



## Frequently Asked Questions

This document provides answers related to the major questions the City has received regarding the Diamond District Redevelopment Project. Click on the hyperlinks below to jump to sections.

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## Project Scope

### 1. What is the Diamond District Redevelopment Project?

The City of Richmond seeks to partner with a private developer to redevelop 67.57 acres of under-developed, publicly-owned property. The project area is bordered by Arthur Ashe Boulevard (west), I-95/I-64 (north), Hermitage Road (east), and the CSX railroad (south). The City’s vision for the Diamond District redevelopment project is a part of the City Council approved Greater Scott’s Addition Small Area Plan.

### 2. Why now?

The City is growing as more people and businesses choose to make Richmond home. The Diamond District redevelopment is an opportunity for the City to prepare for further growth. The redevelopment will provide affordable housing, park and green space, jobs, infrastructure, and tax revenue that will benefit the entire city – not to mention a brand new baseball stadium. Built in 1985, the Diamond baseball stadium must be replaced before 2025 in order to continue to be home to a minor league baseball team. Current market conditions and the City’s preparation of the site also make now a great time to redevelop this promising area.

### 3. What type of community input informed the project? How does it align with Richmond300, the City’s comprehensive plan?

**The Diamond District goals come from the community-driven vision and goals in the Greater Scott’s Addition Small Area Plan.** The solicitation documents (the [Request for Interest](#) (RFI), [Request for Additional Information](#) (RAI), and [Request for Offers](#) (RFO)) all draw from the vision and goals set forth in the Greater Scott’s Addition Small Area Plan, which is a part of [Richmond 300: A Guide for Growth](#). The small area plan outlines how residents said they want this area of the city to be redeveloped. The plan was created over several months in 2019 and 2020 with extensive community input – four community meetings, over 1,300 responses to two surveys, and 150 comments on the draft plan.



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#### 4. What work has the City done to prepare for this redevelopment project?

**The efforts to prepare the Diamond District land for redevelopment have been underway for at least ten years.** The City has relocated facilities and prepared land for redevelopment (the grassy portion of the Diamond District site). The City developed a community-driven small area plan, the Greater Scott's Addition Small Area Plan, in 2019 and 2020 to guide the redevelopment of the Diamond District and neighborhoods adjacent to the site. The small area plan was adopted in December 2020 as part of the Richmond 300: A Guide for Growth, the citywide master plan. In July 2021, the City rezoned the Diamond District and the areas adjacent to the Diamond District from M-1 and M-2 zoning districts to TOD-1, B-7, and B-5 zoning districts. The City began marketing the redevelopment opportunity in October 2021 and formally commenced the solicitation process with the issuance of the Request for Interest on December 28, 2021.

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#### 5. When will the whole project be done?

**The redevelopment of the entire 67.7 acres is expected to take up to 15 years, depending on market conditions.** The vision for the Diamond District is a multi-phase redevelopment project. Phase 1 will include a new baseball stadium, infrastructure, open space, mixed-income housing, hotel, retail, and possibly office space. The development plan for each phase of the selected project will be shared when the City announces the preferred development partner. Each phase will include sufficient infrastructure, buildings, and uses for the project to be economically viable.

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#### 6. After selection, will the project teams have to go through any subsequent approvals processes like a Special Use Permit (SUP)?

Maybe – depending on the final development program selected the project may need a Special Use Permit. The property will likely need to be subdivided into new parcels and the subdivision ordinance will need to be approved by the City Planning Commission. The baseball stadium design will need to be approved by the City Planning Commission and reviewed by the Urban Design Committee, which is an advisory body to the City Planning Commission.

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#### 7. Will the baseball stadium be replaced?

Yes! Richmond needs to have a new baseball stadium by opening day in 2025. The current Diamond is the 3rd oldest minor league ballpark in the entire country. In 2020, Major League Baseball issued new Minor League Baseball (MiLB) stadium standards and set a requirement for all MiLB teams to comply with the standards by the 2025 season. Since the Diamond is not in compliance with the new MiLB stadium standards and cannot be retrofitted to comply with the MiLB standards, a new ballpark must be built to keep minor league baseball in Richmond beyond the 2024 season.

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#### 8. What will happen to the Arthur Ashe Jr. Athletic Center?

