



**Economic Development Authority of the City of Richmond  
Meeting Notice February 22, 2024**

**WHAT:** The City of Richmond's Economic Development Authority will hold its **February Board Meeting.**

**WHEN:** Thursday, February 22, 2024, at 5:00 P.M.

**WHERE:** Main Street Station, 1500 East Main Street, 3<sup>rd</sup> floor Conference Room

**CONTACT:** Glenna Chung at (804) 646-1507 or [Glenna.Chung@rva.gov](mailto:Glenna.Chung@rva.gov).

For more information about The City of Richmond's Economic Development Authority (EDA),  
Visit: <http://www.richmondeda.com>

# Agenda

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**  
**BOARD MEETING FEBRUARY 22, 2024**  
**AGENDA**

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- I. Call to Order
  - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. Meeting Minutes
  - A. Meeting Minutes – January Board Meeting
- IV. Committee Reports
  - A. Audit and Finance Committee
    - a. January Financial Report
- V. New Business
  - A. Stone Brewery Account Policy
- VI. Executive Session
  - A. To discuss the disposition of publicly held real property located at 2401 West Leigh Street and contracts involving the expenditure of public funds related to such disposition because such discussion in open session would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority.
- VII. Discussion Items
  - A. Performance Grant Update
  - B. Update on 2401 West Leigh Street Facility Operations and Maintenance
- VIII. Report of the Officers
  - A. Report of the Chairman
  - B. Report of the Secretary
- IX. Other Business
- X. Adjournment

**Upcoming Meetings**

EDA Board Committee Meeting – March 28, 2024

# Meeting Minutes

**Economic Development Authority (EDA) of the City of Richmond, Virginia**  
**Board Meeting Minutes**  
**Thursday, January 25, 2024**

**Members present:**

Nupa Agarwal, Vice-Chairperson  
Evan Feinman  
Jer’Mykeal McCoy  
Nathan Hughes

**Others present:**

Bonnie Ashley – City of Richmond, City Attorney’s Office  
Leonard Sledge – Department of Economic Development  
Katie McConnell – Department of Economic Development  
Robert Cappellanti – Department of Economic Development  
Rick Winston – Department of Economic Development  
Glenna Chung – Department of Economic Development  
Beth D’Arcy – BHD Agency  
Lisa Jones – A. G. Reese & Associates  
Jonathan Spiers – BizSense

**Call to Order:**

Ms. Agarwal called the meeting to order at 5:14pm and Ms. Chung started recording the meeting.

**Public Comments:**

No public comments were received via email, phone, or otherwise by staff. Mr. Sledge read the public disclaimer.

**Approval of Minutes of the Previous Meeting:**

Mr. Sledge requested the Board to consider a motion to adopt the minutes of the December 21, 2023 Special Called Board Meeting as stated. Mr. Feinman moved to accept the minutes. Mr. Hughes seconded the motion. The Motion passed unanimously.

**Committee Reports:**

**Audit and Finance Committee – Mr. Nathan Hughes**

Mr. Hughes announced the Audit and Finance Committee did not meet this month due to not having a quorum.

**November and December Financial Reports – Ms. Lisa Jones**

Ms. Jones reviewed the EDA Financial Reports for both November and December.

First, Ms. Jones reported the Stone Brewery account had a net income year-to-date of \$191,743 for November. As of December, the net income year-to-date was \$231,327, which was \$42k ahead of budget. No unusual transactions.

Next, Ms. Jones reported the EDA Operations account had a net income year-to-date of \$1,034,736 for November. As of December, the income year-to-date was \$576,062, which was \$562k ahead of budget. Ms. Jones reviewed the major activity on the account.

Lastly, Ms. Jones reported the Leigh Street Operations account had a net income year-to-date of \$57,227 for November. As of December, the net income year-to-date was \$53,492, which was \$139.5k ahead of budget. ASM transferred \$100k to the account.

There was no unusual loan activity.

Mr. Sledge requested the Board to consider a motion to approve the November and December 2023 financial statements for the Economic Development Authority of the City of Richmond, Virginia. Mr. Hughes moved to accept the financial statements. Mr. McCoy seconded the motion. The Motion passed unanimously.

#### **New Business:**

#### **Amended and Restated Declaration of Westhampton Condominiums – Ms. Bonnie Ashley**

Ms. Ashley explained that the Amended and Restated Declaration of Westhampton Condominiums and the Updated Estoppel Certificate are required to proceed to the next stage of development to completion. This ensures that the lenders are satisfied, and the developers are in compliance.

Mr. Sledge requested the Board to consider a motion to authorize the Board Chair, in consultation with legal counsel, to execute the Amended and Restated Declaration of Westhampton Condominium between the Economic Development Authority of the City of Richmond, Westhampton Condominium Owners Association Inc., and Bon Secours – St. Mary's Hospital of Richmond LLC. Mr. Feinman made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

#### **Updated Estoppel Certificate for Westhampton Project**

Mr. Sledge requested the Board to consider a motion to authorize the Board Chair, in consultation with legal counsel, to execute the Estoppel Certificate by the Economic Development Authority of the City of Richmond for the West Hampton Project for the benefit of TRP II Westhampton LLC, Virginia Credit Union, Inc., and Bon Secours. Mr. Feinman made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

#### **Performance Agreement between the City, Alacer Corp. (Haleon), and the EDA – Ms. Katie McConnell**

In October 2019, the City of Richmond, in collaboration with the Virginia Economic Development Partnership (VEDP), announced the expansion of the GlaxoSmithKline Consumer Healthcare (Alacer Corp.) research and development facility at 1211 Sherwood Avenue. Since

the announcement, the company's corporate structure has changed, and it is now known as Haleon (Alacer Corp.). Per the Commonwealth's Development Opportunity Fund Performance Agreement approved by City Council and the EDA in 2022, the City is required to provide a 1:1 match for the state's incentive, which it will do between a combination of an existing grant, in-kind services, and a post-performance grant. Ms. McConnell presented the performance agreement between the City, the EDA, and Alacer Corp for the local post-performance grant, which City Council approved at the January 8, 2024, City Council Meeting.

Mr. Sledge requested the Board to consider a motion to authorize the Board Chair to execute the Performance Agreement between the City of Richmond, Alacer Corp., and the Economic Development Authority of the City of Richmond, for the purpose of providing the balance of the local match funds to Alacer Corp. through a grant from the Economic Development Authority of the City of Richmond in accordance with a Commonwealth's Development Opportunity Fund Performance Agreement as an incentive to improve, equip, and operate a research and development facility at 1211 Sherwood Avenue in the city of Richmond. Mr. Feinman made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

#### **EDA Credit Card – Mr. Leonard Sledge**

Mr. Sledge shared that EDA does not have a credit card to facilitate or carry out the business of the Authority. In the absence of writing a check, due to time constraints, staff has been using their personal credit cards and then appropriately requesting reimbursement through EDA, providing the necessary documentation. This is not a sustainable practice.

Mr. Sledge requested the Board to consider a motion to authorize the Executive Director to, on behalf of the EDA, identify, apply for, and enter into any necessary contract to secure a credit card account for the EDA to be used for EDA expenses in accordance with the EDA's procurement policies. Mr. Hughes made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

#### **Discussion Items:**

##### **Update on 2401 West Leigh Street Facility Operations and Maintenance – Mr. Leonard Sledge**

Mr. Sledge provided a brief overview of the Facility. The Department of Parks and Recreation are a tremendous resource. The park hours have been adjusted to 9:00-4:30pm, 7 days a week. Mr. Sledge is currently the sole person who decides if the park is open or closed due to inclement weather conditions. ASM has closed out all accounts and transferred funds to the EDA. Ms. Bonnie Ashley has been handling all agreements on behalf of the EDA.

#### **Report to the Officers:**

##### **Report of the Chairman – Ms. Nupa Agarwal**

Ms. Agarwal reported that she nor Mr. John Molster have any updates to report.

## **Report of the Secretary – Mr. Leonard Sledge**

Mr. Sledge had a few updates to report. He reminded the Board to send in their updated Conflict of Interest Filing to the Clerk's Office. The EDA will be scheduling a mid-year touch point with its auditors, which will include Mr. Jéron Crooks and Ms. Lisa Jones. The EDA will be renewing their contract with A. G. Reese & Associates for 2024 for accounting services. The Amphitheater Groundbreaking happened on January 24th. The Mayor's State of the City will be held on January 30th at the Science Museum. Mr. Sledge asked if anyone on the Board would like to attend the Inter-City Visit in Atlanta this April/May.

### **Other Business**

No other business discussed.

### **Adjournment**

The meeting adjourned at 6:00pm and Ms. Chung stopped recording.

