Revitalize RVA: Understanding the Finances
REVITALIZE RVA!
SHOCKOE BALLPARK + HERITAGE SITE + BOULEVARD RETAIL + NEW JOBS + FUNDS FOR SCHOOLS, SAFETY AND NEIGHBORHOODS

WE SUPPORT THIS PLAN
BAPTIST MINISTERS CONFERENCE OF RICHMOND AND VICINITY
BLACK HISTORY MUSEUM
GREATER RICHMOND CHAMBER
HYPE LEADERSHIP COUNCIL
HELPING YOUNG PROFESSIONALS ENGAGE
METROPOLITAN BUSINESS LEAGUE
METROPOLITAN JUNIOR BASEBALL LEAGUE
RICHMOND BUSINESS ALLIANCE
RICHMOND BUSINESS COUNCIL
RICHMOND FLYING SQUIRRELS
SHOCKOE BOTTOM NEIGHBORHOOD ASSOC.
THE SHOCKOE PARTNERSHIP
VENTURE RICHMOND
VIRGINIA HISPANIC CHAMBER OF COMMERCE

INFERNATIONAL ANNIVERSARY

THE BOULEVARD
HYATT+KROGER+APARTMENTS+PARKING+SQUIRRELS RENT= FULLY FUNDED BALLPARK
60 UNDEVELOPED ACRES, ENDLESS POSSIBILITIES

INFOGRAPHIC PAID FOR BY VENTURE RICHMOND. FOR MORE INFO VISIT LOVINGRVA.COM

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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)
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:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>$40.0 million</td>
</tr>
<tr>
<td>Furnishings &amp; equipment</td>
<td>$ 5.3 million</td>
</tr>
<tr>
<td>Design costs</td>
<td>$ 3.0 million</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 3.6 million</td>
</tr>
<tr>
<td>Land acquisition</td>
<td>+ $ 4.4 million</td>
</tr>
</tbody>
</table>

**Total:** $56.3 million

**Annual debt payment:** $ 4.1 million for 30 years

EDA will borrow money to build it. Using ‘project revenue bonds’ *City pays $0.*
Who pays 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: + $1.8 million—$2 million

Total: $3.9 million—$4.3 million

(This is conservative. Any extra new revenue from rising property values is not counted. That comes later.)
But the neighborhood floods.
A Shockoe ballpark helps address the flooding.

Shockoe infrastructure upgrades: $15 million

City will borrow money to address flooding & utilities.
Using ‘general obligation bonds’ (The City’s credit card.)
Full cost to ‘fix the flooding’ = +$200 million

Annual debt payment: $925,000 for 30 years
That’s ALL the City will pay to get a Shockoe ballpark, grocery store, apartments, & hotel.
Are there any other costs besides flood mitigation?

Yes. Slavery & Freedom Heritage Site

$30 million total

Roughly half to be raised privately.

Annual debt payment:

~$460,000 for 30 years
What would a new Boulevard ballpark cost?

Construction: $40.0 million
Furnishings & equipment: $5.3 million
Design costs $3.0 million
Contingency $7.3 million
Infrastructure $3.1 million
Demolition $1.0 million
Relocation of buildings + $2.5 million

Heritage site $5.0 million
New parking dec + $32.5 million

$99.7 million

Annual debt payment: $7 million for 30 years
No commitments made. No private developers lined up to pay the bills.

The City would have to pay everything.
What if something goes wrong financially in Shockoe?

We’ll be covered:
Developers will sign special contracts to pay.

They guarantee to pay *at least* the real estate tax we need 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 × size = value
2) Value × real estate tax rate = new revenue to City

*Facts:*
Average Shockoe apt. worth: $102,650
× 750 apartments
$76,987,500
× 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 ballpark.

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 that can be used for schools & neighborhoods.

It creates jobs & opportunities.

Let’s get moving.