In the short-term nothing will happen to the Arthur Ashe Jr. Athletic Center (AAJAC) as it is not part of first phase of the redevelopment project. The AAJAC property will be developed in a later phase of the project. At that time the AAJAC facility will be demolished. The current functions provided at the AAJAC will be provided either at City, VCU, or other facilities in the City. The goal is to have the new facility functions in place prior to the demolition of the existing center. (The AAJAC is owned by the City of Richmond, and Richmond Public Schools (RPS) has been maintaining and operating the facility. The facility needs major repairs that include a new HVAC system and a new roof.)



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## 9. What will happen to the Sports Backers Stadium?

The Sports Backers Stadium will be demolished in Phase 1 of the project. A new Sports Backers Stadium will likely be constructed in the next 4 years. Virginia Commonwealth University (VCU) is responsible for funding the construction of the new Sports Backers Stadium.

## Evaluation Panel and Process

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### 10. Who is on the redevelopment Evaluation Panel?

The Evaluation Panel includes 10 members (seven City administrators, two City Council members, and one VCU administrator).

Evaluation Panel Members:

- James P. Duval – Investment and Debt Portfolio Manager, Finance Department
- Sharon L. Ebert – Deputy Chief Administrative Officer, Planning and Economic Development
- Karol Kain Gray – Senior Vice-President and Chief Financial Officer, Virginia Commonwealth University
- Katherine Jordan – Council Member, Second District
- Ann-Frances Lambert – Council Member, Third District
- J.E. Lincoln Saunders – Chief Administrative Officer
- Leonard L. Sledge – Director, Department of Economic Development
- Caprichia Smith Spellman – Director, Office of Community Wealth Building
- Robert C. Steidel – Deputy Chief Administrative Officer, Operations
- Stephen M. Willoughby – Director of Emergency Communications

Facilitator/Project Manager:

- Maritza Mercado Pechin – Deputy Director for Equitable Development

Advisors:

- Lynne S. Lancaster – Deputy Director, Department of Public Works
- Matthew A. Welch – Senior Policy Advisor, Planning and Economic Development Portfolio

External Advisors:

- Davenport
- AECOM
- Legal Counsel

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### 11. What are the evaluation criteria?

The [Request for Interest](#) (RFI) set forth evaluation criteria in four topic areas: 1) development team, 2) urban mixed-use experience, 3) equitable development benefits, and 4) project understanding and financing approach.

Development Team

- Years and breadth of the development team's experience



- Scope of services provided, including real estate management and development; marketing and public relations; architecture and design; landscape architecture; engineering and construction; and baseball stadium development (if included in response)
- Financial capability to complete the project
- Strength of professional, financial, and project references
- Diversity of team and ownership structure

#### Urban Mixed-use Experience

- Experience with urban redevelopment
- Experience with similar sports entertainment redevelopment projects
- Capability to fulfill office component and attract new-to-market office tenants
- Capability to fulfill mixed-income residential component
- Capability to fulfill a hotel component
- Capability to fulfill retail component and attract retail tenants
- Capability to fulfill a minor league baseball stadium
- Experience successfully overcoming barriers to site redevelopment
- Experience incorporating public spaces into redevelopment
- Successful reconciliation of private sector site needs with municipal/community desires
- Proven capacity to deliver the project requirements on time and on budget
- Extensive experience with private only and public/private project financing mechanisms

#### Equitable Development Benefits

- See [Appendix E of the RFI](#) for Anticipated Minimum Community Benefits Requirements
- Inclusion of affordable for-sale and rental housing units
- Implementation of a development program that includes a diverse, inclusive development team and diverse equity participation, and that creates diverse and inclusive opportunities for the business community, including Minority Business Enterprises and Emerging Small Businesses in development, design, construction, and ongoing operation.
- Potential to create new employment at a mix of skills and abilities
- Potential to act as a catalyst for economic development in the area
- Impact to increase tourism and the Richmond sports and entertainment community
- New open green space connected throughout the site and to adjacent communities
- Site-wide and building-specific sustainability and resiliency features
- Potential to enhance the meaningful employment opportunities available to local residents through workforce training programs and the creation of sustainable and well-paying jobs with benefits and upward economic mobility

#### Project Understanding and Financing Approach

- Understanding of and approach for accomplishing the city's goals and desires for the project
- Approach to evaluating the market and determining the appropriate mix of uses
- Approach to incorporating/activating public spaces on site
- Approach to project financing demonstrated by explanation of potential public and private sources
- Utilization of financing approaches that minimize public investment/risk and maximize private investment
- City cost avoidance (e.g. infrastructure and public amenities constructed by the development team)



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## 12. When will the Evaluation Panel select a development team?

