from Flying Squirrels:	\$1.7 million
2) Baseball admissions & sales taxes:	\$400,000—\$600,000
3) New developer taxes generated by grocery, hotel, apartments, & parking:	<u>+ \$1.8 million—\$2 million</u>
Total:	\$3.9 million—\$4.3 million

(This is conservative. **Any extra new revenue** from rising property values in Shockoe & the Boulevard **is not counted. That comes later.**₅)

What if something goes wrong financially?

We'll be covered:

Developers will sign special contracts to pay.

They guarantee to pay *at least* the real estate tax needed to pay the debt—
even if they don't make money.

If that fails, we can put a lien on their buildings & take legal action.

What if the Squirrels leave?

We want them to stay forever!

(But **even if they leave, they still owe us.**)

We'll enforce that 30-year contract.

Extra protection:

Eastern Baseball League will back up the lease.

(In 40 years, they've never
had to take over a team's lease.)

How do we protect Richmond against cost overruns?

For the grocery, apartments,
& hotel construction:

It's a private project.

Private developers pay for overruns.

It's on them.

For the **public ballpark,**

built by private companies:

We'll pay up to a specific level. After that,

It's on them too.

How will a Shockoe ballpark affect our debt capacity?

It won't.

Here's why Richmond is protected:

a) we know the costs

b) we know where the money is coming from to pay those costs.

Bottom line:

The ballpark construction is self-supporting.

Why should I believe the numbers?

They're based on a simple formula & clear facts:

Formula:

1) Type of building x size = value

2) Value x real estate tax rate = new revenue to City

Facts:

Average Shockoe apt. worth:

\$102,650

x 750 apartments

\$76,987,500

x real estate tax rate

\$923,850 new revenue

every year, just from apartments

And a conservative 150-year-old Richmond financial firm endorsed these numbers.

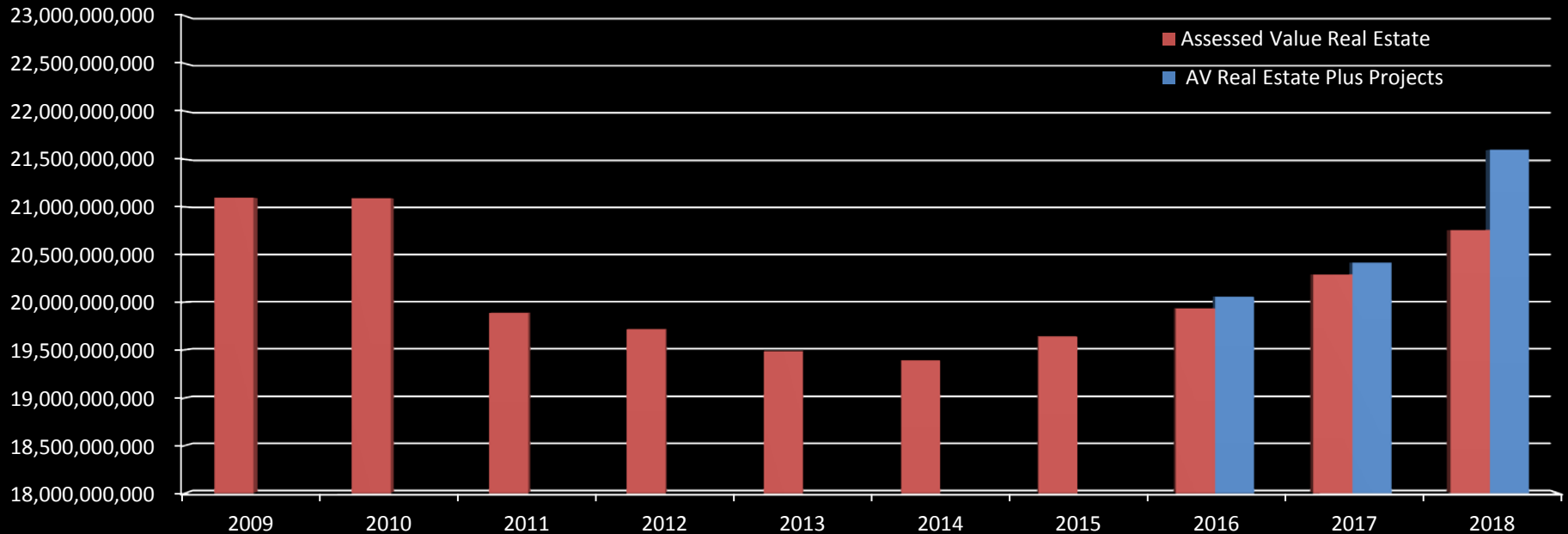
What do we need from the Boulevard,
to pay for the Shockoe project?

Absolutely nothing.

Shockoe development pays for itself.

Shockoe development requires NO
revenue from Boulevard development.

Here's how this plan grows our tax base.



This plan expands Richmond's tax base.

It generates new revenue
for schools & neighborhoods.

It creates jobs & opportunities.

Let's get moving.