Respectfully submitted:

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Secretary to the meeting

Approved:

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John Molster, Chair



# **EDA January Financial Report**

**EDA City of Richmond-Stone Brewery**  
**Balance Sheet Prev Year Comparison**  
As of January 31, 2024

**DRAFT**

	Jan 31, 24	Jan 31, 23
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
10100 · Wells Fargo #2828	3,081,320.83	2,755,368.02
11000 · Accounts Receivable	17,000.19	17,000.19
14000 · Prepaid Expenses	1,170.29	1,207.15
Total Current Assets	<u>3,099,491.31</u>	<u>2,773,575.36</u>
Fixed Assets		
15602 · CIP- Ston Brewery	0.00	34,410.86
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	-3,484.20	-1,393.68
Total Fixed Assets	<u>701,785.31</u>	<u>738,286.69</u>
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	725,110.95	725,110.95
19000.2 · Current Portion Unearned int	-376,007.76	-485,639.83
Total 19000 · Net Invest-Cap Lease Rec-Curret	<u>349,103.19</u>	<u>239,471.12</u>
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	29,584,526.97	31,324,793.25
19500.2 · Unearned Int on Capital Lease	-11,178,170.48	-12,318,376.65
Total 19500 · Net Investment on Capital Lease	<u>18,406,356.49</u>	<u>19,006,416.60</u>
Total Other Assets	<u>18,755,459.68</u>	<u>19,245,887.72</u>
<b>TOTAL ASSETS</b>	<u><u>22,556,736.30</u></u>	<u><u>22,757,749.77</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Other Current Liabilities		
23100 · Accrued Interest Payable	114,051.17	117,680.42
25000 · Current Portion of Rec. Grant	750,000.00	730,000.00
Total Other Current Liabilities	<u>864,051.17</u>	<u>847,680.42</u>
Total Current Liabilities	864,051.17	847,680.42
Long Term Liabilities		
27200 · Recoverable Grant Payable		
27200.1 · Recoverable Grant Payable	17,635,000.00	18,385,000.00
Total 27200 · Recoverable Grant Payable	<u>17,635,000.00</u>	<u>18,385,000.00</u>
Total Long Term Liabilities	<u>17,635,000.00</u>	<u>18,385,000.00</u>
Total Liabilities	18,499,051.17	19,232,680.42
Equity		
32000 · Retained Earnings	3,786,883.62	3,246,256.90
Net Income	270,801.51	278,812.45
Total Equity	<u>4,057,685.13</u>	<u>3,525,069.35</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>22,556,736.30</u></u>	<u><u>22,757,749.77</u></u>

**EDA City of Richmond-Stone Brewery  
Profit & Loss Budget Performance  
January 2024**

	Jan 24	Jan 23	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
42800 · Interest Income	2,419.58	1,400.06	15,532.36	8,750.00	6,782.36	15,000.00
43000 · Interest on Capital Lease	94,643.96	97,850.57	667,801.63	665,120.27	2,681.36	1,140,206.17
<b>Total Income</b>	<b>97,063.54</b>	<b>99,250.63</b>	<b>683,333.99</b>	<b>673,870.27</b>	<b>9,463.72</b>	<b>1,155,206.17</b>
Expense						
62400 · Depreciation Expense	174.21	174.21	1,219.47	1,219.47	0.00	2,090.52
63300 · Insurance Expense	389.08	402.38	2,723.56	4,083.33	-1,359.77	7,000.00
63500 · Bank Fees	0.00	0.00	0.00	58.33	-58.33	100.00
66100 · Interest Expense-Bond	57,025.60	58,840.21	399,179.05	401,457.29	-2,278.24	688,212.50
66700 · Professional Fees	0.00	0.00	0.00	11,666.67	-11,666.67	20,000.00
67200 · Repairs and Maintenance	0.00	0.00	1,710.40	17,500.00	-15,789.60	30,000.00
67500 · Roof Expense	0.00	875.00	7,700.00	17,500.00	-9,800.00	30,000.00
<b>Total Expense</b>	<b>57,588.89</b>	<b>60,291.80</b>	<b>412,532.48</b>	<b>453,485.10</b>	<b>-40,952.62</b>	<b>777,403.02</b>
<b>Net Ordinary Income</b>	<b>39,474.65</b>	<b>38,958.83</b>	<b>270,801.51</b>	<b>220,385.17</b>	<b>50,416.34</b>	<b>377,803.15</b>
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Income</b>	<b>39,474.65</b>	<b>38,958.83</b>	<b>270,801.51</b>	<b>220,385.17</b>	<b>50,416.34</b>	<b>377,803.15</b>

**Economic Development Authority-Operations**  
**Balance Sheet Prev Year Comparison**  
As of January 31, 2024

**DRAFT**

	Jan 31, 24	Jan 31, 23
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	1,148,836.68	1,244,388.90
10300 · Towne Bank Savings	50,797.34	50,771.95
10450 · Well Fargo #7155 Checking	350,906.70	247,820.97
10500 · Restricted Checking/Savings		
10501.1 · FCB 8605 Facade/Vent	63,510.95	88,971.80
10502 · C&F Bank #3929 Tobacco Rowe	140,333.26	117,756.39
10505 · Wells Fargo #0731 Grants	565,313.82	559,387.98
10509 · EDA-Hull Street Facade Program	250,084.23	0.00
10510 · EDA Triple A Grant Program	199,690.31	0.00
10511 · Enterprise Zone Program	253,748.37	0.00
Total 10500 · Restricted Checking/Savings	<u>1,472,680.94</u>	<u>766,116.17</u>
Total Checking/Savings	3,023,221.66	2,309,097.99
Accounts Receivable		
11000 · Accounts Receivable	2,300.00	422,942.00
Total Accounts Receivable	<u>2,300.00</u>	<u>422,942.00</u>
Other Current Assets		
112000 · Due from City of Richmond	119,692.23	119,692.23
14000 · Prepaid Expenses	2,061.68	50,654.56
Total Other Current Assets	<u>121,753.91</u>	<u>170,346.79</u>
Total Current Assets	<u>3,147,275.57</u>	<u>2,902,386.78</u>
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-1,003.20	-369.60
Total Fixed Assets	<u>2,165.27</u>	<u>2,798.87</u>
Other Assets		
17500 · Website	101,044.00	0.00
18000 · Investment City Center	13,173,606.89	0.00
19100 · Net Invest.-Cap Lease Rec-Curre		
19100.1 · Current-Capital Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,841.08	-13,134.00
Total 19100 · Net Invest.-Cap Lease Rec-Curre	<u>9,158.92</u>	<u>8,866.00</u>
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	550,000.00	594,000.00
19500.2 · Unearned Int on Capital Lease	-191,899.92	-226,741.00
Total 19500 · Net Investment on Capital Lease	<u>358,100.08</u>	<u>367,259.00</u>
Total Other Assets	<u>13,641,909.89</u>	<u>376,125.00</u>
<b>TOTAL ASSETS</b>	<u><u>16,791,350.73</u></u>	<u><u>3,281,310.65</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		

Economic Development Authority-Operations  
Balance Sheet Prev Year Comparison  
As of January 31, 2024

	Jan 31, 24	Jan 31, 23
27000 · Accounts Payable	4,394.40	43,910.47
Total Accounts Payable	4,394.40	43,910.47
Other Current Liabilities		
20000 · Other Accounts Payable	4,446.73	1,638.60
Total Other Current Liabilities	4,446.73	1,638.60
Total Current Liabilities	8,841.13	45,549.07
Total Liabilities	8,841.13	45,549.07
Equity		
39002 · Intercompany Transfer	0.00	-372,626.00
39005 · Retained Earnings	16,229,102.30	4,189,882.35
Net Income	553,407.30	-581,494.77
Total Equity	16,782,509.60	3,235,761.58
TOTAL LIABILITIES & EQUITY	16,791,350.73	3,281,310.65

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**Economic Development Authority-Operations  
Profit & Loss Budget Performance  
January 2024**