The City anticipates announcing a preferred development team by the end of the summer. The Evaluation Panel is now negotiating with the two development teams that are finalists for the project. Panel members have been in communications with the finalists to test financial assumptions to fully understand the stadium and infrastructure financing. These discussions enable the Evaluation Panel to recommend the best development team with the best financial proposal to fulfill the City's vision for the Diamond District.

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## 13. Are the Evaluation Panel's meetings public?

No. In order to engage in competitive negotiations with the interested development teams and achieve the best development project, best deal terms, and best financial structure for the City, the Evaluation Panel meets privately. Public meetings could jeopardize the City's leverage in negotiations and/or give an unfair advantage to development teams. All the details of the project will be made public once the preferred development team is selected.

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## 14. Will the responses to the RFO be made public? Can the public see the grades and assessments given?

Yes. After the City executes the Development Agreement with the preferred development team, the City will release its evaluation records in compliance with VFOIA.

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## 15. How were the Squirrels, Sports Backers, and VCU involved in the selection process?

VCU is a member of the Evaluation Panel because they are a property owner (they own Sports Backers Stadium). The Flying Squirrels and Sports Backers are not members of the Evaluation Panel because they are tenants, but they have been individually consulted, first as part of the Greater Scott's Addition Small Area Plan, and currently through the redevelopment project selection process.

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## 16. After selection, how can the community provide feedback on and engage with elements of the proposal and the project team?

After the City announces its preferred development team, the City will host a community meeting to share information about the development team, the development program, and the terms of the deal. After City Council approves the recommendation of the preferred development team there will be ongoing community engagement and communications from the developer about all aspects of the project.

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## 17. What steps has the City taken during this solicitation process?

The process to select a development partner for the Diamond District Redevelopment Project began in October 2021 with the launch of the Diamond District websites ([marketing site](#) and [City site](#)). The major solicitation process milestones include:

- October 11, 2021: City launched the Diamond District websites and began marketing the redevelopment opportunity
- October 19, 2021: City staff gave a presentation at City Council's Land Use, Housing and Transportation Committee introducing the Diamond District solicitation process
- October 21, 2021: City staff gave a presentation at City Council's Finance and Economic Development Committee introducing the Diamond District solicitation process
- December 28, 2021: City issued the [Request for Interest](#) (RFI)



- February 15, 2022: City received submissions from 15 development teams in response to the RFI
- March 22, 2022: City staff gave an update presentation at City Council's Land Use, Housing and Transportation Committee
- March 23, 2022: Evaluation Panel narrowed the field to 6 teams and invited the 6 teams to respond to the [Request for Additional Information](#) (RFAI)
- April 25, 2022: City received submissions from the 6 RFAI invitees in response to the RFAI
- May 8, 2022: City staff gave an update presentation at City Council's Informal Meeting
- May 10, 2022: Evaluation Panel narrowed the field again to 3 finalist teams
- May 13, 2022: City staff hosted a day-long field for City Council members to learn how public-private projects were developed in Northern Virginia and Maryland
- May 25-26, 2022: Evaluation Panel conducted 2-hour in-person interviews with the 3 finalist teams
- June 3, 2022: City issued the [Request for Offers](#) (RFO) to the 3 finalist teams
- June 8, 2022: City hosted a community meeting to review the project goals, discuss best practices in public-private partnerships, and answer questions from the general public (presentation and recording of the meeting are available on the [City website](#))
- June 28, 2022: Received submissions from the 3 finalist teams in response to the RFO
- July 15, 2022: Held 1.5-hour meetings with the 3 finalist teams
- July 22, 2022: City staff gave an update presentation at City Council's Informal Meeting

## Financing

### 18. How will the project be financed?

**The project will be financed using private equity and public and private debt financing.** The City will only consider using public debt financing tools that have no impact on the City's credit rating, debt capacity, or current revenues. The City is willing to use new tax revenue generated only at the Diamond District redevelopment project to pay the public debt service to build infrastructure and a new baseball stadium for the project.

### 19. What is a CDA?

**CDA is the acronym for Community Development Authority.** A Community Development Authority is an official political subdivision of the Commonwealth of Virginia. A CDA is often used by cities and counties to help finance projects that provide a public benefit through the issuance of bonds that are paid off over many years by the property owners within the CDA. The CDA also has the ability to add an additional assessment on its real estate to pay for services provided in the CDA.

