

Economic Development Authority of the City of Richmond Meeting Notice – September 25, 2025

WHAT: The City of Richmond's Economic Development Authority will hold its

September Board Meeting.

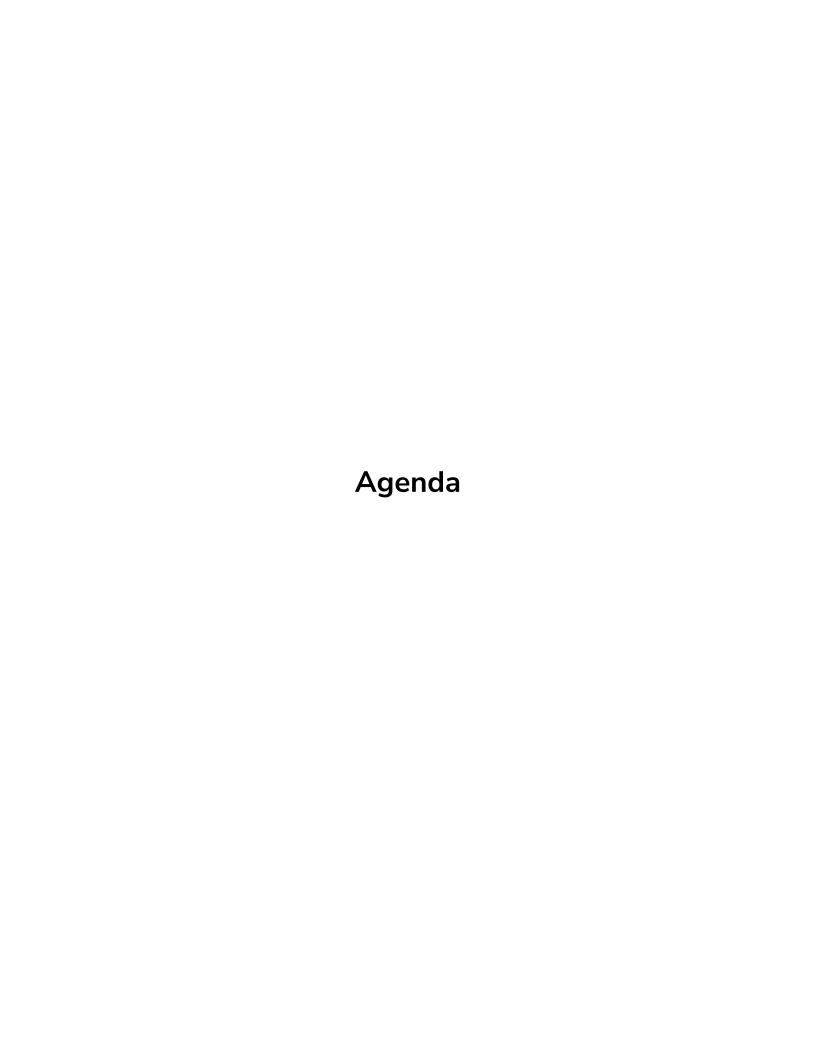
WHEN: Thursday, September 25, 2025, at 5:00 P.M.

WHERE: Main Street Station, 1500 East Main Street, 3rd floor Conference Room

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

For more information about The City of Richmond's Economic Development Authority (EDA),

Visit: http://www.richmondeda.com



ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND BOARD MEETING SEPTEMBER 25, 2025 AGENDA

- I. Call to Order
 - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. Meeting Minutes
 - A. July 24, 2025 Board Meeting Minutes
- IV. New Business
 - A. Action to appoint Angie Rodgers as Executive Director of the EDA
 - B. Action to appoint Angie Rodgers as Secretary of the EDA for remainder of FY 2026
 - C. Affordable Housing Performance Grant Refuge Apartments, LP
 - D. FY 2025 Audit
 - E. VPM Performance Agreement
- V. Old Business
 - A. Diamond District Update
- VI. Report of the Officers
 - A. Report of the Chairman
 - B. Report of the Secretary
- VII. Other Business
- VIII. Adjournment

Upcoming Meetings

EDA Board Committee Meeting – October 23, 2025





Economic Development Authority (EDA) of the City of Richmond, Virginia Board Meeting Minutes Thursday, July 24, 2025

Members present:

Nupa Agarwal, Chair John Molster, Vice-Chair Jer'Mykeal McCoy Jéron Crooks Nathan Hughes

Others present:

Bonnie Ashley – City of Richmond, City Attorney's Office Matthew Welch – Department of Economic Development Katie McConnell – Department of Economic Development Glenna Chung – Department of Economic Development DJ Mulkey – Department of Economic Development Lisa Jones – A. G. Reese & Associates Felix Sarfo-Kantanka – Dominion Energy Morgan Vickery – Dominion Energy Austin Jones – Dominion Energy

Call to Order:

Ms. Agarwal called the meeting to order at 5:05pm and Ms. Chung started recording.

Public Comments:

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

Approval of Minutes of the Previous Meeting:

Mr. Welch requested the Board to consider a motion to approve the June 26, 2025, Board Meeting Minutes as stated. Mr. Molster moved to accept the minutes. Mr. Hughes seconded the motion. The motion passed unanimously.

March, April, and May Financial Reports - Ms. Lisa Jones

Mr. Welch requested the Board to consider a motion to approve the March, April, and May financial statements for the Economic Development Authority of the City of Richmond, Virginia. Mr. Hughes moved to accept the financial statements. Mr. Crooks seconded the motion. The motion passed unanimously.

New Business:

Approval of Agreement of Consent to Solar Sublease – Mr. DJ Mulkey

Mr. Mulkey stated that along with a state-of-the-art new stadium, this solar panel installation coined as "Squirrel Solar" will be one of the largest in all major and minor league baseball. With more than 1,700 panels to be installed on the multi-tiered roof along with 5 solar-covered carports, this installation will generate 1 megawatt of carbon-free electricity (enough to power 250 Richmond homes at peak output). This sublease will also generate \$19k in yearly rent payments from Dominion, escalating annually.

Mr. Welch requested the Board to consider a motion to authorize the Board Chair, or her designee, to approve the Agreement of Consent to Solar Sublease Agreement. Mr. McCoy made the motion. Mr. Crooks seconded the motion. The motion passed unanimously.

Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund Program – Mr. DJ Mulkey

Mr. Mulkey stated that this grant provides funding for site environmental remediation through Virginia's Brownfield Restoration and Economic Development Assistance Fund (VBAF). It requires a local match in a ratio of eligible site expenses to grant amount, which has already been verified by VEDP including the Phase I and Phase II environmental studies totaling to \$65.8k. The \$50k in grant funds will be used for a site characterization report, risk, assessment and remediation levels, and a remediation action plan, \$28k, \$15k, and \$7k, respectively.

Mr. Welch requested the Board to consider a motion to authorize the Board Chair, or her designee, to approve Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund Program as presented. Mr. McCoy made the motion. Mr. Molster seconded the motion. The motion passed unanimously.

Report to the Officers:

Report of the Chairman – Ms. Nupa Agarwal

Nupa shared her excitement to be Chair and for what's to come.

Report of the Secretary - Mr. Matthew Welch

Mr. DJ Mulkey held the ITB RFP Site Tour on July 24th. There were 35 guests in attendance.

Mr. Welch shared new Department of Economic Development team news – Ms. Angie Rodgers, Director of Economic Development, will start on August 4th. Ms. Bryonna Head, Marketing Manager, will start on August 11th. Ms. Glenna Chung was promoted to Business Services Manager. Mr. Welch also shared Ms. Bonnie Ashley, City Attorney, will be retiring. She has supported the EDA since 2007.

Ms. Chung reminded the Board of the two upcoming welcome CAO events on August 7th and 21st.

Other Business:

No other business discussed.

Adjournment:

The meeting adjourned at 5:52pm and Ms. Cl	hung stopped recording.
	Respectfully submitted:
	Secretary to the meeting
Approved:	
Chair	



INTRODUCED: February 10, 2025

AN ORDINANCE No. 2025-032

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, Refuge Apartments, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 5015 Snead Road, 5009 Rear Snead Road, and 5015 Rear Snead Road, or a site resulting from any such consolidation of the aforementioned parcels. (9th District)

Patron – Mayor Avula

Approved as to form and legality by the City Attorney

PUBLIC HEARING: FEB 24 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Grant Agreement between the City of Richmond, Refuge Apartments, LP, and the Economic Development Authority of the City of Richmond for the purpose of facilitating the construction of an affordable housing development located at 5015 Snead Road, 5009 Rear Snead Road, and 5015 Rear Snead Road, or a site resulting from any such consolidation of the aforementioned parcels. Such Grant Agreement shall be approved as to form

ADOPTED: SEP 22 2025 REJECTED: STRICKEN:	
ADOPTED: GED 22 2025 REJECTED: STRICKEN:	
ADOPTED: GED 22 2025 REJECTED: STRICKEN:	
ADOLLED. SEP 22 2025 REFECTED. STRICKEN.	

by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:

CITY ATTORNEY'S OFFICE

A TRUE COPY: TESTE:

City Clerk





City of Richmond

900 East Broad Street 2nd Floor of City Hall Richmond, VA 23219 www.rva.gov

Master

File Number: Admin-2025-0125

File ID: Admin-2025-0125 Type: Request for Ordinance or Status: Regular Agenda

Resolution

Version:1Reference:In Control:City Attorney

Department: File Created: 02/06/2025

Subject: Affordable Housing Performance Grant Final Action:

Title:

Internal Notes: Affordable Housing Performance Grant for Refuge Apartments, LP located at 5015 Snead Road,

5009 Rear Snead Road, and 5015 Rear Snead Road.

Agenda Date: 02/10/2025

Patron(s): Enactment Date:

Attachments: Admin-2025-0125 - Ordinance for Refuge Enactment Number:

Apartments-Snead Road - AATF, Admin-2025-0125 - AHPG Agreement for Refuge Apartments-Snead Road

- AATF

Contact: Introduction Date: 02/10/2025

Drafter: Effective Date:

Related Files:

Approval History

Version	Seq#	Action Date	ction Date Approver Action		Due Date	
1	1	2/7/2025	Merrick Malone	Approve	2/7/2025	
1	2	2/7/2025	Matt Welch	Approve	2/10/2025	
1	4	2/7/2025	Sharon Ebert	Approve	2/10/2025	
1	5	2/7/2025	Meghan Brown	Approve	2/10/2025	
1	6	2/7/2025	Sheila White	Approve	2/10/2025	
1	8	2/7/2025	Sabrina Joy-Hogg	Approve	2/10/2025	
1	10	2/7/2025	Jeff Gray	Approve	2/10/2025	
1	11	2/7/2025	Sabrina Joy-Hogg	Approve	2/10/2025	
1	12	2/7/2025	Mayor Avula	Approve	2/10/2025	

History of Legislative File

Ver- A	acting Body:	Date:	Action:	Sent To:	Due Date:	Return	Result:
sion:						Date:	

Text of Legislative File Admin-2025-0125

City of Richmond

Intracity Correspondence

DATE: January 27, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown - Director of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, DCAO - Planning & Economic Development Portfolio

THROUGH: Matthew Welch, Acting Director of Economic Development

FROM: Merrick Malone, Director of Housing and Community

RE: Approval of a Performance Grant for an Affordable Housing Development Project

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer ("CAO") to execute, for and on behalf of the City of Richmond ("City"), the Grant Agreements attached hereto by and between the City, the Economic Development Authority ("EDA"), and the following recipient:

• Refuge Apartments, LP

REASON: Council approval is necessary to authorize the City's execution of the Grant Agreement.

RECOMMENDATION: The City Administration recommends approval.

BACKGROUND: In 2022, the Virginia General Assembly approved HB1194, which amended Ch.

49, Title 15.2 of the Code of Virginia for the purpose of authorizing industrial/economic development authorities "to make grants associated with the construction of affordable housing in order to promote safe and affordable housing in the Commonwealth."

These Grant Agreements will induce the Recipients to construct and operate development projects (the "Project") that will result in significant investment and economic development on the sites located at the identified addresses in **Attachment A** and will promote safe and affordable housing in the City, and result in substantial benefits to the welfare of the City and its inhabitants, as well as is in the public interest, and serves governmental interests:

Grant payments will be solely limited to <u>incremental</u> real estate tax revenues generated by the Project and received by the City and such payments will be conditioned upon the Recipients' completion of Project construction and continued maintenance thereafter. To qualify for grant payments, the Projects each must include at least the number of residential units that restrict occupancy and rents to identified AMIs, according to standards promulgated by the State Housing Finance Agency (i.e., Virginia Housing), for a minimum of thirty (30) years. See **Attachment A**.