	Jan 24	Jan 23	\$ Over PY	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
40800 - Restricted Interest Income	62.85	55.95	251.96	450.93	17,500.00	-17,049.07	30,000.00
41200 - Grants	0.00	310,000.00	-310,000.00	1,551,514.59	722,377.83	829,136.76	1,238,362.00
41220 - Grants (non-city)	0.00	0.00	0.00	700,000.00	408,333.33	291,666.67	700,000.00
41225 - Grants-Façade Program	0.00	0.00	0.00	0.00	116,666.67	-116,666.67	200,000.00
41400 - Contributed Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41700 - Administrative Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42000 - Administrative Loan Fee Income	3,000.00	3,000.00	0.00	76,000.00	26,250.00	49,750.00	45,000.00
42300 - Annual Bond Administrative Fee	0.00	0.00	0.00	21,000.00	21,000.00	0.00	36,000.00
42400 - Grant Management Fee	0.00	0.00	0.00	20,000.00	11,666.67	8,333.33	20,000.00
42800 - Interest Income	964.00	1,023.99	-59.99	1,500.00	0.00	1,500.00	0.00
43000 - Parking Lot Rental Income	0.00	0.00	0.00	7,682.23	17,500.00	-9,817.77	30,000.00
43100 - Interest on Capital Lease	0.00	0.00	0.00	0.00	22,000.00	-22,000.00	22,000.00
<b>Total Income</b>	<b>4,026.85</b>	<b>314,079.94</b>	<b>-310,053.09</b>	<b>2,378,147.75</b>	<b>1,363,294.50</b>	<b>1,014,853.25</b>	<b>2,321,362.00</b>
<b>Expense</b>							
60100 - Grants-Econ Dev Incentives	0.00	0.00	0.00	1,051,514.60	722,377.83	329,136.77	1,238,362.00
60199 - Grant Repayment to Grantors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60115-Grants Triple A	0.00	0.00	0.00	475,295.00	408,333.33	66,961.67	700,000.00
60200-Grants-Façade	0.00	15,000.00	-15,000.00	25,590.81	116,666.67	-91,075.86	200,000.00
60400 - Bank Service Charges	86.53	15.00	71.53	1,625.43	2,916.67	-1,291.24	5,000.00
60500 - Grants-Enterprise Zone	15,330.70	0.00	15,330.70	114,239.63	0.00	114,239.63	0.00
60600 - Grants-Infrastructure	0.00	0.00	0.00	30,000.00	0.00	30,000.00	0.00
61700 - Computer & Internet Expenses	0.00	0.00	0.00	549.00	1,166.67	-617.67	2,000.00
61900 - Contingency fund	0.00	0.00	0.00	0.00	2,916.67	-2,916.67	5,000.00
6240 - Depreciation	52.80	52.80	0.00	369.60	583.33	-213.73	1,000.00
6250 - Due & Memberships	2,430.00	1,998.00	432.00	2,430.00	2,916.67	-486.67	5,000.00
62550 - Accounting Services	3,000.00	3,000.00	0.00	21,000.00	23,333.33	-2,333.33	40,000.00
62552 - Audit Services	0.00	0.00	0.00	34,908.00	24,500.00	10,408.00	42,000.00
63300 - Insurance Expense	231.16	206.16	25.00	1,468.12	1,458.33	9.79	2,500.00
63300.1 - Board Insurance	429.33	429.33	0.00	3,005.31	2,916.67	88.64	5,000.00
63300.2 - Insurance-Laurel /Stoney Point	660.49	635.49	25.00	4,473.43	4,375.00	98.43	7,500.00
Total 63300 - Insurance Expense	0.00	0.00	0.00	0.00	7,291.67	-7,291.67	12,500.00
64100 - Legal Expense	1,299.00	20.00	1,279.00	9,093.00	11,666.67	-2,573.67	20,000.00
64200 - Marketing	3,693.00	0.00	3,693.00	29,200.16	5,833.33	23,366.83	10,000.00
64200.1 - Web Hosting	4,992.00	20.00	4,972.00	38,293.16	17,500.00	20,793.16	30,000.00
64200 - Marketing - Other	0.00	0.00	0.00	9,962.17	5,833.33	4,128.84	10,000.00
Total 64200 - Marketing	0.00	0.00	0.00	0.00	875.00	-875.00	1,500.00
64300 - Meals and Entertainment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
64400 - Miscellaneous Expense	26.40	36.00	-9.60	165.53	291.67	-126.14	500.00
64900 - Office Supplies	0.00	0.00	0.00	0.00	7,291.67	-7,291.67	12,500.00
66700 - Professional Fees	0.00	0.00	0.00	535.00	0.00	535.00	0.00
67200 - Repairs and Maintenance	58.66	160.80	-102.14	410.62	583.33	-172.71	1,000.00
67800.7 - Workmans Comp Insurance	0.00	0.00	0.00	2,828.61	0.00	2,828.61	5,000.00
68400 - Meetings expense	0.00	0.00	0.00	0.00	1,166.67	-1,166.67	2,000.00
68500 - Travel	0.00	0.00	0.00	10,241.86	0.00	10,241.86	0.00
68600 - Utilities	44.00	44.00	0.00	308.00	291.67	16.33	500.00
68600.1 - Internet Service	26,681.58	20,962.09	5,719.49	1,824,740.45	1,351,211.17	473,529.28	2,321,362.00
<b>Total Expense</b>	<b>-22,654.73</b>	<b>293,117.85</b>	<b>-315,772.58</b>	<b>553,407.30</b>	<b>12,083.33</b>	<b>541,323.97</b>	<b>0.00</b>
<b>Net Ordinary Income</b>	<b>-22,654.73</b>	<b>293,117.85</b>	<b>-315,772.58</b>	<b>553,407.30</b>	<b>12,083.33</b>	<b>541,323.97</b>	<b>0.00</b>
<b>Net Income</b>	<b>-22,654.73</b>	<b>293,117.85</b>	<b>-315,772.58</b>	<b>553,407.30</b>	<b>12,083.33</b>	<b>541,323.97</b>	<b>0.00</b>

**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT**  
**Balance Sheet Prev Year Comparison**  
As of January 31, 2024

	Jan 31, 24	Jan 31, 23
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	224,533.76	35,936.55
10200.1 · Reserve Funds	135,323.18	146,729.37
10200.2 · Westhampton Funds	33,834.55	28,834.55
	<u>393,691.49</u>	<u>211,500.47</u>
Total Checking/Savings	393,691.49	211,500.47
Accounts Receivable		
11000 · Accounts Receivable	39,933.61	0.00
11400 · ASM Escrow	0.00	237,620.29
Total Accounts Receivable	<u>39,933.61</u>	<u>237,620.29</u>
Other Current Assets		
11200 · Interest Receivable	77.21	536.26
14000 · Prepaid Expenses	19,159.00	0.00
Total Other Current Assets	<u>19,236.21</u>	<u>536.26</u>
Total Current Assets	452,861.31	449,657.02
Fixed Assets		
15000 · Furniture and Fixtures	49,999.59	39,706.59
15100 · Equipment	95,357.04	95,357.04
15300 · Other Depreciable Property	94,788.00	94,788.00
15350 · Improvement- Training Fields	74,434.50	62,187.00
15500 · Building Improvements	10,779,715.64	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	1,330,696.31	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased capital assets		
16990.1 · Leased capital asset--Museum	1,505,819.00	1,505,819.00
16990.2 · Accumulated amortization	-75,534.40	-46,295.20
Total 16990 · Leased capital assets	<u>1,430,284.60</u>	<u>1,459,523.80</u>
17000 · Accumulated Depreciation	-138,639.14	-133,722.71
17300 · Accum Depr-Other	-71,092.36	-76,931.56
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	-3,089,495.24	-2,786,768.40
Total Fixed Assets	<u>11,424,866.94</u>	<u>11,733,369.71</u>
Other Assets		
19000 · Net Invest Lease Rec-Current		
19000.1 · Current Lease Rec-Training Cent	0.00	141,056.34
Total 19000 · Net Invest Lease Rec-Current	<u>0.00</u>	<u>141,056.34</u>
19500 · Net Invest Leas Rec-Long Term		
19500.1 · Lease Asset-Long Term Lease Rec	0.00	56,959.00

**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT**  
**Balance Sheet Prev Year Comparison**  
As of January 31, 2024

	Jan 31, 24	Jan 31, 23
Total 19500 · Net Invest Leas Rec-Long Term	0.00	56,959.00
Total Other Assets	0.00	198,015.34
<b>TOTAL ASSETS</b>	<b>11,877,728.25</b>	<b>12,381,042.07</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	26,360.27	142.00
Total Accounts Payable	26,360.27	142.00
Other Current Liabilities		
23100 · Interest Payable	37,045.70	28,810.09
24800 · Deferred Revenue	1,666.96	2,083.59
25000 · Maintenance Reserve-Westhampton	135,323.18	146,729.37
Total Other Current Liabilities	174,035.84	177,623.05
Total Current Liabilities	200,396.11	177,765.05
Long Term Liabilities		
27100 · Recoverable Grant-City of Rich	6,000,000.00	6,500,000.00
27500 · LT Lease Liability		
27500.1 · LT Lease Liability-Museum	1,469,283.00	1,469,283.00
Total 27500 · LT Lease Liability	1,469,283.00	1,469,283.00
Total Long Term Liabilities	7,469,283.00	7,969,283.00
Total Liabilities	7,669,679.11	8,147,048.05
Equity		
Intercompany Transfer	0.00	380,065.00
30001 · Deferred Inflow of Resources-Le	-54,295.24	-190,032.36
39005 · Net Position	4,207,203.09	4,155,251.28
Net Income	55,141.29	-111,289.90
Total Equity	4,208,049.14	4,233,994.02
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>11,877,728.25</b>	<b>12,381,042.07</b>

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**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT  
Profit & Loss Budget Performance  
January 2024**