### 20. What is a TIF?

**TIF is the acronym for Tax Increment Finance.** TIF is a financing tool often used by cities and counties to redevelop land. A TIF bond is like a loan, and the repayment of the loan comes from future new incremental tax revenues.

### 21. What taxes are the Diamond District property generating now?

The Diamond Districts properties do not generate real estate property because they are publicly owned. In 2022, the properties generated \$399,274.89 in Business, Professional and Occupational License (BPOL), admissions tax, lodging tax, and meals tax revenue. New tax revenues generated on the property will be used to pay the public debt service to build infrastructure and a new ballpark for the project.



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**22. What parts of the redevelopment will use tax increment financing?**

Tax increment financing will likely be used to finance the baseball stadium and city infrastructure, such as utilities, streets, sidewalks, street lighting, etc. within the Diamond District redevelopment site.

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**23. How does the potential TIF financing approach for the Diamond District compare to that of Henrico's Green City project?**

It is very similar. Henrico established a CDA for its proposed Green City, and that CDA will be issuing TIF bonds for the development of Green City including a new arena.

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**24. What is the size/area of the TIF district?**

The TIF area for the Diamond District is just the 67.7 acres.

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**25. Can we just do a TIF for the area of the baseball stadium to pay for the baseball stadium?**

No. The City does not anticipate that the revenues generated just by the baseball stadium will be enough to pay for the development of the baseball stadium. A portion of the tax revenues generated by the private development in Diamond District Phase I will help pay for the baseball stadium.

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**26. Are there examples of successful TIF financing structures from other similar localities for similar projects, such as a baseball stadium?**

**Yes, there are several examples.** One recent example is the use of a District Increment Finance (DIF, similar to a TIF) in Worcester for the creation of Polar Park, the home of the Minor League Baseball Paw Sox.

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**27. Will the City have to guarantee the repayment of the TIF bonds?**

No. The City will not pledge any general obligation or moral obligation to pay for the bonds.

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**28. What happens if the revenue projections fall short? Is there liability to the City?**

There is no liability to the City to pay for any financial shortfalls as the bonds will be non-recourse. Non-recourse means the City does not have any moral or financial responsibility to pay for any debt service repayment shortfalls. If revenue to pay the debt service fall short, the shortfall will be covered by the CDA issuing a special tax assessment on itself to pay for the shortfall. The City of Richmond does not have to pay for the shortfall.

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**29. What proportion of future tax revenues will go towards the project?**

We will have projected tax revenues from the development of the Diamond District when the negotiations are finalized and the preferred development team and their project are announced.

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**30. How will the TIF bonds be repaid?**

The TIF infrastructure bonds will be paid using a combinations of new real estate taxes, sales tax, meals tax (not including any portion of meals tax dedicated to support public schools), admissions tax, and any



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special assessment tax revenues generated from the private real estate investments made within the Diamond District.

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### 31. How is the Diamond District's TIF structure different from the proposed Navy Hill Project's TIF structure?

The proposed TIF district for the Navy Hill project included additional blocks of the City's downtown area beyond the project's development footprint. This is not needed for the Diamond District, and the only area that will have a TIF district will be the Diamond District's 67.7 acres.

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### 32. Who will own the land?

The land under the baseball stadium will most likely be owned by a to-be-formed CDA, or a to-be-formed sports authority. All new public infrastructure and rights of way will be privately developed and then dedicated back to the City. The residential and commercial blocks will be privately owned. It is also possible that the development team could enter into a ground lease for the land from the City for the redevelopment project.

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### 33. What does the City intend to do with the funds from the sale (or lease) of the Diamond District land?

This has not been decided. However, the City is requiring several community benefits such as affordable housing, a community benefit fund, park space, and minority and small and emerging business participation and ownership in the entire development process and this may result in a reduced sales price.

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## Baseball Stadium

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### 34. Why are we helping pay for the stadium? Do we get anything out of it?

By building a new stadium, the City will have a large public venue for sports as well as for other large events. The new stadium will also enabled the City to retain the Flying Squirrels as the region's minor league baseball team and provide a venue for VCU's baseball team. According to research by AECOM, across the country, on average 60% of the cost of a baseball stadium is funded with public sources. AECOM's analysis shows that baseball stadiums can catalyze urban development when the ballparks are located in mixed-use, walkable environments. View the AECOM Ballpark Feasibility Analysis, which [is Appendix D to the Request for Interest](#).