FISCAL IMPACT / COST: The one-year fiscal impact is estimated based on the projected construction costs as a proxy for the assessed value of the property at the time of the commencement of the Grant Period. The current assessed value, prior to the commencement of the Grant Period, does not account for the development of new real estate and thus under-values the true assessed value of the property at the time of commencement of the Grant Period. The true baseline for incremental tax revenues will be determined at the time of commencement of the Grant Period.

The real estate tax revenue today, based on 2025 assessed value, would be \$2,172.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period would be \$413,150.64. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, would be \$410,978.64. This is not the incremental increase that is to be paid to the grant Recipient for each year of the Grant Period. The Incremental Real Estate Tax Revenue upon commencement of the Grant Period can only be accurately determined from the true assessment value of the property at the time of the commencement of the Grant Period. Based on recent trends, it is assumed that property value assessments in the City of Richmond will continue to increase in the coming years. However, the future rate of increase is unknown at this time. This estimate was calculated at the real estate tax rate of \$1.20 per \$100 of assessed value and does not account for Special Assessment District rates.

The approval of this performance grant will allow the City to meet one of its primary affordable housing

goals, to produce new affordable housing units that are critically needed as evidenced by the City's declaration of a "housing crisis". There are no direct fiscal implications as the grant payments are solely limited to incremental tax revenues above and beyond the identified baselines of current real estate tax revenues received by the City for such baselines for each of the projects.

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: February 10, 2025

CITY COUNCIL PUBLIC HEARING DATE: February 24, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Housing & Community Development, Economic Development, Finance, Budget, City Attorney's Office

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: Grant Agreement for the proposed recipient.

STAFF: Matthew Welch, Acting Director of Economic Development; Merrick Malone, Director of Housing and Community

ATTACHMENT A

GRANT AGREEMENT

This **GRANT AGREEMENT** (the "Agreement") is made and entered this ______ day of _____, 2025 (the "Effective Date"), by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), **REFUGE APARTMENTS, LP**, a Virginia Limited Partnership, or its assigns or successors (the "Recipient"), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND**, a political subdivision of the Commonwealth of Virginia (the "Authority").

RECITALS

- A. The Recipient plans to develop and operate on the Site, as defined below, the Project, as defined below.
- B. The City and the Authority have determined that the Project will result in significant investment and economic development on the Site, will promote safe and affordable housing in the City of Richmond, will result in substantial benefits to the welfare of the City and its inhabitants, is in the public interest, and serves governmental interests.
- C. The City plans to fund an economic development monetary grant (the "Grant") by the Authority to the Recipient for the purpose of inducing the Recipient to construct and operate the Project in the City of Richmond.
- D. Payment of the Grant will be conditioned upon the Recipient's completion of Project construction and continued maintenance of the Project, as defined herein, and the funds comprising payments of the Grant will be solely limited to a portion of the incremental real estate tax revenues for the Site generated by the Project (i.e., including both the fee interest (and leasehold interest, if applicable) in the land and all improvements), all as set forth herein.
- E. The City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement. The Authority is authorized by the Code of Virginia to make grants to non-public organizations such as Recipient in furtherance of the purpose of promoting economic development and affordable housing.
- F. This Agreement sets forth the understanding of the parties concerning the Recipient's obligations, the Authority's obligations, and the incentives offered by the City, subject to the approval of the Authority's Board and the Richmond City Council and subject to appropriations.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. <u>Preliminary Provisions</u>

- **1.1 Incorporation of Recitals.** The foregoing recitals are incorporated herein by reference.
- **1.2 Definitions.** For the purposes of this Agreement, the following terms shall have the following definitions:

"AMI" means area median gross income for the Richmond-Petersburg Metropolitan Statistical Area for each applicable year of the Grant Period.

"Base Real Estate Tax Revenue" means \$2,172.00 per year, being the amount equal to the real estate taxes levied on the Site for the current tax year as of the Effective Date.

"Grant" means a grant to be paid to the Recipient, or its successors or assigns, by the Authority pursuant to this Agreement.

"Grant Payment" means, for each real estate tax year during the Grant Period, an amount equal to 100% of the Incremental Real Estate Tax Revenue for such corresponding tax year. The Parties acknowledge that the annual real estate tax levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein "Grant Payment" shall include payments of Incremental Real Estate Tax Revenue for each installment payment corresponding to the applicable Real Estate Tax Levy as prorated for the applicable installment period.

"Grant Payment Request" means a written request for a Grant Payment, which shall include (1) documentation showing its full payment of the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below), and (2) the amount of the requested Grant Payment and explanation of the calculation thereof (i.e., Real Estate Tax Levy <u>minus</u> Base Real Estate Tax Revenue <u>equals</u> Incremental Real Estate Tax Revenue, as pro-rated for the applicable installment period).

"Grant Period" means that certain period commencing upon January 1st of the first real estate tax year following Recipient's completion of Project construction, as shall be evidenced by receipt of a temporary Certificate of Occupancy ("Grant Commencement Date") and ending on last day of the thirtieth (30th) real estate tax year following the Grant Commencement Date ("Grant Expiration Date"), subject to the provisions of Section 2.6 below. The parties acknowledge that the "Real Estate Tax Levy" for the last year of the Grant Period may not be received by the City until after the Grant Expiration Date and that a Grant Payment shall be paid to the Recipient corresponding to such Real Estate Tax Levy.

"Grant Management Fee" means one-time non-refundable fee and an annual payment equal to 1% of the Grant Payment to cover the administrative expenses of the Authority for managing the Grant during the Grant Period.

"Incremental Real Estate Tax Revenue" means, for each applicable real estate tax year during the Grant Period, the amount by which the Real Estate Tax Levy exceeds the Base Real

Estate Tax Revenue provided the Recipient pays the Real Estate Tax Levy to the City in full and on time (except as provided in Section 3.3 below). In no event shall the Incremental Real Estate Tax Revenue (or the Grant Payment) include penalties, interest, or any other charges resulting from any delinquent payment. The Parties acknowledge that the Real Estate Tax Levy is and may in the future be billed and due in installments (currently twice a year); therefore, as used herein "Incremental Real Estate Tax Revenue" shall be determined based on the applicable payment (or installment) of the Real Estate Tax Levy for each applicable real estate tax year.

"Maintain" means the Recipient's continued maintenance and operation of the Project following completion of Project construction, as set forth by Section 2.3.2 of this Agreement.

"Project" means a development on the Site containing not less than 180 residential units, subject to income and rent restrictions as set forth in Section 2.5 and as shown on Exhibit A and monitored by the State Housing Finance Agency.

"Real Estate Tax Levy" means the amount of real estate taxes levied by the City on the Site (including both the fee interest (and leasehold interest, if applicable)) and Project (i.e., including land and all improvements) for a given real estate tax year, pursuant to Chapter 26 of the Code for the City of Richmond ("City Code").

"Recipient" means Refuge Apartments, LP and its successors and assigns, to the extent permitted by this Agreement.

"Site" means, collectively, 4.248, 1.7111, and 4.6153 acres currently owned by 2 Gen Holdings LLC, located at 5015 Snead Road, 5009 Rear Snead Road, and 5015 Rear Snead Road Richmond, Virginia 23224 and currently referred to in the records of the City Assessor as Parcel Nos. C0080660070, C0080660060, and C0080660064 or any such consolidation of the enumerated parcels.

"State Housing Finance Agency" means Virginia Housing (Virginia Housing Development Authority), a political subdivision of the Commonwealth of Virginia, or its successor.

Section 2. Recipient's Obligations

2.1 Grant Management Fee.

The Recipient shall pay annually to the Authority 1% of the Grant Payment for the duration of the Grant Period. The Authority will invoice the Recipient on or before October 1 of each year and the Recipient shall remit payment within 30 days of issuance of the invoice.

2.2 Completion of Project Construction: Timeline.

2.2.1 Plan of Development. Recipient shall submit a Plan of Development or similar submission for the Project to the City's Director of Planning and Development Review no later than nine (9) months after the Effective Date, which Plan of Development or similar

submission shall comply with the relevant provisions of the Richmond City Code and shall contain all elements of the Project as defined herein.

- **2.2.2** Commencement of the Project Construction. Recipient shall commence construction of the Project within eighteen (18) months of the Effective Date, (the "Construction Commencement Date"), which shall be evidenced by the issuance of all permits necessary for the commencement of construction of the Project.
- **2.2.3 Completion of Project Construction.** The Recipient shall complete the Project within three years of the Construction Commencement Date, which shall be evidenced by the issuance of a temporary certificate of occupancy for the Project.
- **2.2.4 Failure to Comply.** If the Recipient fails to timely comply with any of the provisions of this Section 2.2 then the City's Chief Administrative Officer ("CAO"), in his sole discretion, may either extend the time by which the Recipient must comply with the corresponding requirement or provide written notice of the City's intent to terminate this Agreement. If Recipient fails to cure its failure to comply within 30 days of such written notice, then this Agreement, including all rights and obligations herein, shall, upon the City's election, terminate and neither the City nor the Authority shall have any further obligation to the Recipient and Recipient shall no longer be eligible for any Grant Payments hereunder.

2.3 Continued Maintenance and Operation of Project.

- 2.3.1 Continued Control of the Project by Recipient. Recipient shall continue to own, lease, or otherwise control the Site until completion of Project construction pursuant to Section 2.2.3 of this Agreement and thereafter shall continue to own, lease, or otherwise control the Project until expiration of the Grant Period. Notwithstanding the foregoing, Recipient may transfer the ownership or control interest in the Project to third parties ("Transferee"), and Recipient may (1) assign this Agreement, including the rights and obligations herein to such party or parties at the time it transfers ownership of the Project (including any leasehold interests), and (2) if the Agreement is assigned, Recipient shall provide the City and Authority 30 days prior written notice of its intent to transfer ownership or control of the Project, which notice shall include the contemplated date of transfer, the name of the party or parties to which it intends to transfer, and a written statement from such party that it is aware that this Agreement, including the rights and obligations herein, will be assigned to such party. Following the transfer of ownership in the Project to the Transferee as provided above, the term "Recipient" as used herein shall mean the Transferee.
- **2.3.2 Continued Maintenance and Operation of the Project.** Following the Recipient's completion of Project construction as set forth in Section 2.1.3 of this Agreement, the Recipient, or its successors or assigns, shall continue to Maintain the Project until the expiration of the Grant Period. For the avoidance of doubt, the Recipient's obligation to Maintain the Project includes the Recipient's ongoing compliance with the provisions set forth in Section 2.5 (Affordable Housing) of this Agreement.

2.4 MBE Participation.

- **2.4.1** Goal. The Recipient agrees to diligently work towards the following goal: Where capacity, capability, and competitive pricing among minority business enterprises and emerging small businesses exist, 30% of all expenditures for construction costs of the Project that will be paid to third-party subcontractors unaffiliated with the Recipient will be spent with minority business enterprises and emerging small businesses that perform commercially useful functions with regard to the prosecution and completion of the Project. The terms "minority business enterprise" and "emerging small business" have the meaning ascribed to them in Chapter 21 of the City Code. The Recipient shall include this goal in its contracts with all assignees, contractors, and subcontractors who will be providing any portion of the Project.
- **Reporting**. To enable the City to measure the achievements of the Recipient 2.4.2 and its assignees, contractors, and subcontractors with regard to the participation goals set forth above, during the period prior to completion of Project construction, the Recipient shall submit a report upon request detailing all expenditures with minority business enterprises and emerging small businesses, showing, at a minimum, (i) the name of the business, (ii) an itemization of what the business provided, (iii) the amount paid for each item, (iv) the total amount of spending to date with minority business enterprises and emerging small businesses and (v) the percentage of total expenditures for the quarter spent with minority business enterprises and emerging small businesses. If the City chooses, the Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith minority business enterprise and emerging small business participation efforts, as defined in Section 21-4 of the City Code, of the Recipient and its assignees, contractors, and subcontractors that compete for City contracts.

2.5 Affordable Housing.

The Recipient shall restrict occupancy and rents of the Project according to the schedule shown on Exhibit A, according to standards promulgated by the State Housing Finance Agency. Ongoing compliance monitoring and approvals by the State Housing Finance Agency, as provided to the City upon the City's request, shall serve as evidence of the Recipient's compliance with this section.

2.6 Continued Investment and Capital Improvements

For purposes of continued investment and upkeep of the Project to the benefit of its tenants, payment of Grant Payments after the initial fifteen (15) years of the Grant Period shall be contingent upon receipt of proof that the Recipient has at a minimum made capital improvements to the Project in an aggregate amount of one million eight hundred thousand and No/100 Dollars (\$1,800,000.00) since the Grant Commencement Date. On each fifth anniversary of the Grant Commencement Date, the Recipient shall upon request submit a report of capital improvements made to the Project since the Grant Commencement Date.