**DRAFT**

	Jan 24	Jan 23	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40000 - Event Income	0.00	0.00	141,919.00	27,927.08	113,991.92	47,875.00
41500 - Advertising & Other Income	0.00	0.00	13,133.00	1,837.50	11,295.50	3,150.00
41600.1 - Building Rent-1st Floor	25,484.00	24,572.58	175,647.22	178,388.00	-2,740.78	305,808.00
41600.2 - Building Rent-2nd Floor	13,448.00	13,448.00	94,136.00	94,136.00	0.00	161,376.00
41600.3 - 1st Floor Ground Rent	1,767.00	1,767.00	12,369.00	12,369.00	0.00	21,204.00
41600.4 - 2nd Floor Ground Rent	563.00	563.00	3,941.00	3,941.00	0.00	6,756.00
41600.5 - 1st Floor CAM	16,625.00	16,625.00	116,375.00	116,666.67	-291.67	200,000.00
41600.6 - 2nd Floor CAM	7,695.00	7,695.00	53,865.00	58,333.33	-4,468.33	100,000.00
41650 - Rental Income-Westhampton	416.63	416.63	3,333.04	2,916.67	416.37	5,000.00
41660 - Westhampton Maintenance Res	1,683.58	82.46	32,689.38	7,000.00	25,689.38	12,000.00
<b>Total Income</b>	<b>67,682.21</b>	<b>65,169.67</b>	<b>647,407.64</b>	<b>503,515.25</b>	<b>143,892.39</b>	<b>863,169.00</b>
Expense						
60100 - Amortization Expense	2,436.60	2,436.60	17,056.20	17,056.20	0.00	29,239.20
60500 - Staffing	0.00	17,290.00	90,635.00	93,205.00	-2,570.00	159,780.00
60510 - Payroll Expenses	100.00	267.00	5,853.00	4,083.33	1,769.67	7,000.00
61000 - General and Administrative	534.03	4,894.00	17,388.03	24,563.58	-7,175.55	42,109.00
61500 - Security Service	280.00	1,183.00	6,126.00	5,833.33	292.67	10,000.00
63400 - Interest Exp-lease	4,099.31	4,000.73	28,628.85	29,166.67	-537.82	50,000.00
63500 - Bank Service Charges	622.76	21.60	754.66	291.67	462.99	500.00
63700 - Landscaping and Groundskeeping	1,550.00	0.00	8,700.00	7,000.00	1,700.00	12,000.00
66500 - Telephone Expense	164.32	605.00	3,892.32	4,666.67	-774.35	8,000.00
66670 - Insurance Expense	1,129.00	2,380.00	11,038.00	14,583.33	-3,545.33	25,000.00
66700 - Professional Fees	4,770.00	0.00	5,805.00	2,916.67	2,888.33	5,000.00
67100 - Ground Rent Expense	0.00	0.00	0.00	23,660.00	-23,660.00	40,560.00
67700 - Real estate taxes	0.00	0.00	4,930.72	5,833.33	-902.61	10,000.00
68400 - Grounds Maintenance	0.00	0.00	58,254.00	58,333.33	-79.33	100,000.00
68500 - Maintenance Expense	4,608.69	10,769.00	27,765.69	35,000.00	-7,234.31	60,000.00
68510 - Janitorial Service Supplies	6,786.24	1,463.00	14,251.24	9,916.67	4,334.57	17,000.00
69000 - Base Management Expense	0.00	1,149.00	7,522.00	5,425.00	2,097.00	9,300.00
69001 - Incentive Management Fee	0.00	0.00	4,486.00	3,500.00	986.00	6,000.00
69500 - Operations	2,714.89	2,242.00	23,896.89	11,666.67	12,230.22	20,000.00
78000 - Utilities	10,626.91	12,456.46	68,263.05	64,166.67	4,096.38	110,000.00
<b>Total Expense</b>	<b>40,422.75</b>	<b>61,157.39</b>	<b>405,246.65</b>	<b>420,868.12</b>	<b>-15,621.47</b>	<b>721,488.20</b>
<b>Net Ordinary Income</b>	<b>27,259.46</b>	<b>4,012.28</b>	<b>242,160.99</b>	<b>82,647.13</b>	<b>159,513.86</b>	<b>141,680.80</b>
Other Income/Expense						
Other Income						
42800 - Interest Income-Cking	2.89	1.80	12.86	20.00	-7.14	30.00
Total Other Income	2.89	1.80	12.86	20.00	-7.14	30.00
Other Expense						
72500 - Depreciation Expense	27,378.97	26,433.38	187,032.56	183,097.83	3,934.73	313,881.99
Total Other Expense	27,378.97	26,433.38	187,032.56	183,097.83	3,934.73	313,881.99
<b>Net Other Income</b>	<b>-27,376.08</b>	<b>-26,431.58</b>	<b>-187,019.70</b>	<b>-183,077.83</b>	<b>-3,941.87</b>	<b>-313,851.99</b>
<b>Net Income</b>	<b>-116.62</b>	<b>-22,419.30</b>	<b>55,141.29</b>	<b>-100,430.69</b>	<b>155,571.98</b>	<b>-172,171.19</b>

**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF RICHMOND**  
 (A Component Unit of the City of Richmond, Virginia)  
 Statement of Net Position  
 Enterprise Funds  
 January 31, 2024

**DRAFT**

	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
<b>ASSETS</b>							
Peoples Bank			751,922.51	394,043.16		33,497.88	1,179,463.55
Wells Fargo Checking	869,334.91						869,334.91
Wells Fargo Money Market	105,436.43						105,436.43
Community Capital Bank		244,471.27		181,636.14			181,636.14
Atlantic Union Bank					-		244,471.27
Community Capital Bank GLFIA					462,648.62		462,648.62
Peoples Bank LRA					2,023,031.38		2,023,031.38
Peoples Bank GLFIA					1,028,283.05		1,028,283.05
Peoples Bank GLFIA-2					357,383.79		357,383.79
Total Cash	974,771.34	244,471.27	751,922.51	575,679.30	3,871,346.84	33,497.88	6,451,689.14
Prepaid/Accounts Receivable	1,450.00	-	-	2,200.00	-	-	3,650.00
<b>Total Current Assets</b>	976,221.34	244,471.27	751,922.51	577,879.30	3,871,346.84	33,497.88	6,455,339.14
<b>Long Term Assets</b>							
Note/Grant Receivable	24,306.73	-	142,439.34	1,013,234.22	7,414,313.28		8,594,293.57
Unused LOC							-
Accrued Interest Receivable	9,562.93	-	56,063.64	124,613.42	1,556,344.64		1,746,584.63
Loan Loss Reserve	(12,155.68)	-	(87,326.39)	(230,962.00)	(159,898.36)		(490,342.43)
<b>Total Long Term Assets</b>	21,713.98	-	111,176.59	906,885.64	8,810,759.56	-	9,850,535.77
<b>Total Assets</b>	997,935.32	244,471.27	863,099.10	1,484,764.94	12,682,106.40	33,497.88	16,305,874.91
Accounts Payable	-	-	-	-	-	1,450.00	1,450.00
Due to City of Richmond	-	-	-	-	-	28,843.93	28,843.93
Net Position	997,935.32	244,471.27	863,099.10	1,484,764.94	12,682,106.40	3,203.95	16,275,580.98
<b>Total Liabilities &amp; Net Position</b>	997,935.32	244,471.27	863,099.10	1,484,764.94	12,682,106.40	33,497.88	16,305,874.91

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**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA**  
(A Component Unit of the City of Richmond, Virginia)  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Seven Months Ending January 31, 2024**

	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
<b>Operating Revenues</b>							
Program Income-Interest	922.32		6,802.37	30,210.00	211,333.50		249,268.19
Loan origination fee					-		-
Application fees							-
Loan Document Fees							-
Capital Contributions	300,000.00						300,000.00
Late fees , etc.							-
<b>Total Revenues</b>	300,922.32	-	6,802.37	30,210.00	211,333.50	-	549,268.19
<b>Expenses</b>							
Bank Charges/Late Fees	122.90			93.58		11.87	228.35
Loan Fund Grants	114,491.16						114,491.16
Loan Fund Expenses	24,000.00						24,000.00
ECDFSG Administration	52,000.00					89.26	52,089.26
Marketing							-
Training/Seminars/Conference							-
Loan loss reserve							-
EDA Administration	7,350.00		5,250.00	8,400.00			21,000.00
<b>Total Expenses</b>	197,964.06	-	5,250.00	8,493.58		101.13	211,808.77
<b>Net Increase (Decrease) From Operations</b>	102,958.26	-	1,552.37	21,716.42	211,333.50	(101.13)	337,459.42
<b>Other Income &amp; Expenses</b>							
Bank Interest Earned	5,511.57	359.56	85.10	1,642.07	5,769.41	6.50	13,374.21
Recoveries							-
<b>Total Other Income &amp; Expenses</b>	5,511.57	359.56	85.10	1,642.07	5,769.41	6.50	13,374.21
<b>Net Increase (Decrease) in Funds</b>	108,469.83	359.56	1,637.47	23,358.49	217,102.91	(94.63)	350,833.63
<b>Net Position, Beg of Year</b>	889,465.49	244,111.71	861,461.63	1,461,406.45	12,465,003.49	3,298.58	15,924,747.35
<b>Net Position, End of Period</b>	997,935.32	244,471.27	863,099.10	1,484,764.94	12,682,106.40	3,203.95	16,275,580.98

# **Stone Brewery Account Policy**

## ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND

### STONE BREWERY PROJECT FUND POLICY

**DRAFT: February 22, 2024**

#### **Policy Purpose**

The Economic Development Authority of the City of Richmond (“Authority”) derives revenue from the leasing and operations of the Stone Brewery project Facilities and Sites, as defined in the Stone Brewery Cooperation Agreement (“Cooperation Agreement”), as Amended, dated March 2, 2015. The revenue, including any interest or income earned, is accrued in a Stone Brewery Project Fund (“Project Fund”).