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### 35. How will the stadium be paid for?

**The stadium construction will be paid for using non-recourse bonds.** The new baseball stadium will be paid for through a TIF bond issuance. The bonds will be paid back using real estate property tax revenues generated from the new private investment as well as from sales, meals and admissions tax revenues in the Diamond District. Lease payments received from the Flying Squirrels and VCU, which will be stadium tenants, will also help pay back the bonds as well as other revenue generated from the new ballpark and if needed from new tax revenues from Phase I of the Diamond District project.

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### 36. Who will own the new baseball stadium?

The stadium will most likely be owned by a to-be-formed community development authority, or possibly a to-be-formed stadium authority.



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**37. Are the Flying Squirrels and VCU helping to pay?**

Yes, both the Flying Squirrels and VCU will make payments through a lease to use the baseball stadium.

**Infrastructure and Services**

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**38. What types of improvements are considered public infrastructure?**

Public infrastructure typically includes utilities, roadways, sidewalks, streetscape materials, lighting, and furniture, as well as public open spaces such as parks and public plazas.

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**39. What is a general breakdown of what infrastructure will be needed to sustain the project and what will be covered by the City vs. the development group?**

As answered in question #37, the anticipated infrastructure for the Diamond District includes underground utilities, roadways, public parks and plazas and would be paid for using Diamond District TIF. Structured parking is required to be owned and financed by the developer using private funding.

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**40. Will a traffic study be done?**

Yes, a traffic impact analysis is required within the first few months of the development process.

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**41. How many people are we anticipating will move to the area due to the redevelopment? Do we anticipate needing new or rezoned schools or other public services?**

The number of new residents varies based on the specific project selected to move forward. The project proposals range from approximately 2,300 residential units to 3,200 residential units, which translates to approximately 3,450 to 4,800 people living in the Diamond District. A Fiscal Impact Analysis will be provided by the City when papers are introduced to City Council for the recommendation to select the Development Team and the project.

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**42. How will the City prevent this project from interfering with other planned projects and general services?**

The City is allocating staff time to specifically support this and other economic development projects. Over the long-term, projects of this scale increase the City's tax revenue, allowing for increased and improved City services as well as additional City staff.

**Affordable Housing**

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**43. How does this project help meet our affordable housing goals?**

The project will be a mixed-income community providing housing at a variety of affordability levels. The RFI states the City's goal is to have at least 20% of the total units be affordable to households earning less than 110% of the Area Median Income (AMI) and at least 100 units eligible for tenants with project-based vouchers. The City set goals in the RFI of affordable rental units to be affordable at or below 60% AMI (including the Gilpin replacement/relocation units) and affordable for-sale units to be affordable for households between 60% and 80% of AMI.



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**44. What about residents displaced from Gilpin Court, Creighton, and other public housing developments?**

The City's goal is to include 100 RRHA project-based voucher units available within the Diamond District with a target of at least 40% of the project-based voucher units set aside for replacement/relocation units for Gilpin Court residents.

### **Community Benefits**

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**45. What community benefits are being required by the City?**

The City has set goals for affordable housing, minority business enterprises, emerging small businesses, training and employment, public art, park space, sustainability elements, and diversity in ownership. The final terms with the preferred team will include targets for each of these topic areas. For more detailed information on required community benefits please refer to [Attachment E of the RFI](#) issued by the City.

### **Adjacent Development**

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**46. What about the development just to the west across Arthur Ashe? How can we ensure that it's going to fit in with/be complementary to the Diamond District development?**

The land to the west of the Diamond District is zoned B-7, and any redevelopment of the land must comply with the regulations under that zoning. The City rezoned the properties that are within and near the Diamond District in July 2021 to align with the vision for the area set forth in the Greater Scott's Addition Small Area Plan. The City rezoned the properties from M-1 and M-2 to a mix of TOD-1, B-7 and B-5.

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**47. How does this timeline align with the VCU Athletic Village?**

The VCU Athletic Village development is a separate project from the Diamond District redevelopment and is being developed by VCU. It is anticipated that VCU will use the proceeds from the sale of the Sports Backers property to build a replacement Sports Backers Stadium within the planned VCU Athletic Campus.