Section 3. <u>Disbursement of Grant.</u>

- **3.1.** Grant. During the Grant Period, the City shall pay to Recipient (or such party to which Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), through the Authority, the Grant Payments for such real estate tax year subject to the provisions of this Section 3.
- **3.2.** <u>Grant Payment Requests.</u> The Recipient shall submit each Grant Payment Request to the CAO, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.
- 3.3. Disbursement of Grant Payment. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Real Estate Tax Levy for the applicable installment (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Project (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to, within fifteen (15) business days of the City's approval of any Grant Payment, transfer the funds for the Grant Payment to the Authority. The Authority agrees to pay the Grant Payment to the Recipient (or such party to which the Recipient has assigned Grant Payments pursuant to Section 9.1 of this Agreement), within fifteen (15) business days of receipt of the funds from the City.
- **3.4** Recipient's Relief. Should the Recipient believe the City failed to comply with Section 3.3 of this Agreement, the Recipient may seek relief in accordance with Section 9.2 of this Agreement. Provided, however, Recipient's sole remedy shall be to receive payment for a Grant Payment to which it was entitled (subject to the restrictions set forth in this Agreement, including, but not limited to, Sections 3.3 and 9.5) and for which it did not receive payment.

Section 4. General Administration of Grant

4.1 The City agrees to transfer to the Authority, as and when appropriated by

the City Council, the funds necessary for the Authority to meet its obligations under this Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

- **4.2** The Authority's obligation to undertake the activities herein is specially 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.
- **4.3** The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement, and will keep the CAO fully and timely informed of all matters related to this Agreement.
- **4.4** The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.
- 4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty, or obligation other than what may be required to implement the Grant. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and CAO.
- 4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or his designee may at any time audit the financial transactions undertaken under this Agreement. The Authority shall cooperate to ensure that the City Auditor is granted reasonable access on a timely basis to all books and records of the Authority necessary to complete such audits.
- **4.7** The Authority shall not be required to furnish the City with a blanket corporate fidelity bond with surety.

Section 5. Representations of the Recipient

- **5.1** The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.
- **5.2** Any and all actions necessary to enable the Recipient to enter this Agreement, and to be bound hereby, have been duly taken.
- 5.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.
- 5.4 The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.

5.5 There exists no litigation pending against the Recipient or to the Recipient's knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 6. Default.

- **6.1 Events of Default.** Each of the following events (hereinafter called an "Event of Default") shall be a default hereunder by the Recipient as described:
 - **6.1.1** Failure by the Recipient to maintain its corporate existence or the declaration of bankruptcy by the Recipient.
 - **6.1.2** The failure of Recipient to comply with Section 2 of this Agreement; and
 - **6.1.3** The failure of Recipient to pay annual Real Estate Tax Levy.
- 6.2 Effect of Event of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall, at the City's option, terminate ninety (90) days after the City's notice to Recipient and Recipient's designated lender, unless Recipient cures the Event of Default to the City's satisfaction within such ninety (90) days, and neither the City nor the Authority shall have any further obligation relating thereto and the Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and the City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 7. Recipient Reporting.

The Recipient shall provide, at the Recipient's expense, detailed updates and verification reasonably satisfactory to the City of the Recipient's progress regarding the completion of Project construction and, following Project construction, of Recipient's continued compliance with Section 2.3 of this Agreement.

Section 8. Notices.

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received upon receipt or refusal after the mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Recipient, to

with a copy to:

The Lawson Companies, Inc. 150 W. Main Street Ste. 1650 Norfolk, Virginia 23510 Attention: William Sexauer

Williams Mullen 200 South 10th Street Ste. 1600 Richmond, Virginia 23219 Attention: T. Preston Lloyd, Jr., Esq if to the City, to

Chief Administrative Officer City of Richmond, Virginia 900 East Broad Street, 14th Floor Richmond, VA 23219

if to the Authority, to

Economic Development Authority of Richmond VA – Attn: Chairman 1500 East Main Street Richmond, VA 23219 with a copy to:

Department of Economic Development City of Richmond, Virginia 1500 East Main Street Richmond, VA 23219

with a copy to:

City Attorney City of Richmond, Virginia 900 East Broad Street Suite 400 Richmond, VA 23219

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments; Assignments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto, and subject to the prior written consent of each Mortgage and Investor. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including, without limitation, a Mortgagee or its designee upon a foreclosure or deed-in-lieu of foreclosure of the Site or the Project; provided, however, that in no event may this 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, except that Recipient may assign its right to receive payment to another entity authorized to transact business in Virginia by furnishing the City and the Authority with notice identifying the entity and providing both contact and payment information in a form acceptable to the City and the Authority. Notwithstanding anything to the contrary herein, (a) Recipient shall have the right to assign its interest in the Site and Project to any future owner provided the Recipient first shall have complied with the requirements set forth in Section 2.3.1 of this Agreement and shall have submitted to the City the form of all instruments by which it purports to make such assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld, in which event the assignor shall be released from all obligations and liabilities under this Agreement; and (b) Recipient shall have the right to grant to a Mortgagee a security interest in, and assignment of, Recipient's rights hereunder as collateral for the loan to be provided by such Mortgagee for the development of the Project, and any action taken by such Mortgagee to realize on such security interest or assignment and performance thereafter shall be deemed permitted under this Agreement, provided the Recipient first shall have submitted to the City the form of all instruments by which it purports to grant such security interest and assignment and shall have obtained the City's prior written approval thereof, which approval shall not be unreasonably withheld. Neither the City's nor Authority's consent shall be required to the exercise by Mortgagee or any assignee of Mortgagee of its right to perform Recipient's obligations hereunder after a default by Recipient under the applicable loan documents. The City agrees that Mortgagee shall not have any liability for any act or omission of Recipient hereunder and shall only be liable hereunder for obligations arising during such time as it is the owner of Recipient's interests in the Site and Project pursuant to foreclosure, deed in lieu of foreclosure or otherwise. For the avoidance of doubt, no transfer by foreclosure or deed-in-lieu of foreclosure pursuant to a Mortgage and no

transfer of interests in Recipient or the exercise by Investor of its rights to remove the general partner or managing member of Recipient shall require notice to or the approval of the City or Authority.

- Governing Law; Venue. All issues and questions concerning the construction, enforcement, interpretation, and validity of this Agreement, or the rights and obligations of the parties 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. All disputes, claims, and causes of action arising out of or in connection with this 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 of any litigation or other proceeding arising from this Development Agreement.
- 93 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.
- **9.4 Severability.** If any provision of this Agreement is determined to be unenforceable, invalid, or illegal, then the enforceability, validity, and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.
- 95 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval, and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

- **9.6.1 Applicable Law.** The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-37 14 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.
- 9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

- 9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.
- **98 Effective Date of the Agreement.** The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by the City Council and by the Authority's Board of Directors.
- 99 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.
- 9.10 No Third-Party Beneficiaries. The parties agree that (i) no individual or entity shall be considered, deemed, or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.
- **9.11 Signature Authority.** Except as specifically otherwise set forth in this Agreement, the CAO or the designee thereof may provide any authorization, approvals, and notices contemplated herein on behalf of the City.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA

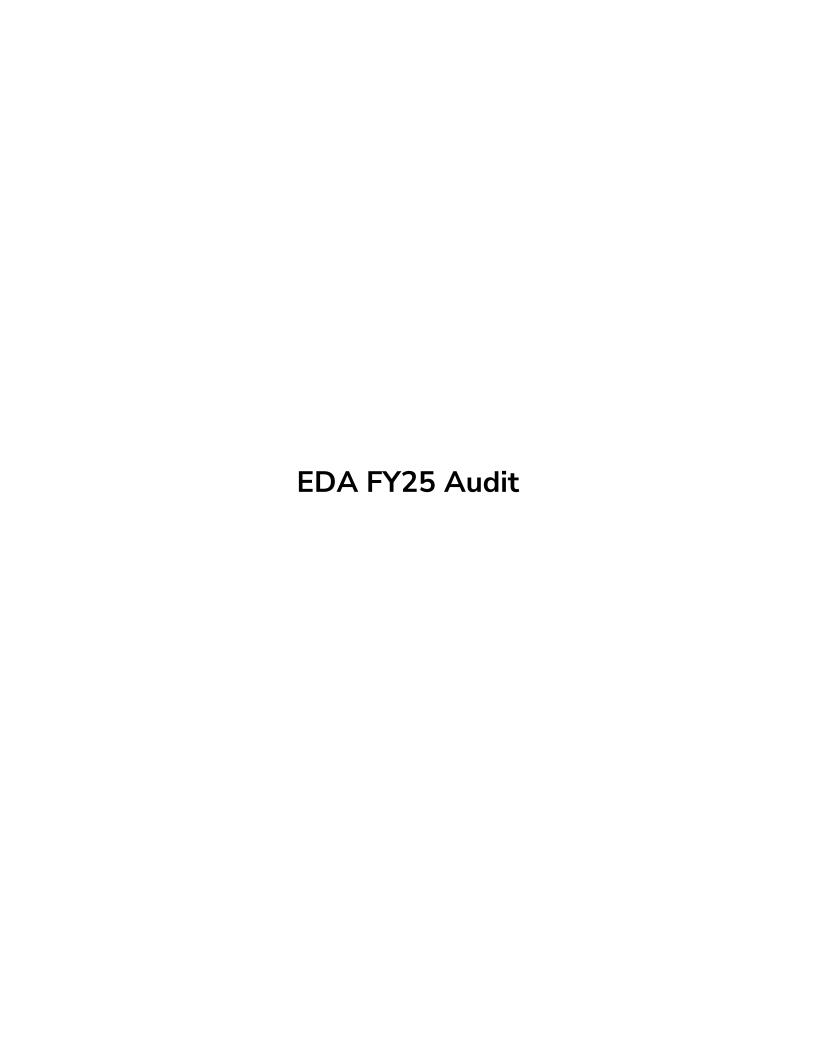
a municipal corporation of the Commonwealth of Virginia

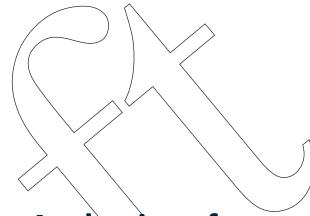
	By:		
		Sabrina Joy-Hogg Interim Chief Administrative Officer	Date
		Authorized by Ordinance No	
Approved as to Form: By: City Attorney's Office			
		REFUGE APARTMENTS, LP a V partnership	irginia limite
	By:		
			Date
	Name: Title:		_
		ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA, a political subdivision of the Commonwealth of Virginia	
	By:	Chairman	Date
Approved as to Form:			
By: General Counsel to the Authority			

EXHIBIT A

Affordable Housing Schedule

The Project shall restrict occupancy and rents to an average income designation of 60% of AMI, according to standards promulgated by the State Housing Finance Agency, Virginia Housing Development Authority, for a minimum of thirty (30) years.





Financial Report

June 30, 2025



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Independent Auditor's Report

To the Board of Directors and Management of Economic Development Authority of the City of Richmond, Virginia/(A Component Unit of the City of Richmond, Virginia)
Richmond, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the "Authority"), a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities*, *Boards*, and *Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Economic Development Authority of the City of Richmond, Virginia, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated ENTER DATE, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.



Management's Discussion and Analysis June 30, 2025

Management's Discussion and Analysis of the financial performance of the Economic Development Authority of the City of Richmond, Virginia (the "Authority") provides an overview of the financial activities for the year ended June 30, 2025. It should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Authority receives operating funds from the rental of a parking garage, managed the operations of the training facility on Leigh Street through August 2024, and leases certain property under a capital lease arrangement for the operation and future expansion of a brewery. The City assumed the training facility on Leigh Street at the end of August 2024. It also manages loan portfolios of the City of Richmond, Virginia.