The purpose of this Stone Brewery Project Fund Policy (“Policy”) is (i) to ensure that there are sufficient resources available for annual debt service payments and the capital, operational, and administrative costs related to the Stone Brewery Facilities and Sites, and (ii) to define when the Project Fund may be used by the Authority to support other economic development activities and projects in the City of Richmond.

#### **Eligible Uses for the Project Fund**

In accordance with the provisions in the First Amendment to the Stone Brewery Cooperation Agreement approved by the Authority on December 21, 2023, and City Council on January 8, 2024, the following are Eligible Uses that the Project Fund may be used for, in addition to paying the annual debt service.

- (i) Capital, operating, and administrative costs relating to the Facilities and the Sites, including but not limited to costs associated with the acquisition of land or other property interests necessary or desirable for the construction, leasing, and operation of the Facilities at the Sites;
- (ii) Other economic development activities and projects in the City of Richmond; and
- (iii) Staff support for economic development activities and projects.

#### **Use of Project Fund to Support Other Economic Development Activities and Projects**

Funds in excess of an amount equal to 175% of the annual debt service for the Facilities and Sites may be used for Eligible Uses (ii) and (iii). The Executive Director has the administrative authority to allocate funds from the Project Fund to meet the Authority’s obligations for Eligible Uses (ii) and (iii). Such allocation will be reflected in the financial statements of the Authority and available for review in the normal course of business.

**FIRST AMENDMENT TO  
STONE BREWERY COOPERATION AGREEMENT, AS AMENDED,  
DATED MARCH 2, 2015  
BETWEEN THE CITY OF RICHMOND, VIRGINIA AND  
THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF  
RICHMOND, VIRGINIA**

This First Amendment to the Stone Brewery Cooperation Agreement (“Cooperation Agreement”), As Amended, dated March 2, 2015, is entered into between the City of Richmond, Virginia, a municipal corporation and political subdivision of the Commonwealth of Virginia (the “City”), and the Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”) pursuant to Section 4.6 of the Cooperation Agreement. The parties, intending to be legally bound and for valuable consideration, agree as follows:

1. The City and the Authority desire to delete Section 3.4.4.4 in its entirety and replace it with the following:

**3.4.4.4 Revenues Net of City Investment.** Provided the revenues derived by the Authority from the leasing and operation of the Facilities at the Sites by the Company allow the repayment of the City Outlay, in accordance with the provisions of section 3.4.4.2 of this Agreement, all additional revenues received by the Authority, including any interest or income earned on the Project Fund, shall be the property of the Authority to be used only for (i) capital, operating, and administrative costs relating to the Facilities and the Sites, including but not limited to costs associated with acquisition of land or other property interests necessary or desirable for the construction, leasing, and operation of the Facilities at the Sites; (ii) other economic development activities and projects and activities in the City of Richmond; and (iii) staff support for economic development activities and projects.

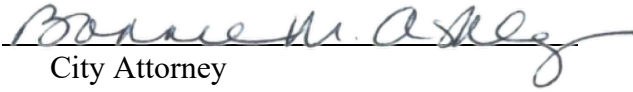
2. Except as specifically modified in this First Amendment, all other provisions of the Cooperation Agreement remain the same. Defined terms used in this amendment have the meanings ascribed to them in the Cooperation Agreement. If any of the terms of this Amendment conflict with the Cooperation Agreement, the terms of this Amendment control.

The duly authorized representatives of the parties have executed this Amendment to be effective on the date indicated below.

**CITY OF RICHMOND, VIRGINIA**  
a municipal corporation and political subdivision of  
the Commonwealth of Virginia

By: \_\_\_\_\_  
Chief Administrative Officer

APPROVED AS TO FORM:

  
City Attorney

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA**  
a political subdivision of the Commonwealth of  
Virginia

By: \_\_\_\_\_  
Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Bonnie M. Ashley  
General Counsel to the Authority

## STONE BREWERY COOPERATION AGREEMENT

*As Amended*

THIS STONE BREWERY COOPERATION AGREEMENT (the "Cooperation Agreement") is dated as of March 2, 2015, and entered into by and between the City of Richmond, Virginia, a municipal corporation and political subdivision of the Commonwealth of Virginia (the "City"), and the Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority").

### RECITALS

- A. The City and the Authority desire to assist in the construction of Facilities, as defined herein, on certain property owned or to be acquired by the Authority, located at the Sites, as defined herein.
- B. The City and the Authority anticipate that the Facilities will consist of an approximately 200,000 square foot industrial facility suitable for a brewery production and distribution center, and a facility for commercial enterprise to include retail food and beverage sales, parking, and ancillary development necessary to accommodate the operations of, and to be leased to, the Company, as defined herein.
- C. The City desires the Authority to undertake certain activities relating to the Facilities and, to provide funding for those activities, desires to make the Appropriations, as defined herein.
- D. The City is authorized by section 15.2-953(B) of the Code of Virginia to make appropriations of money to the Authority for the purpose of promoting economic development.
- E. The Facilities qualify as "Authority facilities" or "Taxable authority facilities" as defined by section 15.2-4902 of the Code of Virginia, and the Authority is authorized by the Industrial Development Authority and Revenue Bond Act, title 15.2, chapter 49 of the Code of Virginia, and other laws to perform the activities contemplated in this Cooperation Agreement.
- F. The City and the Authority are of the opinion that the construction and leasing of the Facilities for the operations of the Company will promote economic development in the areas surrounding the Sites and in the city as a whole.
- G. The City and the Authority desire the Authority to assist in the construction of the Facilities by acquiring the land at the Sites; by entering into contracts for design, construction, and related services for the Facilities; and by entering into long-term leases of the Facilities.



NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which both parties acknowledge, and in consideration of the mutual covenants hereinafter set forth, the City and the Authority agree as follows:

1.0 **Preliminary Provisions.**

1.1 **Purpose.** The purpose of this Cooperation Agreement is to enable the City and the Authority to work together to facilitate the transactions described herein for the purpose of funding, constructing and leasing the Facilities.

1.2 **Incorporation of Recitals and Exhibits.** The foregoing recitals are true and correct and are incorporated herein by reference.

1.3 **Definitions.** Words, terms and phrases used in this Cooperation Agreement have the meanings ascribed to them by this section below, unless the context clearly indicates that another meaning is intended.

1.3.1 **Appropriations.** "Appropriations" means both the Phase 1 Appropriation and the Phase 2 Appropriation.

1.3.2 **Authority.** "Authority" means the Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia.

1.3.3 **Chief Administrative Officer.** "Chief Administrative Officer" means the Chief Administrative Officer of the City of Richmond, Virginia.

1.3.4 **City.** "City" means the City of Richmond, Virginia, a municipal corporation and political subdivision of the Commonwealth of Virginia.

1.3.5 **City Outlay.** "City Outlay" means the Appropriations plus all debt service incurred by the City thereon.

1.3.6 **Company.** "Company" means KoochenVagner's Brewing Co., d/b/a Stone Brewing Co.

1.3.7 **Cooperation Agreement.** "Cooperation Agreement" means this Stone Brewery Cooperation Agreement.

1.3.8 **Expansion Date.** "Expansion Date" means the date the Company commences design of the Phase 2 Facility, anticipated to be the later of June 1, 2019 or twelve months after the date on which the portion of Water Street necessary for the construction of the Phase 2 Facility is closed and vacated by the City.

1.3.9 **Facilities.** "Facilities" means both the Phase 1 Facility and the Phase 2 Facility.

1.3.10 **Lease.** "Lease" means the agreement to be entered into between the Authority and the Company for the leasing of the Facilities by the Authority to the Company. For purposes

of this Agreement, although singular, "Lease" may refer to more than one agreement if necessary for the Company's use and occupancy of the Facilities.

- 1.3.11 **Phase 1 Appropriation.** "Phase 1 Appropriation" means appropriation of an amount not to exceed \$23,000,000 for the purpose of making a grant to the Authority for the development and construction of the Phase 1 Facility.
- 1.3.12 **Phase 2 Appropriation.** "Phase 2 Appropriation" means appropriation of an amount not to exceed \$8,000,000 for the purpose of making a grant to the Authority for the development and construction of the Phase 2 Facility.
- 1.3.13 **Phase 1 Facility.** "Phase 1 Facility" means improvements to the Phase 1 Site consisting of an approximately 200,000 square foot industrial facility suitable for a brewery production and distribution center, and any ancillary development necessary to accommodate the operations of, and to be leased to, the Company.
- 1.3.14 **Phase 2 Facility.** "Phase 2 Facility" means improvements to the Phase 2 Site, including rehabilitation of an existing 30,000 square foot building known as the Intermediate Terminal Warehouse No. 3, such improvements to constitute a facility for commercial enterprise including retail food and beverage sales, parking, and any ancillary development necessary to accommodate the operations of the Company.
- 1.3.15 **Phase 1 Site.** "Phase 1 Site" means the property owned or to be acquired by the Authority consisting of an assemblage of all or a portion of those properties listed as "Phase 1," and further depicted, on Exhibit A attached hereto and made a part hereof and such other property as may be required for the Phase 1 Facility.
- 1.3.16 **Phase 2 Site.** "Phase 2 Site" means the property owned or to be acquired by the Authority consisting of an assemblage of all or a portion of those properties listed as "Phase 2," and further depicted, on Exhibit A attached hereto and made a part hereof, including property located at 3101 East Main Street, owned by the City subject to an option held by Restaurateur, Inc., and such other property as may be required for the Phase 2 Facility.
- 1.3.17 **Project Fund.** "Project Fund" means the fund established pursuant to section 3.4.1 ("Establishment") of this Cooperation Agreement.
- 1.3.18 **Sites.** "Sites" means both the Phase 1 Site and the Phase 2 Site.
- 1.4 **Duration.** This Cooperation Agreement will be in force and effect beginning on the date written first above and shall expire when all obligations have been performed and all rights have been fully exercised by both the City and the Authority.
- 2.0 **Obligations and Rights of the City.**

- 2.1 **Payment of Appropriations.** The City shall pay over to the Authority the Appropriations, without any rights of set-off, recoupment or counterclaim, in accordance with the provisions of this section. The City and the Authority acknowledge that, to the extent the Appropriations involve any funding in the form of grants or loans from the U.S. Department of Housing and Urban Development, certain federal requirements may apply and that any such funds and requirements would be the subject of a separate agreement or agreements.
- 2.1.1 **Phase 1 Appropriation.** The City shall pay the Phase 1 Appropriation to the Authority as soon as is possible after the City is able to make the draw from a line of credit with a financial institution, or to obtain funding from such other source or sources as may be necessary and available, as contemplated to finance the Appropriation.
- 2.1.2 **Phase 2 Appropriation.** The City shall pay the Phase 2 Appropriation as soon as is practicable after the Expansion Date.
- 2.2 **Administrative Assistance.**
- 2.2.1 **Authority's Agent.** It is the intent of the City and the Authority that the various contracts anticipated by this Agreement, including the Lease and contracts for design, construction, and related services for the Facilities will be administered at no cost to or liability upon the Authority beyond the amount of the Appropriation and any rents received by the Authority pursuant to the terms of the Leases. To that end, the Chief Administrative Officer shall designate no more than one City employee each for the administration of any contract for which the Authority identifies the need for administrative assistance. Upon the identification by the Authority of such need, the Chief Administrative Officer shall submit the name and contact information of the Chief Administrative Officer's designee or designees as the Authority's agent or agents to the Authority for the Authority's approval. If the Authority rejects one or more of the Chief Administrative Officer's designees, the Chairman of the Authority and the Chief Administrative Officer will confer and agree on a City employee or employees whom the Chief Administrative Officer and the Authority will approve as the Authority's agent.
- 2.2.2 **Duties of Agent.** The City employee serving as the Authority's agent for the administration of a contract shall be responsible for performing all functions of the Authority under that contract and shall have the power to exercise all of the rights of the Authority under that contract. The intent of designating no more than one agent for each contract is intended to enable all activities concerning that contract to be coordinated through a single person. The City employee serving as the Authority's agent shall work with other City staff and resources as needed to perform the functions required of the Authority under the contract. The City employee serving as the Authority's agent shall attend a board meeting of the Authority at least once each quarter to provide updates and answer questions about the administration of the contract. The City employee serving as the Authority's agent shall provide to, or make available for inspection by, as mutually agreed upon by the City employee and the requester, the Authority or any of its members, such documentation as the Authority or its members may reasonably request.

- 2.3 **Subject-to-Appropriations.** All payments and other performances by the City under this Cooperation Agreement are subject to approval by the City Council and annual or periodic appropriations therefor by the City Council. It is understood and agreed between the City and the Authority that the City shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purposes of performing this Cooperation Agreement. Under no circumstances shall the City's total liability under this Cooperation Agreement exceed the total amount of the funds appropriated by the City Council for the City's performance of this Cooperation Agreement.
- 3.0 **Obligations and Rights of the Authority.**
- 3.1 **Acquisition of Sites and Leasing of Facilities.**
- 3.1.1 **Phase 1 Site.** Upon agreement as to terms between the Authority and the owners of the Phase 1 Site and subject to approval by the Authority's Board of Directors and approval as to form by Counsel to the Authority, the Authority shall enter into such contracts and other agreements as may be necessary to acquire, and shall acquire, the Phase 1 Site.
- 3.1.2 **Phase 2 Site.** The City shall endeavor to convey unencumbered title to the Phase 2 Site to the Authority. The Performance Agreement dated November 14, 2014 ("Performance Agreement"), among the City, the Authority, and the Company refers to the "Phase II Property" of "the Project," both as defined therein. If the development of the Phase II Property as defined in the Performance Agreement has not commenced upon the later to occur of December 31, 2021, or 36 months after completion of the "City Obligations" as set forth in Section 5.1 of the Performance Agreement, including without limitation the City's closure of Water Street, the City shall have the right to require that the Authority convey title to the Phase II Site back to the City, and the Authority shall forthwith execute and deliver a deed and any other documents necessary to convey the property to the City.
- 3.2 **Construction of Facilities.** Upon the acquisition of the Sites by the Authority, which the City and the Authority understand will be in accordance with any schedules necessary to accommodate the timing of construction for the Phase 1 Facility and the Phase 2 Facility the Authority shall enter into any contracts the Authority deems necessary to design, construct and otherwise provide for the Facilities. The Authority acknowledges that the City desires that 40 percent of all expenditures for the design and construction of the Facilities be spent with minority business enterprises or emerging small businesses, either or both, as those terms are defined in section 74-4 of the Code of the City of Richmond, that perform commercially useful functions with regard to the design and construction of the Facilities, and the Authority agrees that, to the extent permitted by law, the Authority will endeavor to achieve such 40 percent goal.
- 3.3 **Lease.** The Authority shall enter into the Lease and such other agreements as may be necessary with the Company as the Authority deems appropriate for the Company's use and occupancy of the Facilities. Any such Lease shall require payment of rent or other

monies from the Company in an amount which, in the aggregate over the life of this Agreement, is at least equal to the full amount of the City Outlay and provide for any additional costs involved in the design, construction and leasing of the Facilities.

**3.4 Project Fund.**

**3.4.1 Establishment.** The Authority shall establish a fund in its accounting and budgetary structure, into which the Authority shall deposit all funds received pursuant to this Cooperation Agreement and all revenue derived from the Facilities, and from which the Authority shall make all disbursements required for the design, construction and leasing of the Facilities.

**3.4.2 Bank Account.** The Authority may deposit all such funds received into one interest-bearing checking account, or more than one account, if necessary to secure Federal Deposit Insurance Corporation protection, at a financial institution selected by the Authority.

**3.4.3 Accounting.** The Authority shall prepare financial reports and statements of all financial activity relating to the Project Fund in accordance with generally accepted accounting principles, or such other or additional method mutually agreeable to the City and the Authority. The Authority may use its accountant to prepare the reports and statements if it chooses, and the Authority may include these reports and statements in its regular reports and statements on other activities of the Authority.

**3.4.4 Disposition.**

**3.4.4.1 Use of Appropriation.** The City and the Authority intend that the Authority expend the Appropriation for the design, construction and other preparations for use and occupancy of the Facilities by the Company.

**3.4.4.2 Application of Revenues.** Revenues in the Project Fund (whether from the residue of the Appropriation, provided any use of such residue complies with any applicable laws or bond covenants, including any restrictions on the use of such residue for other than capital expenditures; the rents or other revenues from the Lease; or any other source arising from the Facilities and received by the Authority) shall first be applied to the payment of the costs of constructing and leasing the Facilities and shall then be paid to the City, subject to the provisions of section 3.4.4.3 below, in a manner and on a schedule acceptable to the City's Chief Administrative Officer or a designee thereof and the Chairman of the Authority or a designee thereof, in an amount or amounts, which, in the aggregate over the life of this Agreement, are equal to the full amount of the City Outlay.