Government-Wide Statement of Net Position

Following is a condensed statement of net position showing the net position of the Authority at June 30:

	Governme	ental Activities	Business-Ty	Business-Type Activities		al.
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Assets: Cash and cash equivalents	ċ	/è	\$ 62,037,988	\$ 50,188,977	\$ 62,037,988	\$ 50,188,977
Capital assets, net	142,165	142,165	64,412,401	12,071,980	64,554,566	12,214,145
Property held for sale Other assets		_ /	13,817,438 36,071,067	16,966,867 29,870,552	13,817,438 36,071,067	16,966,867 29,870,552
Total assets	\$ 142,165	\$ 142,165	\$ 176,338,894	\$ 109,098,376	\$ 176,481,059	\$ 109,240,541
Liabilities: Current and other liabilities	\$ -	s /	\$ 9,626,97A	\$ 4,031,611	\$ 9,626,974	\$ 4,031,611
Noncurrent liabilities	1 -	+	52,899,220	61,163,503	52,899,220	61,163,503
Total liabilities	\$ -	\$ -\	\$ 6 2,5 26,194	\$ 65,195,114	\$ 62,526,194	\$ 65,195,114
Net position	142,165	142,165	113,812,700	43,903,262	113,954,865	44,045,427
Total liabilities and net position	\$ 142,165	\$ 142,165	\$ <u>176</u> ,338,894	\$ 109,098,376	\$ 176,481,059	\$ 109,240,541

There was an increase in cash and cash equivalents of \$11,849,011 primarily due to the sale of the Phase 1A property to Diamond District Partners for the mixed-use development constructed as part of the Diamond District project.

There was an increase in net capital assets of \$52,340,421, primarily due to the construction of the new baseball stadium.

There was a decrease in property held for sale of \$3,149,429, due to the sale of the Phase 1A property.

There was an increase in other assets of \$6,200,515, which is primarily due to the balance owed from the City at June 30, 2025, to reimburse the Authority for stadium costs.

There was an increase in current habilities and other liabilities of \$5,595,363, primarily due to the balance owed by the Authority to Navigators Baseball, LP for June 2025 stadium construction costs.

There was a decrease in noncurrent liabilities due to forgiveness of the \$6,795,000 owed to the City as a result of the transfer of the training facility on Leigh Street to the City in August 2024, and the transfer of a \$1,469,283 lease liability to the City in conjunction with the transfer of the Leigh St. training facility.

Government-Wide Statement of Activities

Condensed statements of activities for fiscal years ended June 30 are as follows:

Management's Discussion and Analysis June 30, 2025

	G	Governmental Activities		Business-Type Activities		Total	
	6/30	0/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues:							
Grant from the City of Richmond	\$	- \$	-	\$ 4,580,333	\$ 4,271,515	\$ \ 4,580,333 \ \$	4,271,515
Rental income		-	-	1/2,247	789,090	112,241	789,090
Loan administration fees		-	-	/92/,901	112,000	92,901	112,000
Bond and other fees		-	-	/ \-	20,000	\-	20,000
Loan program income		-	-	445,022	418,158	445,022	418,158
Interest on notes receivable		-	-	1,205,308	1,056,651	1,205,308	1,056,651
Other		-	-	73,436,638	2,035,302	73,436,638	2,035,302
Total revenues		-	-	79,872,449	8,702,716	79,872,449	8,702,716
Expenses:							
Economic development incentives		-	-	2,233,230	1,081,515	2,233,230	1,081,515
Building operations and maintenance		-	-	74,163	321,383	74,163	321,383
Depreciation		-	-	106,704	395,678	106,704	395,678
Interest		-	-	2,311,717	731,307	2,311,717	731,307
Other		-	-	5,237,197	2,363,216	5,237,197	2,363,216
Total expenses		-	-	 9,963,011	4,893,099	9,963,011	4,893,099
Change in net position	\$	- \$		\$ 69,909,438	\$ 3,809,617	\$ 69,909,438 \$	3,809,617

Grant revenue from the City and other grants was more prior year due by \$308,818 due to more funds being paid out on economic incentive grants in the current year versus the prior year. This was offset by \$160,000 for the Hull Street Façade Program returned to the City due to the program not performing as anticipated. The economic development incentives expense increased by \$1,151,715 in the current fiscal year. This was due to an increase of \$588,527 in payments for the Authority's economic incentive grants in the current year versus the prior year. There was an additional \$413,188 that was owed at June 30, 2025 to grant recipients that was not paid out by the Authority. The Authority also paid \$150,000 grant paid for the Small Business Capital Access Program during the current fiscal year.

There was an increase in other revenue of \$71,401,336 primarily due contributions from the City to the Authority to reimburse the cost to build the new baseball stadium of \$61,840,660. A gain of \$9,886,439 was recognized on the sale of Phase 1A property to the Diamond District Developers.

There was an increase in interest expense of \$1,580,410 due to the interest expense on the Authority's bonds that were issued in the prior year.

Other expenses increased by \$2,873,981 due to the contribution of the training facility to the City in August 2024.

The Authority has maintained its lending programs, which are operated in coordination with the City of Richmond's Department of Economic Development. Operational costs of the programs are covered by the City. Any losses sustained in the lending programs are absorbed by the City or the relevant funding partner. The Authority receives fees adequate to cover its costs as well as audit fees associated with these activities. In summary, the outlook for the lending programs is favorable. The Authority can reasonably expect that its costs will continue to be covered.

Accomplishments and Economic Outlook

During the fiscal year that ended June 30, 2025, the Authority supported the work of the City's Department of Economic Development to attract over \$409 million in announced capital investment and 350 announced new jobs to the City. The Authority's administration of both local and state discretionary performance incentives assists in making these accomplishments possible.

Highlights:

Management's Discussion and Analysis June 30, 2025

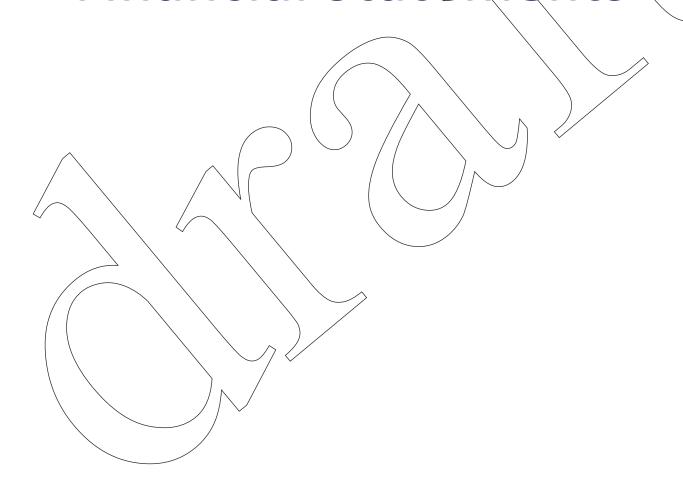
- The City celebrated the groundbreaking of CarMax Stadium, which is on schedule for completion for the Flying Squirrel's 2026 season. Additionally, construction of the infrastructure that will support the new stadium and planned mixed-use development in the Diamond District is also underway.
- Governor Glenn Youngkin announced that Haleon, a leading global consumer health company, will invest \$54.2 million to upgrade its research & development facility in the City of Richmond. The modernization will enable the company to accommodate innovative technologies and expand its research capabilities.
- The City and the Authority celebrated the opening of the Richmond Riverfront Performing Arts Venue, a 7,500-person capacity amphitheater on the Downtown riverfront.
- The Authority partnered with Dominion Energy, Altria, the Metropolitan Business League, Bridging Virginia, and the City to provide grants to small businesses severely impacted by the January water outage. Through the program, 117 small businesses received grants, and the program won an EDC award for Excellence in Economic Development in the "Recovery, Resiliency, and Mitigation" category.

Looking to FY2026, the Authority will continue to support economic development efforts across the City through supporting key, transformational redevelopment projects and commercial corridor revitalization, partnering to advance affordable housing projects, encouraging small business and entrepreneurship through its incentives and loan programs, and helping Richmond attract and retain businesses.

Requests for information

This financial report is intended to provide a general overview of the Authority's finances. Any questions regarding this report or requests for additional financial information should be addressed to the Authority at 1500 East Main Street, Suite 400, Richmond, Virginia 23219.

Government-Wide Financial Statements



Statement of Net Position

June 30, 2025

	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			^
CURRENT ASSETS			
Cash and cash equivalents (Note 4)	\$ //-	\$ 29,539,718	/ \$ 29,539,718
Restricted cash (Note 4)	_	32,498,270	32,498,270
Rent receivable	\-	727م/77	77,027
Due from the City (Note 12)	\ _\	6,804,467	6,804,467
Interfund balances	\ - \	1,240,605	1,240,605
Prepaid expenses	\ -	11,271	11,271
Financed purchase notes receivable,		,	\ \ \
current portion (Note 5)	/- ^	632,395	632,395
Total current assets		70,803,753	70,803,753
NONCURRENT ASSETS		12000/100	
Nondepreciable capital assets (Note 6)	142,165	64,281,034	64,423,199
Depreciable capital assets, net (Note 6)	-	131,367	131,367
Property held for sale (Note 7)	_	13,817,438	13,817,438
Financed purchase notes receivable,			
less current portion (Note 5)	\	17,452,081	17,452,081
Loans receivable, net (Note 10)		7,669,756	7,669,756
Accrued interest receivable	//\ _ \	2,183,465	2,183,465
Total noncurrent assets	142,165	105,535,141	105,677,306
Totahassets	\$ 142,165	\$ 176,338,894	\$ 176,481,059
LIABILITIES	/ = 11,125	/	+ 170,101,000
CURRENT LIABILITIES			
Accounts payable	\$	\$ 6,829,596	\$ 6,829,596
Due to the City (Note 12)	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	14,205	14,205
Interfund balances		1,240,605	1,240,605
Accrued interest payable		188,689	188,689
Maintenance reserve	_	142,691	142,691
Deferred revenue	_	416,188	416,188
Current portion of recoverable grant payable (Note 14)	_	795,000	795,000
Total current liabilities		9,626,974	9,626,974
NONCURRENT LIABILITIES		3,020,374	3,020,37+
Recoverable grants payable, long-term (Note 14)	_	16,065,000	16,065,000
Bond payable (Note 15)	_	33,745,000	33,745,000
Premium on bonds	_	3,089,220	3,089,220
Total noncurrent liabilities		52,899,220	52,899,220
Total liabilities		62,526,194	62,526,194
NET POSITION		02,320,134	02,320,134
Net investment in capital assets	142,165	57,607,904	57,750,069
Restricted		10,495,069	10,495,069
Unrestricted	-	45,709,727	45,709,727
Total net position	142,165	113,812,700	113,954,865
Total liabilities and net position		\$ 176,338,894	\$ 176,481,059
Total liabilities and het position	\$ 142,165	7 170,330,034	→ 1/U, 4 01,U33

Statement of Activities

Year Ended June 30, 2025

	Governmental	Business-Type	
OPERATING REVENUES	Activities	Activities	Total
Rental and lease income	¢ /_	\$ 112,247	Ć 112 247
Loan administration and other fees	\$	92,901	\$ 112,247
	/ (-		92,901
Loan program income Other	_	445,022 \ /35,257	445,022
Total operating revenues		685,427	35,257
OPERATING EXPENSES		003,421	685,427
Personnel	\ \	762	762
Professional services	7	55,407	55,407
Internet and telephone services	/- ^	1,947	1,947
Building operations and maintenance	<u></u>	74,163	74,163
Bad debt expense	· <u>-</u>	37,869	37,869
Other	_	1,050,891	1,050,891
Loan administrative fees	_	23,420	23,420
Depreciation		106,704	106,704
Total operating expenses	\ \ -	1,351,163	1,351,163
Operating loss		(665,736)	(665,736)
NONOPERATING REVENUES (EXPENSES)			
Grants from the City of Richmond (Note 12)	// \ - \	4,580,333	4,580,333
Economic development incentives (Note 12)		(2,233,230)	(2,233,230)
Gain on sale of property held for sale (Note 7)	/	9,886,439	9,886,439
Diamond District project costs (Note 9)	/ /	(1,231,853)	(1,231,853)
Contribution from the City (Note 12)	\	61,840,660	61,840,660
Contributed capital to the City (Note 7)		(2,835,048)	(2,835,048)
Interest on notes receivable	\	1,205,308	1,205,308
Interest expense \		(2,311,717)	(2,311,717)
Interest income		1,674,282	1,674,282
Total non-operating revenues		70,575,174	70,575,174
Change in net position	-	69,909,438	69,909,438
NET POSITION			
Beginning of year	142,165	43,903,262	44,045,427
End of yeak	\$ 142,165	\$ 113,812,700	\$ 113,954,865

Governmental Fund Financial Statements



Balance Sheet - Governmental Fund June 30, 2025

Theater Fund ASSETS CURRENT ASSETS Cash and cash equivalents **FUND BALANCE** Unassigned Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position Total fund balance per Governmental Fund Balance Sheet Amounts reported for governmental activities in the statement of net position are different because: Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund: Capital assets, cost 14,512,067 Accumulated depreciation (14,369,902) 142,165 Net position of governmental activities 142,165

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund
Year Ended June 30, 2025