**3.4.4.3 City Outlay.** It is the intent of the City and the Authority that, to the extent funds are available in the Project Fund and not obligated to pay any contractual arrangements requested by the City or authorized to be undertaken by the Authority pursuant to this Cooperation Agreement, the City Outlay shall be paid back to the City but subject to reserves as may be commercially reasonable. The Authority shall not be required to

expend any funds derived from any source other than revenues from the Facilities to pay back the City Outlay. The City and the Authority acknowledge that the Authority has no legal obligation to return the City Outlay other than to the extent funds are available in the Project Fund in accordance with this Cooperation Agreement, as the City provides the Appropriation to the Authority as an appropriation pursuant to section 15.2-953(B) of the Code of Virginia and not as a loan.

**3.4.4.4 Revenues Net of City Investment.** Provided the revenues derived by the Authority from the leasing and operation of the Facilities at the Sites by the Company allow the repayment of the City Outlay, in accordance with the provisions of section 3.4.4.2 of this Agreement, all additional revenues received by the Authority, including any interest or income earned on the Project Fund, shall be the property of the Authority to be used only for economic development projects and activities, including staff support, pursuant to a cooperation agreement concerning such project or activity between the City and the Authority. Notwithstanding the foregoing, the Authority may, in its sole discretion, use such additional revenues for capital, operating, and administrative costs relating to the Facilities and the Sites, including but not limited to costs associated with acquisition of land or other property interests necessary or desirable for the construction, leasing, and operation of the Facilities at the Sites.

**3.5 Limitations on Authority's Obligations.**

**3.5.1 Authority Bond.** The Authority shall not be required to furnish the City with a fidelity bond covering all officers or employees of the Authority capable of authorizing disbursements of funds or handling funds received from the City or any other party or disbursed by the Authority to any other party pursuant to this Cooperation Agreement.

**3.5.2 Authority Liability.** It is the intent of the parties not to impose upon the Authority any responsibility other than what may be required to consummate the transactions contemplated by and perform the obligations specified in this Cooperation Agreement. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. Should any liability accrue to the Authority which is not specifically addressed in this Cooperation Agreement, the Authority shall not be required to expend funds the Authority derives from sources other than those provided for by this Cooperation Agreement to discharge such liability. If a lawsuit involving the subject matter of this Cooperation Agreement is filed or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer.

**3.5.3 Availability of Funds.** The Authority's obligation to undertake and perform the activities required of the Authority herein is specifically conditioned on the availability of funds in the Project Fund for the Authority to perform the Authority's obligations hereunder. The Authority shall not be required to expend funds the Authority derives from sources other than those provided for by or described in this Cooperation Agreement for the performance of the Authority's obligations under this Cooperation Agreement. The Authority's obligation to undertake the activities herein is specifically

conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.0 **Miscellaneous Provisions.**

4.1 **Audit.** Pursuant to section 2-224(c) of the Code of the City of Richmond, the Authority shall be subject to periodic audits by the City Auditor, at the City's expense, on demand and without notice of its finances and expenditures of the Project Fund. In addition, the Authority shall afford the City access to all records relating to the expenditure of the Project Fund, wherever located, for such examination and audit by the City as the City may desire. The Authority shall afford the City the opportunity to make copies of any records that the City has the rights under this Cooperation Agreement to access, examine, and audit.

4.2 **Captions.** All section titles or captions in this Cooperation Agreement are for convenience of reference only. They should not be deemed to be part of this Cooperation Agreement or to in any way define, limit, extend, or describe the scope or intent of any provisions of this Cooperation Agreement.

4.3 **Counterparts.** This Cooperation Agreement may be executed by the City and the Authority in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same Cooperation Agreement.

4.4 **Entire Agreement.** This Cooperation Agreement contains the entire understanding between the City and the Authority and supersedes any prior understandings and written or oral agreements between them respecting this subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between the City and the Authority relating to the subject matter of this Cooperation Agreement that are not fully expressed in this Cooperation Agreement.

4.5 **Governing Law and Forum Choice.** All issues and questions concerning the construction, enforcement, interpretation and validity of this Cooperation Agreement, or the rights and obligations of the City and the Authority in connection with this Cooperation Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims and causes of action arising out of or in connection with this Cooperation Agreement, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in the Circuit Court of the City of Richmond, Virginia. Each party shall be responsible for its own attorneys' fees in the event this Cooperation Agreement is subject to litigation.

- 4.6 **Modifications.** This Cooperation Agreement may be amended, modified and supplemented only by the written consent of both the City and the Authority preceded by all formalities required as prerequisites to the signature by each party of this Cooperation Agreement.
- 4.7 **No Assignment.** This Cooperation Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto; provided, however, that in no event may this Cooperation Agreement or any of the rights, benefits, duties or obligations of the parties hereto be assigned, transferred or otherwise disposed of without the prior written consent of the other, which consent neither party shall be obligated to give.
- 4.8 **No Individual Liability.** No director, officer, employee or agent of the City or the Authority shall be personally liable to another party hereto or any successor in interest in the event of any default or breach under this Cooperation Agreement or on any obligation incurred under the terms of this Cooperation Agreement.
- 4.9 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Cooperation Agreement, the City and the Authority hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Cooperation Agreement; (ii) the provisions of this Cooperation Agreement are not intended to be for the benefit of any individual or entity other than the City or the Authority; (iii) no individual or entity shall obtain any right to make any claim against the City or the Authority under the provisions of this Cooperation Agreement; and (iv) no provision of this Cooperation Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this section, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, sub-vendors, assignees, licensors and sub-licensors, regardless of whether such individual or entity is named in this Cooperation Agreement.
- 4.10 **Notices.** All notices, offers, consents, or other communications required or permitted to be given pursuant to this Cooperation Agreement shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service or by registered or certified U. S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

A. To Authority:

Chairman  
Economic Development Authority of the City of Richmond, Virginia  
501 East Franklin Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219

With a copy to



General Counsel to the Economic Development Authority  
900 East Broad Street, Room 300  
Richmond, Virginia 23219

B. To the City:

Chief Administrative Officer  
900 East Broad Street, Suite 201  
Richmond, Virginia 23219

With a copy to

City Attorney  
900 East Broad Street  
Richmond, Virginia 23219

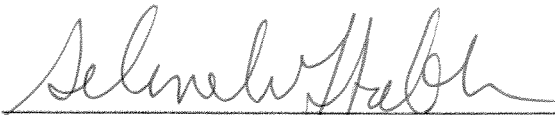
Either party may change any of its address information given above by giving notice in writing stating its new address to the other party.

- 4.11 **Public Records.** The City and the Authority acknowledge and agree that this Cooperation Agreement and any other records furnished, prepared by or in the possession of the City or the Authority may be subject to the retention and disposition requirements of the Virginia Public Records Act and the public disclosure requirements of the Virginia Freedom of Information Act.


**SIGNATURES ON FOLLOWING PAGE**

IN WITNESS WHEREOF, the parties have executed this Cooperation Agreement as of the day and year first written above.

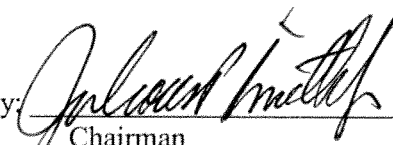
**CITY OF RICHMOND, VIRGINIA**  
a municipal corporation and political subdivision of  
the Commonwealth of Virginia

By:   
\_\_\_\_\_  
Chief Administrative Officer


APPROVED AS TO FORM:

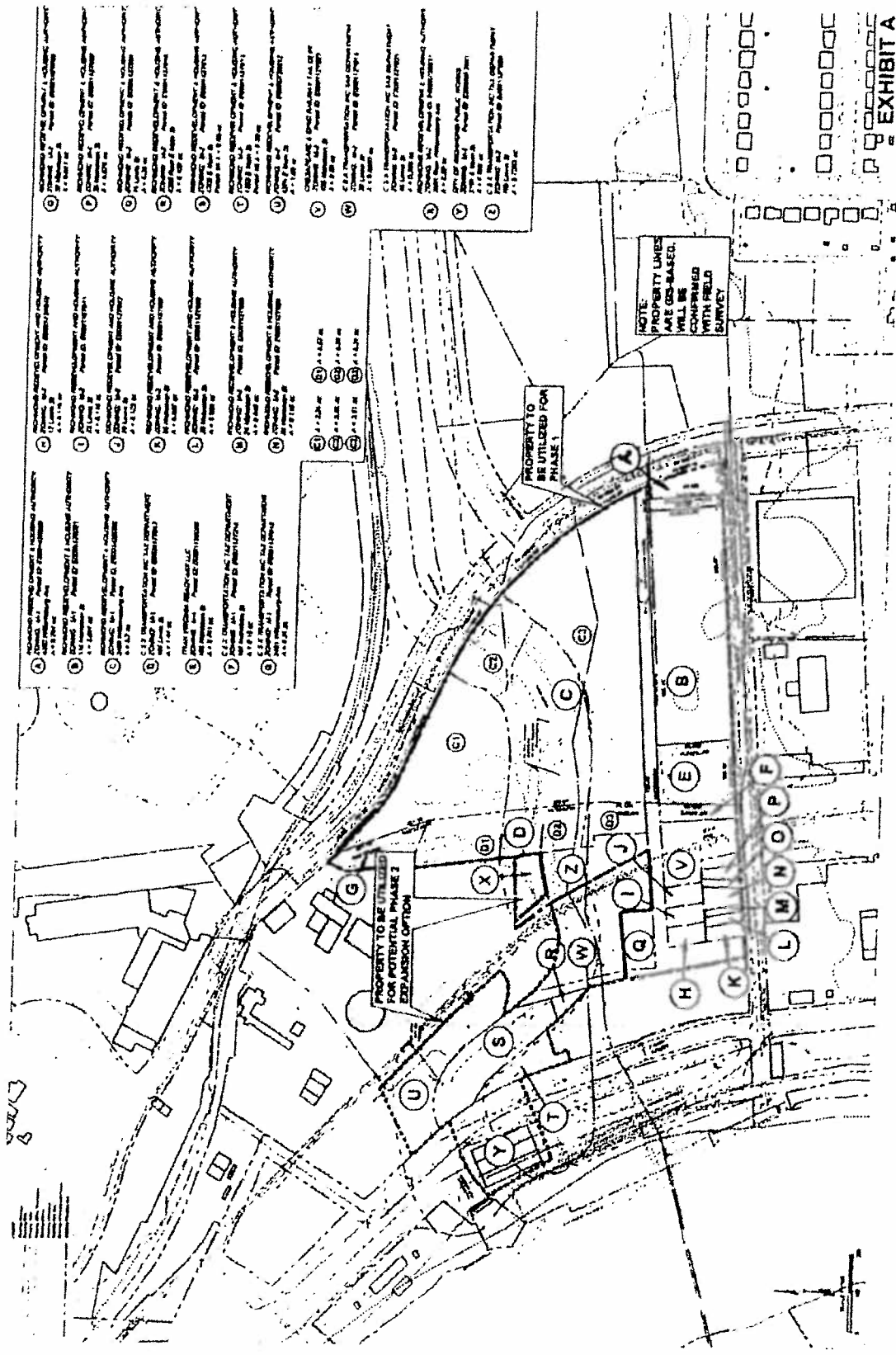
  
\_\_\_\_\_  
City Attorney

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF RICHMOND, VIRGINIA**  
a political subdivision of the Commonwealth of  
Virginia

By:   
\_\_\_\_\_  
Chairman

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bonnie M. Ashley  
General Counsel to the Authority



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EXHIBIT A

Phase I:

	Parcel ID	Mailing Address	Acreage
A	E0001430030	4300 Williamsburg Ave	0.207
B	E0001128001	116 Nicholson St	2.887
C	E0001429003	3409 Williamsburg Ave	8.7
D	E0001127017	104 Lewis St	1.44
E	E0001128060	108 Nicholson St	0.741
F	E0001127019	104 Nicholson St	0.19
G	E0001127018	3401 Williamsburg Ave	0.31
H	E0001127010	17 Lewis St	0.115
I	E0001127011	23 Lewis St	0.115
J	E0001127012	29 Lewis St	0.123
K	E0001127007	16 Nicholson St	0.087
L	E0001127006	20 Nicholson St	0.059
M	E0001127005	24 Nicholson St	0.042
N	E0001127004	28 Nicholson St	0.118
O	E0001127003	32 Nicholson St	0.047
P	E0001127002	36 Nicholson St	0.076
Q	E0001127001	16 Lewis St	0.28
V	E0001127025	100 Nicholson St	0.59
Z	E0001127020	100 Lewis St	0.7283
			16.8553

Phase II:

W	E0001127014	32 Lewis St	0.8252
	E0001127031	40 Lewis St	0.385
R	E0001127016	4303 Rear E Main St	0.152
S	E0001127013	4303 E Main St	0.9
T	E0001127013	4303 E Main St	0.3
U	E0000738012	4301 E Main St	1.5
Y	E0000817001	*3101 E Main St	*4.985
X	E0000738011	3301 Rear Williamsburg Ave	0.22
			4.2822

\*Total site acreage, only a portion of this site will be used

Note: Right of way is included in estimated acreage total

# **Performance Grant Update**

# Economic Development Performance Grant Update

Richmond City Council

Finance and Economic Development Standing Committee

February 15, 2024



DEPARTMENT OF  
**ECONOMIC  
DEVELOPMENT**

# Real Results: FY 2020 – FY 2024 YTD

## \$3.61 Billion

Announced Capital Investment

## 4,481 Jobs

Announced New Jobs



HAL~~E~~ON



# Economic Development Performance Grants

- Used to secure a business attraction or expansion project or to induce a critical redevelopment project
- Tailored to the specific project needs and a project's positive economic impact in Richmond
- Often used to match state incentives, most commonly the Commonwealth's Development Opportunity Fund
  - The City prioritizes leveraging in-kind matches and existing economic development programs (CARE, Enterprise Zone, BPOL Exemption, etc.)
- Each project has a performance agreement approved by City Council and the Economic Development Authority
- A company does not receive funds until it has met certain milestones and performance targets





# FY 2020 – FY 2024 YTD

Between FY 2020 and FY 2024 year-to-date, capital investment to local performance grant expenditures had a 36:1 ratio.

Local Performance Grants Paid <sup>1</sup>	<b>\$1.8 M</b>
Capital Investment <sup>2</sup>	<b>\$63.8 M</b>

*(1) Total payments FY 2020 – FY 2024 year to date.*

*(2) Reflects the capital investment realized in FY 2020 – FY 2024 YTD for performance grant projects that were active during FY 2020 –FY 2024 YTD. If the capital investment for an active project occurred before FY 2020, it was not included in the total.*

# Performance Grants Current Status

The following projects were active at some point during FY 2020 – FY 2024.

## Status Descriptions

**Anticipated** – Project was publicly announced, and performance agreements will be introduced to City Council.

**Active** – Project is within its performance period, and staff is monitoring performance targets and managing reporting and payments.

**Close out in process** – Project’s final administrative processes are underway.

**Closed out** – Performance period finished, and all reporting and payments complete.

**Canceled** – Performance agreement was canceled.

Project Name	Status
PPD/Thermo Fisher	Anticipated (introduction in Q3 FY 2024)
CoStar	Anticipated (introduction in Q3 FY 2024)
Richmond Amphitheater	Active
Alacer Corp./Haleon	Active
RVA Street Foodies*	Active
River City Cider*	Active
400 Hull Street/Lynx Ventures	Active
Gateway Plaza/Clayco/CRG	Active
7000 Carnation	Active (affordable housing)
Afton Avenue Apartments	Active (affordable housing)
Bainbridge Street Senior Apartments	Active (affordable housing)
700 West 44th Apartments	Active (affordable housing)
The View at Belle Isle Apartments	Active (affordable housing)
Oak Grove	Active (affordable housing)
Walmsley Gardens	Active (affordable housing)
Stone Brewing	Close out in process
Pfizer/GSK	Close out in process
Blue Bee Cider*	Close out in process
Thomson Reuters*	Closed out, FY 2021
Owens & Minor Medical	Closed out, FY 2020
Aditxt Therapeutics*	Canceled, FY 2024
CarLotz	Canceled, FY 2023
Vytal Studios	Canceled, FY 2023

\*Did not include a City-funded performance grant. Local matching funds provided through other programs.



# Looking Ahead

## MANAGE

Create best-in-class incentive management program

- New return on investment (ROI) model to better estimate the economic impact of projects
- Dedicated staff resources for grant management
- Technology to increase efficiency and long-term tracking of projects

## EXECUTE

Solidify major announcements with performance agreements

- Thermo Fisher / PPD
  - Business attraction project
  - \$4.7 M capital investment
  - 48 new jobs
- CoStar
  - Business expansion project
  - \$460.5 M capital investment
  - 1,984 new jobs

## INNOVATE

Stimulate new business investment and job growth

- Ensure the incentive toolbox remains competitive and aligned with target industries and redevelopment goals
- Continue to use incentives as a mechanism to create opportunities for minority businesses, high-wage jobs, and investments in underserved areas
- Leverage performance grants in new ways
  - Affordable Housing Performance Grants: 7 approved projects that will create 1,231 new units of affordable housing

# Thank You



DEPARTMENT OF  
**ECONOMIC  
DEVELOPMENT**

**Update on 2401 West Leigh Street  
Facility Operations & Maintenance**