Theater Fund **OPERATING REVENUES** Naming rights fees **OPERATING EXPENDITURES** Restoration grant Change in fund balance **FUND BALANCE** Beginning of year End of year Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to Statement of Activities Change in fund balance, total governmental fund \$ Amounts reported for governmental activities in the statement of activities are different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows: Depreciation expense Change in net position of governmental activities

Enterprise Funds Financial Statements



Statement of Net Position - Enterprise Funds June 30, 2025

		Major	Funds		
			Stone		
	Operating	Leigh St.	Brewery	Loan	
	Fund	Fund	Eund	<u></u> Fund	Total
ASSETS		_			^
CURRENT ASSETS					\rightarrow
Cash and cash equivalents (Note 4)	\$ 20,455,566	\$ 619,340	\$ 2,658,248	\$ 5,806,564	\$ 29,539,718
Restricted cash and investments (Note 4)	32,498,270	- /	_	_<	32,498,270
Due from Loan Fund	400	-	_		400
Rent receivables	800	27,404	48,823	. / / - `	77,027
Due from the City (Note 12)	6,804,467	_ \	\ - /	\-	6,804,467
Due from Stone Brewery Fund	35,900	-			35,900
Due from Operating Fund	-	1,204,305	\/	- \	1,204,305
Prepaid expenses	-	-	8,271	3,000	1,271
Financed purchase notes receivable,					
current portion (Note 5)	9,773	-	622,622	-	632,395
Total current assets	59,805,176	1,851,049	3,337,964	5,809,564	70,803,753
NONCURRENT ASSETS					
Nondepreciable capital assets (Note 6)	62,790,571	868,818	621,645	_	64,281,034
Depreciable capital assets, net (Note 6)	39,530	14,658	77,179	\ -	131,367
Property held for sale (Note 7)	13,817,438		, -	\-	1 3,817,438
Financed purchase notes receivable,	' ' / /				// ' '
less current portion (Note 5)	360,866	\-	17,091,215	- /	17,452,081
Loans receivable, net (Note 10):	1	/ \	\		, ,
Community Area Revitalization Effort		//\			
(CARE) Program	11,518	/ /-	\ -		11,518
Contractor Assistance Program (CAP)	/ \ \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	/ / -		43,743	43,743
Economic Development and Housing		/ /		-, -	-, -
Loan/Fund (EDHLF) Program	-	/ (-	/	6,877,703	6,877,703
Revolving Loan Rrogram (RLP)	_	_		736,792	736,792
Accrued interest receivable	10,971		/	2,172,494	2,183,465
Total noncurrent assets	77,030,894	883,476	17,790,039	9,830,732	105,535,141
Total assets	\$136,836,070	\$ 2,734,525	\$ 21,128,003	\$ 15,640,296	\$176,338,894
LIABILITIES	\ \ \	\$ 2).\$ 1,525	<u> </u>	+ 15/0 (0)250	\$ 17 0,000,000 1
CURRENT LIABILITIES	,				
Accounts payable	\$ 6,826,647	\$ 2,949	\$ -	\$ -	\$ 6,829,596
Due to the City (Note 12)	9 0,820,047	11,115	- -	3,090	14,205
Due to Leigh Street Fund	1,204,305	\(\sigma\)	_	3,090	1,204,305
Due to Operating Fund	1,204,303	-	35,900	400	36,300
Accrued interest payable	185,484	-		400	188,689
Maintenance reserve	155,454	- 142,691	53,235	-	
Other current liabilities	416,188	142,091	-	-	142,691
Current portion of recoverable grants	/ 410,100	-	-	-	416,188
			705 000		705 000
payable (Note 14)	/ <u> </u>	156 755	795,000	3,490	795,000
Total current liabilities	8,582,594	156,755	884,135	3,490	9,626,974
NONCURRENT LIABILITIES					
Recoverable grants payable,			10.005.000		16.065.000
long-term (Note 14)		-	16,065,000	-	16,065,000
Bonds payable (Note 15)	33,745,000	-	-	-	33,745,000
Premium on bonds	3,089,220	-	46.067.006		3,089,220
Total noncurrent liabilities	36,834,220	-	16,065,000		52,899,220
Total liabilities	45,416,814	156,755	16,949,135	3,490	62,526,194

Statement of Net Position - Enterprise Funds June 30, 2025

		Major	r Funds		
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan	Total
NET POSITION Net investment in capital assets Restricted	56,025,604 4,699,316	883,476	698,824	5,795,753	57,607,904 10,495,069
Unrestricted	30,694,336	1,694,294	3,480,044	9,841,0\$3	45,709,727 113,812,700
Total net position Total liabilities and net position	91,419,256 \$136,836,070	2,577,770 \$ 2,734,525	\$ 21,128,003	15,636,806 \$/ 15,640,296	\$176,338,894

Statement of Revenues, Expenses and Changes in Net Position - Enterprise Funds Year Ended June 30, 2025

			Major	Funds		
				Stone	,	
	Operating	L	eigh St.	Brewery	Loan	
	Fund		Fund	Eund	← Fund	Total
OPERATING REVENUES						^
Rental and lease income	\$ -	\$	112,247	(\$	\$\\-	\$ 112,247
Loan administration and other fees	92,000		- /	// -	901/	92,901
Loan program income	-		- /	_	445,022	445,022
Event and other income	12,753		22,504	_	_	35,257
Total operating revenues	104,753		134,751	-	445,923	685,427
OPERATING EXPENSES					7	
Personnel	762		-	\ /-/		762
Professional services	55,407		-	\	- \	55,407
Internet and telephone services	-		1,947		- `	1,947
Building operations and maintenance	-		74,163		-	74,163
Bad debt expense	-		´- ·		37,869	37,869
Other	986,196		4,710	28,635	31,350	1,050,891
Loan administrative fees	-		-	-/	23,420	23,420
Depreciation and amortization	44,950		59,663	2,091	\	106,704
Total operating expenses	1,087,315	$\overline{}$	140,483	30,726	92,639	1,351,163
Operating (loss) income	(982,562)		(5,732)	(30,726)	353,284	(665,736)
NONOPERATING REVENUES (EXPENSES)		/	/ , , ,	(22)		// (111/11/1
Grants from the City of Richmond (Note 12)	4,580,333		\-	_	- /	4,580,333
Economic development incentives (Note 12)	(2,233,230)		/-/	_) _/	(2,233,230)
Gain on sale of property held for sale (Note 7)	9,886,439		/ /- \	·	//-	9,886,439
Diamond District project costs (Note 9)	(1,231,853))	/ / -	\ - /	_	(1,231,853)
Contribution from the City (Note 12)	61,840,660		/ / -		-	61,840,660
Contributed capital to the City (Note 7 & 12)			(2,885,048)	- /	-	(2,835,048)
Interest on notes receivable	12,539	1	, , , , ,	1,192,769	-	1,205,308
Interest expense	(1,643,510)	- 1	(8,199)	/ (660,008)	-	(2,311,717)
Interest income	1,548,579	\	66	20,664	104,973	1,674,282
Total nonoperating revenues (losses)	72,759,957		(2,843,181)	553,425	104,973	70,575,174
Income (loss) before transfers	71,777,395		(2,848,913)	522,699	458,257	69,909,438
Transfers in (out)	828,450			-	(828,450)	-
Change in pet position	72,605,845		(2,848,913)	522,699	(370,193)	69,909,438
NET POSITION			. , , ,	,	, , ,	, ,
Beginning of year	18,813,411	\wedge	5,426,683	3,656,169	16,006,999	43,903,262
End of year	\$ 91,419,256	8	2,577,770	\$ 4,178,868	\$ 15,636,806	\$113,812,700
			,- , -			1 -7- 7
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	,					

Statement of Cash Flows - Enterprise Funds Year Ended June 30, 2025

		Major	Funds		
			Stone		
	Operating	Leigh St.	Brewery	Loan	
	Fund	Fund	Fund	Fund	Total
OPERATING ACTIVITIES					
Receipts from rentals	\$ -	\$ 121,977	/\$ <u> </u>	\$ \ -	\$ 121,977
Receipts from loan administration	92,000	- /	-	901	92,901
Issuance of loans	(22,489)	- /	_	(250,000)	(272,489)
Receipts from loan repayments	-	-	-	450,569	450,569
Receipts from (payments for) other activities	12,753	22,504	(22.425)	95,118	130,375
Payments for operating activities	(1,031,161)	(104,236)	(28,405)	(87,449)	(1,251,251)
Net cash (used in) provided by	(0.40, 0.07)	40.245	(20,405)	200 420	V727 040)
operating activities	(948,897)	40,245	(28,405)	209,139	(727,918)
NONCAPITAL FINANCING ACTIVITIES	(4 224 052)				(1,231,853)
Payment of Diamond District project costs Grants and receipts from City of Richmond	(1,231,853)	- 21,250 <	/ / ` \	-	4,417,480
Economic development incentive payments	4,396,230 (1,820,042)	21,250 \		_	(1,820,042)
Investment in property held for sale	(1,366,767)	-	_	_	(1,366,767)
Proceeds from the sale of property held for sale	11,907,499	-	-		11,907,499
Use of escrows and reserves	11,307,433	(10,105)	- \		(10,105)
Due to / from funds	741	(1,195)	54		(400)
Transfers (to) from other funds	828,450/	(1,133)	\ -	(828,450)	(400)
Net cash provided by (used in)	020,730/		\	(020,430)	
noncapital financing activities	12,714,258	9,950	54	(828,450)	11,895,812
INVESTING ACTIVITIES		7,578		(673) 193)	
Interest received	1,548,579	/ / 66	20,664	104,973	1,674,282
CAPITAL AND RELATED FINANCING					
ACTIVITIES \		/ /			
Purchase of capital assets	(54,387,450)	(9,465)	/ /	-	(54,396,915)
Proceeds from City for stadium project	55,036,193	-		-	55,036,193
Payments of bond issuance costs	(594,742)	-	/ -	-	(594,742)
Interest paid	(1,508,056)	\ -	/ (661,934)	-	(2,169,990)
Payments received on notes receivable	22,000	-	1,885,289	-	1,907,289
Payments of recoverable grant payable			(775,000)		(775,000)
Net cash (used in) provided by capital					
and related financing activities	(1,432,055)	(9,465)	448,355		(993,165)
Net increase (decrease) in cash and	\	^		/	
cash equivalents	11,881,885	40,796	440,668	(514,338)	11,849,011
CASH AND CASH EQUIVALENTS					
Beginning of year	41,071,951	578,544	2,217,580	6,320,902	50,188,977
End of year \	\$ 52,953,836	\$ 619,340	\$ 2,658,248	\$ 5,806,564	\$ 62,037,988
RECONCILIATION OF CASH TO THE					
STATEMENT OF NET POSITION	/c 20 455 555	ć 640.242	¢ 2650210	ć F.006.564	ć 20 F20 740
Cash and cash equivalents, current assets	/\$ 20,455,566	\$ 619,340	\$ 2,658,248	\$ 5,806,564	\$ 29,539,718
Cash and cash equivalents, restricted	32,498,270	<u>-</u>	-	A = 000 = 000	32,498,270
	\$ 52,953,836	\$ 619,340	\$ 2,658,248	\$ 5,806,564	\$ 62,037,988

Statement of Cash Flows - Enterprise Funds Year Ended June 30, 2025

				Major F	unds			
					Stone			
	(Operating	L	eigh St.	Brewery	Loan		
		Fund		Fund	Fund	Fund	Total	
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES Operating (loss) income	\$	(982,562)	Ś	(5,732)	\$ (30,726)	\$ 353,284	\$ (665,	736)
Adjustments to reconcile operating (loss) income to cash (used in) provided by operating activities:	r		7					
Depreciation and amortization Bad debt expense Change in current assets and liabilities:		44,950 -		59,663 \	2,091	37,869		869
Receivables Prepaid expenses Loans receivable, net Accrued interest receivable		- (22,489)		9,730 - - -	230	(2,520) - 200,569 (349,904)		
Accounts payable Due to (from) City Net cash (used in) provided by		11,204	_	(23,416)		400 (30,559)	(11,	812) 559)
operating activities SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES	\$	(948,897)			\$ (28,405)	\$ 209,139	<u>\$/ (727,</u>	
Contributed capital to the City	\$		<u>\$</u>	2,835,048)	\$ -	\$ / -	\$ (2,835,	048)
Stadium construction costs	_	1 /)	///		\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	4	
accrued at year-end	\$	6,804,467	\$	/ 	<u>\$\</u>	\$ -	\$ 6,804,	467
	7							

Notes to Financial Statements June 30, 2025

Note 1 – Organization and Purpose

The Economic Development Authority of the City of Richmond, Virginia (the "EDA") was created as a political subdivision of the Commonwealth of Virginia on August 28, 1972, by action of the City Council of the City of Richmond, Virginia (the "City"). On April 24, 2006, the City Council revoked the EDA's ability to issue debt until it could be reorganized. On June 26, 2006, the City Council renamed the EDA as the Economic Development Authority of the City of Richmond, Virginia (the "Authority"). On October 9, 2006, the City Council adopted an ordinance that reconfigured the Authority. The Authority is governed by a seven-member Board of Directors appointed by the Richmond City Council. The Authority is considered to be a component unit of the City of Richmond, Virginia.

The purpose of the Authority is to promote industry and develop trade by inducing manufacturing, industrial, government and commercial enterprise to locate in or remain in the City of Richmond, further the economic well-being of the citizens of the City, and benefit the inhabitants of the City, increase their commerce, and promote their safety, health, welfare, convenience, and prosperity. The Authority seeks to provide additional employment for all levels of the community, to promote economic stability and growth in the community, and to assist in meeting the City's development objectives.

Note 2 – Summary of Significant Accounting Policies

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. They report information on all of the non-fiduciary activities of the Authority. While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from the governmental fund, while business-type activities incorporate data from the Authority's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Fund Fingnçial Statements

The Authority utilizes the economic resources management focus and the accrual basis of accounting in preparing its financial statements where revenues are recognized when earned and expenses when incurred. The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity as displayed in the enterprise fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate.

Governmental Fund – Special Revenue Fund

Governmental funds are those through which most governmental functions typically are financed. A special revenue fund is a governmental fund, which accounts for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Authority's special revenue fund is the Theater Fund, which contains the current Altria Theater building and associated agreements for funding of the restoration of this historic property.

Notes to Financial Statements June 30, 2025

Enterprise Funds

The Authority is required to follow the accounting and reporting practices of the Governmental Accounting Standards Board (GASB). For financial reporting purposes, the Operating Fund, the Leigh St. Fund, the Stone Brewery Fund, and Loan Fund all utilize the enterprise fund method of accounting using the accounting basis. For the accounting, revenues are recorded when earned and expenses are recorded when incurred, regardless of when the related cash flows take place.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

Cash and cash equivalents are stated at cost, which approximates market. Cash and cash equivalents include amounts in demand deposits, treasury bills, and savings accounts.

Interfund Transactions

Throughout the year, there are times when expenses are paid by one fund on behalf of another, and these balances are reflected as an interfund balance that is due within one year on the statement of net position. Additionally, during 2024, the Operating Fund received an advance payment from the City for the transfer of the training center for the Leigh St. Fund. That balance is included in the \$1,204,305 interfund balances on the statement of net position.

The interfund transfers of \$828,450 on the statement of revenues, expenses and changes in net position consist of the Commercial Area Revitalization Effort (CARE) loans that were transferred from the Loan Fund to the Operating Fund. See Note 10 for further discussion.

Property and Equipment

Property and equipment consist of land, buildings and improvements, and equipment. Property and equipment are recorded at cost or, if acquired through contribution, at fair value at the date of the gift. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. The estimated useful life of each class of depreciable assets is as follows:

Buildings and improvements	10 – 40 years
Equipment	5 – 7 years
Website	3 years
Land leased – lease asset	51.5 years

Recoverable Grant Payable

Recoverable grants payable represents amounts provided by the City to the Authority for the construction of the Bon Secours Training Facility and the Stone Brewing Facility. These amounts are payable back to the City from revenues generated by the respective facilities. No formal repayment terms have been executed.

Notes to Financial Statements June 30, 2025

Leases

Key estimates and judgements include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts and/or payments to present value, (2) lease term, and (3) lease receipts and or payments.

- The Authority uses an estimated incremental borrowing rate as the discount rate for the lease.
- The lease term includes the noncancellable periods of the lease. Lease receipts and payments are included in the measurement of the lease receivable or liability, respectively, and are composed of fixed payments.
- The Authority monitors changes in circumstances that would require a remeasurement of its leases and will
 remeasure if certain changes occur that are expected to significantly affect the amount of the lease receivable or
 liability.

Right-of-Use Lease Asset and Related Lease Liability

The Authority is a lessee for a noncancellable lease of 15.04 acres of land. The Authority recognizes an intangible right-to-use asset (lease asset) and a related lease liability on the government wide financial statements and enterprise fund financial statements. At the commencement of a lease, the Authority initially measures a lease liability at the present value of payments expected to be made during the lease period. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain direct costs. Subsequent to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statement of net position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

Net Position

Net position is the difference between assets and liabilities. Net position invested in capital assets represents capital assets, less accumulated depreciation, less outstanding debt related to the acquisition, construction or improvement of those assets.

Note 3 – Significant Activities

Leigh St. Fund

The Authority has worked in cooperation with the City of Richmond, the Department of Economic and Community Development and other private parties to develop the Bon Secours Training Center. To that end, the Authority entered into a long-term lease with the Commonwealth of Virginia to lease 15.040 acres of land within the City as well as contracts to build the facility. The foregoing was facilitated by a recoverable grant from the City of Richmond in the amount of ten million dollars. The facility was substantially complete in fiscal year-end 2013. The development of this property and the leasing and naming rights agreements associated with the project are intertwined with an additional property known as the Westhampton School Property. The City of Richmond and the Board of the Authority have agreed to transfer

Notes to Financial Statements June 30, 2025

ownership of the Westhampton School Property to the Authority, which in turn leases it to a third party under a long-term leasing arrangement. The Bon Secours Training Center transferred from the Authority to the City in August 2024. The City assumed all of the related leases with the property at the time of the transfer of the property. The City also forgave the recoverable grant due.

Stone Brewery Fund

The Authority, in collaboration with the City of Richmond and Stone Brewing Co., developed the Stone Brewery facility. The Authority previously entered into certain real estate transactions as well as construction contracts to build the facility. The foregoing was facilitated by certain grants from the State and a recoverable grant from the City of Richmond During 2016, when construction was completed, the financed purchase notes receivable between the Authority and Stone Brewing Co. became effective. See Note 5.

Note 4 – Cash, Cash Equivalents, and Investments

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amounts insured by federal depository insurance must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

In June 2024, the Authority issued Series 2024 Revenue Bonds for the Diamond District Project. See Note 15. As of June 30, 2025, the unspent debt proceeds of \$32,498,270 from that issuance were invested as follows:

		S&P Credit	Weighted Average
Type	Fair Value	Rating	Maturity
Cash equivalents:			
/ Money market funds	\$ 3,144,809	N/A	N/A
Total cash equivalents	3,144,809		
nvestment – Level 1:			
V.S. Treasury notes	8,423,663	N/A	0.27 years
Investments reported at amortized cost:			
Virginia State Non-Arbitrage Program	20,929,798	AAAm	1 day
Total investments	29,353,461		
Total cash equivalents and investments	\$ 32,498,270		

Note 5 – Financed Purchase Notes Receivable

Stone Brewery Fund

The Authority has executed a financed purchase agreement with Stone Brewing Co., LLC for land, building and equipment. The note receivable has a value of \$27,699,238 at June 30, 2025, which is equal to the total future minimum payments under the terms of the agreement, which is \$1,740,266 annually over the term of the note, which extends through June 2041. Interest income to be recognized at 6% over the term of the agreement totals \$9,985,401 at June 30, 2025.

Notes to Financial Statements June 30, 2025

The following lists the components of the financed purchase note receivable at June 30, 2025:

	M	inimum Nøte	Less	Unearned	^	
		Payments	R	evenue	Ne	t Receivable
Current portion	\$	1,595,244	\$	(972,622)	<i>/</i> \$	622,622
Noncurrent portion		26,103\994		(9,012,779)		17,091,215
	\$	27,699,238	\$	(9,985,401)	\$	17,713,837
				$\overline{}$		

Operating Fund

The Authority has executed a financed purchase agreement with Tobacco Row Land, L.P. for land for a parking facility. The note receivable has a value of \$550,000 at June 30, 2025, which is equal to the total future minimum payments under the terms of the agreement, which is \$22,000 annually over the term of the note, which extends through July 2049. Interest income to be recognized at 3.25% over the term of the agreement totals \$179,361 at June 30, 2025.

The following lists the components of the financed purchase note receivable at June 30, 2025:

			Winimum Note	Less	Unearned	//	
	/ (Payments	R	Revenue	Net	Receivable
Current portion		\ \$	22,000	\$,	(12,2/27)	\$	9,773
Noncurrent portion) _	/ / 528,000		(167,134)		360,866
\wedge		<u></u> ✓ <u></u>	550,000	\$	(179,361)	\$	370,639

Note 6 – Capital Assets

A summary of changes in the Authority's capital assets are as follows:

	Balance			Balance
	July 1, 2024	Additions	Deletions	June 30, 2025
Governmental activities:				
/ Nondepreciable:				
Land	\$ 142,165	\$ -	\$ -	\$ 142,165
Depreciable:				
Buildings and improvements	14,369,902	-	-	14,369,902
Accumulated depreciation	(14,369,902)			(14,369,902)
Total depreciable, net	-	-	-	-
Total governmental activities	\$ 142,165	\$ -	\$ -	\$ 142,165
	Balance			Balance
	July 1, 2024	Additions	Deletions	June 30, 2025
Business-type activities:				
Nondepreciable:				
Land	ć 1 470 222	_		
Laria	\$ 1,470,223	\$ -	\$ -	\$ 1,470,223
Construction in progress	20,240	\$ - 62,790,571	\$ - 	\$ 1,470,223 62,810,811
	. , ,	•	\$ - - -	
Construction in progress	20,240	62,790,571	\$ - - -	62,810,811
Construction in progress Total nondepreciable	20,240	62,790,571	(12,429,204)	62,810,811
Construction in progress Total nondepreciable Depreciable/amortizable:	20,240 1,490,463	62,790,571		62,810,811 64,281,034
Construction in progress Total nondepreciable Depreciable/amortizable: Buildings and improvements	20,240 1,490,463 15,669,730	62,790,571	(12,429,204)	62,810,811 64,281,034
Construction in progress Total nondepreciable Depreciable/amortizable: Buildings and improvements Leased land	20,240 1,490,463 15,669,730 1,505,819	62,790,571	(12,429,204)	62,810,811 64,281,034 3,240,526

Notes to Financial Statements

June 30, 2025

	Balance			Balance
	July 1, 2024	Additions	Deletions	June 30, 2025
Accumulated:				<u></u>
Depreciation	(6,633,210)	(101,831)	3,498,987	(3,236,054)
Amortization of leased assets	(87,717)	(4,873)	92,590	
Total accumulated depreciation/				
amortization	(6,720,927)	(106,704)	/ 3,591,577	(3,236,054)
Total depreciable/amortizable, net	10,581,517	(106,704)	(10,343,446)	131,367
Total business-type activities	\$ 12,071,980	\$\62,683,867	\$ (10,343,446)	\$ 64,412,401

Note 7 - Property Held for Sale/Contributed Capital

Operating Fund

During fiscal year 2023, the City and Richmond Redevelopment and Housing Authority ("RRHA") conveyed land to the Authority with the intent that the land be sold to a developer for a redevelopment project. If the sale does not take place, the land conveyed by the City and RRHA may revert back to the City and/or the RRHA. The balance of the \$13,173,607 is reflected as property held for sale on the statement of net position.

During fiscal year 2024, the City conveyed six parcels of real estate, which also included a portion of the redevelopment project known as the "Diamond District" to the Authority. The Authority sold a parcel of the Diamond District Project property during fiscal year 2025 for a total of \$11,907,499 and recognized a gain of \$9,886,439 on the statement of activities and statement of revenues, expenses and changes in net position. The balance of the remaining property at June 30, 2025 is \$643,831.

Leigh St. Fund

In August 2024, the Bon Secours Training Facility transferred from the Authority to the City. As a result, the Authority recognized an expense related to the contributed capital of \$2,835,048 on the statement of activities and statement of revenues, expenses and changes in net position.

Note 8 ← Lease Liability

Leigh St. Fund

The Authority, as a lessee, has entered into a noncancellable lease agreement for the use of land near the Bon Secours Training Center. During 2022, the Authority adopted GASB 87, Leases, and, as a result, recognized an intangible right-to-use lease asset and related lease liability. Payments of \$40,560 are due annually through January 2032 at which point payments escalate every ten years through 2072 and are discounted at 3.25%. The following is a summary of changes in the lease liability reported on the statement of net position for the fiscal year ended June 30, 2025:

Notes to Financial Statements

June 30, 2025

The lease terminated in August 2024 due to the City assuming the lease as a result of the transfer of the Bon Secours Training Center from the Authority to the EDA.

The Authority had a related lease asset total of \$1,505,819, which was offset by accumulated amortization of \$92,590. The lease asset was disposed of in August 2024 when the lease terminated. This resulted in a gain, which is included in the total of the contributed capital to the City on the statement of activities and statement of revenues, expenses and changes in net position.

Note 9 – Commitments and Contingencies

The Authority has executed performance agreements with certain local businesses on behalf of the City, which contain capital investment and employment goals. Upon completion of the specific requirements, the grant funds are awarded as stated in the performance agreements. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements. The Authority has received grant funds totaling \$352,402 from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position balance at June 30, 2025, along with other restricted revenue sources.

In the prior year, the Authority created a grant program to aid with the construction of affordable housing in the City. The Authority has executed grant agreements with developers that own property in the City. Upon completion of the specific requirements, the grant funds are awarded as stated in the grant agreements. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements. During the year ended June 30, 2025, the Authority has received grant funds totaling \$2,000,000 from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position balance at June 30, 2025, along with other restricted revenue sources.

During the year ended June 30, 2025, the Authority and the City created the Small Business Capital Access Program. The purpose of the funds is to provide grants or loans to small businesses that do not have access to traditional loan products. The Authority is responsible for executing the agreements with the business. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements. The Authority has received grant funds totaling \$1,350,000, from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position balance at June 30, 2025, along with other restricted revenue sources.

The Authority entered into a development agreement with the City of Richmond and Diamond District Partners, LLC (the "Developer") on May 15, 2024. The City seeks to redevelop an approximately 67-acre site known as the Diamond District. The City has transferred the property to the Authority. Per the agreement, the Authority will sell 19.61 acres of the property with the potential for the Developer to purchase an additional 12.08 acres in the Diamond District. In fiscal year 2025, the first parcel was sold to the Developer. See Note 7 for further discussion. The Developer will turn that portion of the land into a mixed-use commercial and residential area. The Authority is committed to providing funds for costs associated with the public infrastructure for the project. During the year ended June 30, 2025, the Authority paid a total of \$2,598,560 to the Developer. Of this total, \$1,366,707 was capitalized by the Authority for infrastructure work done at

Notes to Financial Statements June 30, 2025

the time the Authority owned the property and thus offset the gain on the sale of the property to the Developer. The remaining \$1,231,853 was expensed and is included in the Diamond District project costs on the statement of activities and statement of revenues, expenses and changes in net position.

On August 16, 2024, the Authority entered into a development agreement with the Navigators for the construction of a new baseball stadium and subsequent lease of the stadium to the Navigators. The Navigators will build the stadium, and once completed, the Authority will then take ownership of the stadium. The Authority will then lease the stadium to the Navigators. The Authority is required to reimburse the Navigators for work completed on the stadium. The funding for the work is to be provided with the proceeds from the bonds issued by the City during the fiscal year ended June 30, 2025. The Authority paid a total of \$52,451,057 to the Navigators during the current year, all of which was capitalized. At June 30, 2025, the Authority owed a total of \$6,804,467 to the Navigators. The total costs have been capitalized and included in nondepreciable capital assets on the statement of net position.

On August 16, 2024, the Authority entered into a lease agreement with the Navigators for the baseball stadium. The lease will commence once the stadium construction is completed, which is expected to be in 2026. The initial term of the lease is thirty years with no option for renewal. The rent for the first ten years of the lease is \$1,000,000 per year due on a quarterly basis. The rent will increase to \$1,343,916 during the eleventh year of the lease and will then increase by 3% each year thereafter. The Navigators are also required to pay an addition \$2,200,000 of supplemental rent for the first ten years of the lease. The agreement also allows for each year's rent to be abated in an amount equal to the annual leasehold real estate tax applicable to the Navigators. The abatement will be applied against the quarterly installment of annual rent next coming due after the real estate taxes are paid.

Note 10 – Loans Program Receivables

Commercial Area Revitalization Effort

The Commercial Area Revitalization Effort (CARE) is a loan and rebate program created by the City's Office of Economic Development and the Authority, which is designed to revitalize and return economic viability to older neighborhood commercial strips. The loan program provides for three different types of loans to eligible borrowers. CARE loans are classified as minor (less than \$125,000), moderate (\$125,000-\$200,000), and substantial (more than \$200,000). Minor loans have a 90% Authority, 10% minimum owner equity financing structure. For the substantial and moderate loans, a private loan of 50% of the requested loan amount must be obtained prior to the Authority's approval of an additional 40%, leaving a minimum of 10% owner equity. The Authority has a second secured position in the moderate and substantial loans. The rebate program is designed to revitalize and return economic viability to older neighborhood districts, primarily in low and moderate-income communities. The Authority will rebate up to certain percentages and dollar amounts of renovation and improvement expenses incurred for exterior and interior rehabilitation, security improvements, and the connection of a water lateral line and/or the installation of a sprinkler system.

At June 30, 2025, the carrying value of loans receivable from the CARE program was \$23,653, less an uncollectible allowance of \$12,135. The fair value of these loans is not readily determinable. The Authority issued rebates in the amount of \$308,285 during the year ended June 30, 2025, which is included in other expenses on the statement of revenues, expenses and changes in net position – enterprise funds. The balances and activity of the CARE program are now being recorded in the Operating Fund. In the prior year, the balances and activity were included in the Loan Fund.

Notes to Financial Statements June 30, 2025

Contractor Assistance Program

The Contractor Assistance Program (CAP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide working capital, equipment financing, receivables financing and other qualifying uses that will support the delivery of goods or services that further the purpose of the CAP. The loan program provides loans to eligible borrowers of up to \$100,000 with varying amortizations and interest rates from 4% to 9% per annum depending on the overall credit rating of the transaction.

At June 30, 2025, the carrying value of loans receivable from the CAP program was \$81,597, less an uncollectible allowance of \$37,854. The fair value of these loans is not readily determinable.

Economic Development and Housing Loan Fund

During 2013, the Economic Development and Housing Loan Fund (EDHLF) was implemented for the purpose of providing financing to local developers and small businesses pursuing Section 108 eligible projects, which meet one of the Community Development Block Grant National Objectives: to facilitate large real estate economic development projects, the creation of affordable housing and other special use projects that benefit low and moderate income persons, prevent or eliminate slums or blight, create or retain jobs and provide area benefits in the City's commercial corridors and residential neighborhoods.

During the fiscal year 2013, the City had drawn down the approved loan from the United States Department of Housing and Urban Development (HUD) in the amount of \$10,205,000 and transferred the proceeds to the Authority. At June 30, 2025, approximately nine million in loans had been granted from these funds, and the carrying value of the loans was \$7,025,951 which did not include a fee income receivable, less an uncollectible allowance of \$148,248.

Revolving Loan Rrogram

The Citywide Revolving Loan Program (RLP) is a loan program created by City Council and administered by the City's Office of Economic Development and the Authority, which is designed to provide capital for property and land acquisition, infrastructure costs, construction, rehabilitation, working capital, machinery and equipment purchases, leasehold improvements and any other use that meets the Department of Housing and Urban Development's national objectives. The loan program provides loans to eligible borrowers of up to \$250,000 with amortizations of up to 20 years and interest rates that can vary from 3% to 9% per annum/depending on the overall credit rating of the transaction.

At June 30, 2025, the carrying value of loans receivable from the RLP program was \$1,087,251, less an uncollectible allowance of \$350,459. The fair value of these loans is not readily determinable.

Enterprise Zone Incentive Loans

During 1996, the Enterprise Zone Incentive Loan (EZIL) program was implemented to provide City incentives through the Authority to worthy businesses. These incentives were designed to encourage investment and job creation by new or existing businesses within the City's enterprise zones.

The EZIL Program is no longer being funded by the City. During the year ended June 30, 2011, all remaining loans receivable from the EZIL program were written off. The fund remains open to collect residual loan recovery payments. There were no recoveries from loans previously written off during the year ended June 30, 2025.

Notes to Financial Statements June 30, 2025

Note 11 - Conduit Debt

The Authority can authorize the issuance of revenue bonds for the purpose of obtaining and constructing facilities. Such debt is payable solely from the revenues derived from structured liens or pass-through leases of the facilities constructed for the related enterprises. Collections of revenues pledged to liquidate the bonds are assigned to a trustee. Such debt does not constitute a debt or pledge of the faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof. Accordingly, such debt and related assets are not presented in the financial statements.

Note 12 - Related Party Transactions

Loan Fund

The Authority has received funds from the City for programs that are not administered by the Authority. As a result, these are reported as Due to the City on the statement of net position. These funds total \$3,090 at June 30, 2025.

Operating Fund

During the year ended June 30, 2025, the Authority received \$3,640,333 in economic development incentives from the City to be passed on to approved businesses in accordance with the terms of performance agreements. Incentive grants of \$2,083,260 were awarded out during the year, \$413,188 of which are included in accounts payable at June 30, 2025.

During the year ended June 30, 2025, the Authority received \$400,000 from the City for the Local Enterprise Zone Cooperation Agreement signed by the Authority and the City. The Authority is to use the money to help encourage job creation, private investments and commercial development around the City of Richmond.

During the year ended June 30, 2025, the City made a contribution to the Commercial Area Revitalization Effort (CARE) program of \$300,000. See Note 10 for further discussion.

At July 1, 2024, the Authority had \$279,409 in unspent funding for the Façade Improvement Grant Program. During the year ended June 30, 2025, a total of \$160,000 was refunded to the City for the Hull Street Façade Improvement Plan as the program did not deliver the results originally anticipated. This is netted against grant revenue from the City on the statement of revenues, expenses and changes in net position. Additionally, grants of \$30,000 were awarded during the year ended June 30, 2025. These grants are included in other operating expenses on the statement of revenues, expenses and changes in net position. The remaining balance of \$89,409 is classified as restricted net position on the statement of net position.

During fiscal year 2024, the Authority received \$1,500,000 from the City. The funds were used for the creation of the Small Business Capital Access Program. See Note 9 for further discussion. A total of \$150,000 was awarded during the year ended June 30, 2025. This grant was included in economic development incentives on the statement of revenues, expenses and changes in net position. The remaining balance of \$1,350,000 is classified as restricted net position on the statement of net position.

During the year ended June 30, 2025, the Authority received \$2,000,000 from the City for the affordable housing grants. See Note 9 for further discussion. There were no funds awarded during the year ended June 30, 2025. The balance is classified as restricted net position on the statement of net position.

Notes to Financial Statements June 30, 2025

During the year ended June 30, 2025, the Authority received \$55,036,193 from the City for the purpose of construction of the new stadium. At June 30, 2025, the City owed a balance of \$6,804,467 to the Authority for costs of the stadium through June 30, 2025, that were owed by the Authority to the Navigators.

Leigh St. Fund

In January 2024, the Authority assumed management of the Bon Secours Training Center. As a result, the Authority worked with the City's Department of Parks and Recreation to help oversee the events held at the facility from January to August 2024. There were instances where rental payments for the Authority were collected by the City and not remitted to the Authority by year end and vice versa. At June 30, 2025, the Authority owed the City \$11,115 related to these rental fees. This is included in Due to the City on the statement of net position.

In August 2024, the Authority transferred the Bon Secours Training Center to the City. As a result of the transfer of the property, all associated leases were assumed by the City. The Authority reported a loss for the contributed capital of \$2,835,048 the statement of revenues, expenses and changes in net position.

Note 13 – Risk Management

The Authority is exposed to various risks of loss related to toolts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all of these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past five fiscal years.

Note 14 - Recoverable Grant Payable

Amounts noted as recoverable grants payable are amounts payable to the City of Richmond. In prior years, funds were received from the City and were used for developing the Leigh Street and Stone Brewing projects. Funds must be paid back to the City in an amount equal to the initial outlay at the conclusion of the project. There have been no agreements or terms developed by the Authority or the City regarding repayment of the Leigh Street Fund grant payable. During 2017, the terms of the Stone Brewing project grant payable were determined and are as follows:

Recoverable grant payable to the City of Richmond of \$23,000,000 due in annual installments of varying amounts and at various interest rates through June 1, 2041; interest payable semi-annually at rates ranging from 3% to 4%.

\$ 16,860,000

Activity in long-term recoverable grants payable for fiscal year 2025 follows:

Balance at Heading July 1, 2024		Issued	Retired	Balance June 30, 2025		Amount Due Within One Year	
\$ 6,000,000	\$	-	\$ (6,000,000)	\$	-	\$	-
17,635,000		-	(775,000)	16,860,000			795,000
\$ 23,635,000	\$	-	\$ (6,775,000)	\$16,8	60,000	\$	795,000
	July 1, 2024 \$ 6,000,000 17,635,000	July 1, 2024 \$ 6,000,000 \$ 17,635,000	July 1, 2024 Issued \$ 6,000,000 \$ - 17,635,000 -	July 1, 2024 Issued Retired \$ 6,000,000 \$ - \$ (6,000,000) 17,635,000 - (775,000)	July 1, 2024 Issued Retired June 3 \$ 6,000,000 \$ - \$ (6,000,000) \$ 17,635,000 - (775,000) 16,8	July 1, 2024 Issued Retired June 30, 2025 \$ 6,000,000 \$ - \$ (6,000,000) \$ - 17,635,000 - (775,000) 16,860,000	Balance at July 1, 2024 Issued Retired June 30, 2025 \$ 6,000,000 \$ - \$ (6,000,000) \$ - \$ - 17,635,000 - (775,000) 16,860,000

The recoverable grant payable for developing the Leigh Street project of the \$6,000,000 was forgiven by the City with the transfer of the Bon Secours Training Facility in August 2024.

Notes to Financial Statements June 30, 2025

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending	
June 30,	Principal Interest Total
2026	\$ 795,000 \$ 642,462 \$ 1,437,462
2027	820,000 617,619 1,437,619
2028	850,000 590,969 1,440,969
2029	875,000 562,069 1,437,069
2030	905,000 531,444 1,436,444
2031-2035	5,070,000 2,124,400 < 7,194,400 \
2036-2040	6,160,000 1,035,600 7,195,600
2041	1,385,000 55,400 1,440,400
	\$ 16,860,000 \$ 6,159,963 \$ 23,019,963

Note 15 - Bonds Payable

On June 20, 2024, the Authority issued revenue bonds for \$33,745,000 to finance the construction of public infrastructure within the Diamond District. Interest on the bonds is payable June 1 and December 1 commencing on December 1, 2024. Interest is computed on the basis of a year of 360 days and twelve 30-day months. Interest rates are 4%-5%.

		_		/ /			
	June 30		Principal	/ (Interest	<u></u>	Total
$\sqrt{20}$)26	\$	-	\$	1,625,450/	\$	1,625,450
20)27		1,375,000		1,625,450		3,000,450
20)28		1,435,000		1,556,700		2,991,700
\20)29\		1,510,000		1,484,950		2,994,950
20)30		1,585,000		1,409,450		2,994,450
20	31-2035		9,185,000		5,777,500		14,962,500
/ / 20	36-2040	\	3,285,000	>	3,855,250		7,140,250
/ 20)41-2045		2,635,000		3,300,000		5,935,000
20)46-2050	^	<i>4</i>),41⁄0,000		2,475,750		6,885,750
20)51-2055	\mathcal{I}	6,660,000		1,331,800		7,991,800
\ \ 20)56		1,665,000		83,250	_	1,748,250
		<u></u>	33,745,000	\$	24,525,550	\$	58,271,550
1	/ / ∨						

Payment of principal and premium, if any, and interest on the bonds are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the City for such purposes under the Cooperation Agreement, solely from the revenues on the stadium leases upon commencement of the lease and receipts derived from the City.

Compliance Section



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors and Management of Economic Development Authority of the City of Richmond, Virginia (A Component Unit of the City of Richmond, Virginia) Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Board, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, business-type activities and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the "Authority"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated ENTER DATE.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet/important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as Items 2025-001 and 2025-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

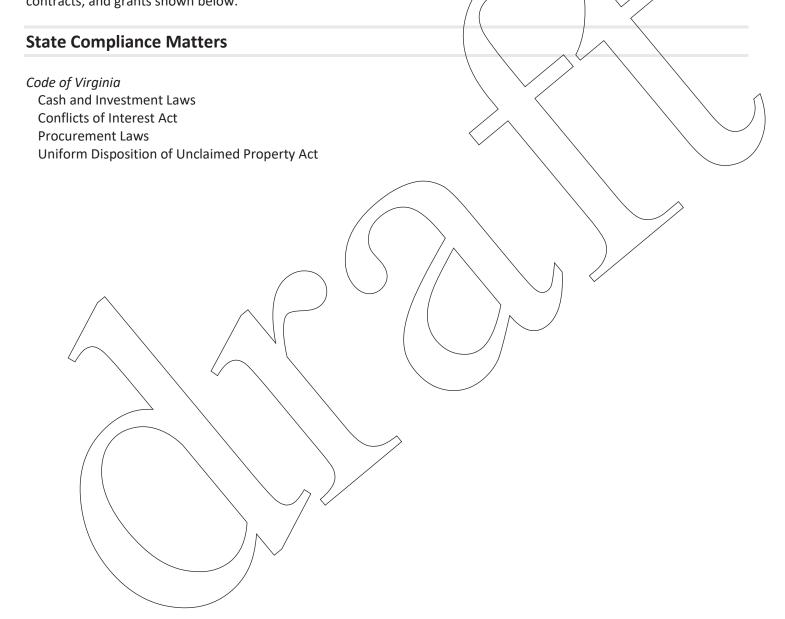
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Summary of Compliance MattersJune 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, we performed tests of the Authority's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.



Schedule of Findings and Responses June 30, 2025

A – Summary of Auditor's Results

- 1. The auditor's report expresses an unmodified opinion on the financial statements.
- 2. No significant deficiencies and two material weaknesses relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
- 3. No instances of noncompliance material to the financial statements were disclosed.

B – Findings – Financial Statement Audit

2025-001 – Material Adjusting Journal Entries on Operating Fund (Material Weakness in Internal Control over Financial Reporting)

Condition and Criteria As part of the audit, we proposed multiple significant adjustments related to the Diamond District project reported in the Operating Fund. These are reviewed and approved by management; however, we believe that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Effect Financial statements and related disclosures prepared on a generally accepted accounting principles (GAAP) and Governmental Accounting/Standards Board (GASB) basis may be misstated by an amount that is more than inconsequential.

Cause Due to the small size of the Authority, there is a limited accounting staff with the background needed in governmental accounting to assist with the majority of the audit adjustments posted.

Recommendation We recommend that material transactions for the Diamond District project be thoroughly reviewed by management and a member of the Board who has a background in financial reporting. We also recommend that management meet regularly with the auditors to keep up to date on changes in GAAP and GASB and continue to review the draft GAAP and GASB compliant financial statements and related disclosures prior to issuance.

<u>View of Responsible Officials</u> Management is pleased that there were no noted issues with the overall policy, processes, and Planned Corrective and practices with Diamond District requisitions. To ensure compliance with GAAP and GASB Action accounting principles, management agrees with the auditors' recommendation that material transactions for the Diamond District be reviewed by management and a member of the Board with an accounting background to ensure that transactions are correctly recorded. In FY 2026, management will seek accounting services from a firm with a background in government accounting.

> In FY 2025, in accordance with recommendations from previous audits, management and a member of the EDA Board began holding quarterly meetings with Brown Edwards to discuss the acquisition or disposition of real estate, the receipt or disbursement of city, state, or federal funds, and non-standard transactions. In FY 2026, management will continue this practice.

Schedule of Findings and Responses June 30, 2025

2025-002 – Material Adjusting Journal Entries on Loan Fund (Material Weakness in Internal Control over Financial Reporting)

- Condition and Criteria

 As part of the audit, we proposed multiple significant adjustments related to the Loan Fund due to loan balances being written off in error. These are reviewed and approved by management; however, we believe that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.
 - <u>Effect</u> Financial statements and related disclosures prepared on a generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) basis may be misstated by an amount that is more than inconsequential.
 - <u>Cause</u> Due to the small size of the Authority, there is a limited accounting staff with the background needed in governmental accounting to assist with the majority of the audit adjustments posted.
 - Recommendation We recommend that material transactions for the Loan Fund be thoroughly reviewed by management and a member of the Board who has a background in financial reporting. We also recommend that management meet regularly with the Board to determine whether a loan balance should be written off.

<u>View of Responsible Officials</u> Management was receptive to auditor recommendations. See attached Corrective Action and Planned Corrective Plan.

C - Findings - Commonwealth of Virginia

Action

None noted.

D – Status of Prior Year Financial Statement Audit Findings

2024-001 - Material Adjusting Journal Entries (Significant Deficiency in Internal Control over Financial Reporting)

Condition As part of the audit, we proposed multiple significant adjustments related to various balances within the Leigh Street and Operating Funds. These are reviewed and approved by management; however, we believe that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

Recommendation We recommend that material transactions be thoroughly reviewed by management and a member of the Board who has a background in financial reporting. We also recommend that management meet regularly with the auditors to keep up to date on changes in GAAP and continue to review the draft GAAP financial statements and related disclosures prior to issuance.

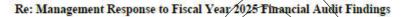
Status This does not appear to have been addressed. See 2025-001 and 2025-002.

Corrective Action Plan June 30, 2025



September 21, 2025

Danielle Nikolaisen, CPA
Partner
Brown, Edwards & Company, L.L.P.
701 Town Center Drive
Suite 700
Newport News, Virginia 23606



Dear Danielle:

Thank you for the work done by Brown, Edwards & Company, D.L.P. audit team on the Economic Development Authority of the City of Richmond, Virginia Fiscal Year 2025 Financial Audit. Below is management's response to findings 2025-01 and 2025-02. Management intends to move forward with the corrective action recommended by the audit team.

2025-01: Management is pleased that there were no noted issues with the overall policy, processes, and practices with Diamond District requisitions. To ensure compliance with GAAR and GASB accounting principles, management agrees with the auditors' recommendation that material transactions for the Diamond District be reviewed by management and a member of the Board with an accounting background to ensure that transactions are correctly recorded. In FY 2026, management will seek accounting services from a firm with a background in government accounting.

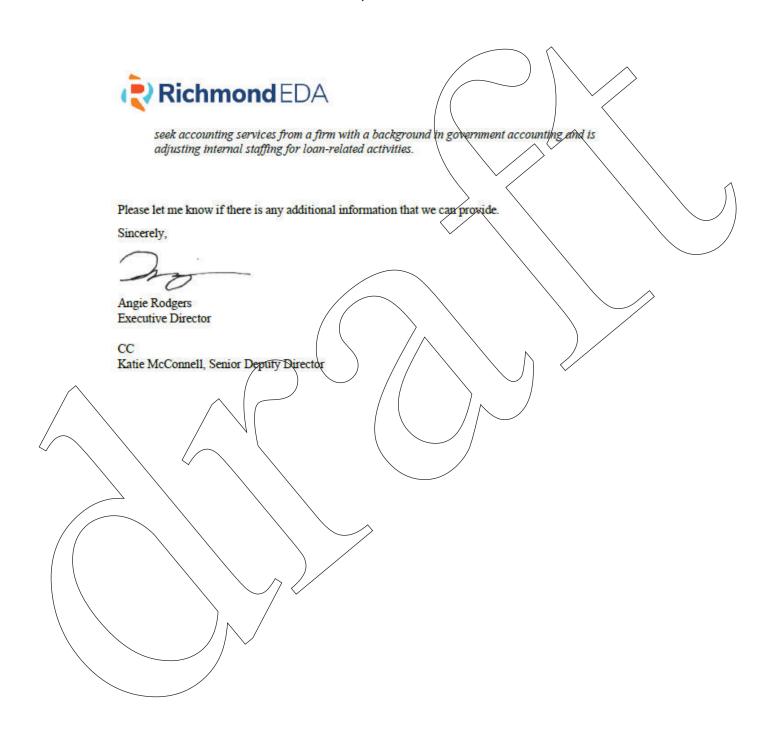
In FY 2025, in accordance with recommendations from previous audits, management and a member of the EDA Board began holding quarterly meetings with Brown Edwards to discuss the acquisition or disposition of real estate, the receipt or disbursement of city, state, or federal funds, and non-standard transactions. In FY 2026, management will continue this practice.

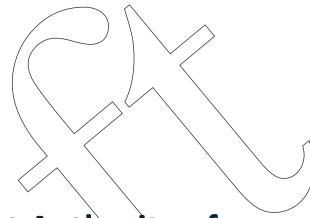
2025-02: Management agrees that material transactions for the Loan Fund be thoroughly reviewed by management and a member of the Board who has a background in financial reporting. We also agree that management meet with the Board to determine whether a loan balance should be written off.

In FY 2025 and early FY 2026, management collaborated with the EDA Loan Committee to identify and hire an external consultant with expertise in small business lending to review the EDA loan portfolio, policies, and practices. This work is underway and is expected to conclude in mid-Q2 FY2026. Additionally, in FY 2026, management will

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Corrective Action Plan June 30, 2025





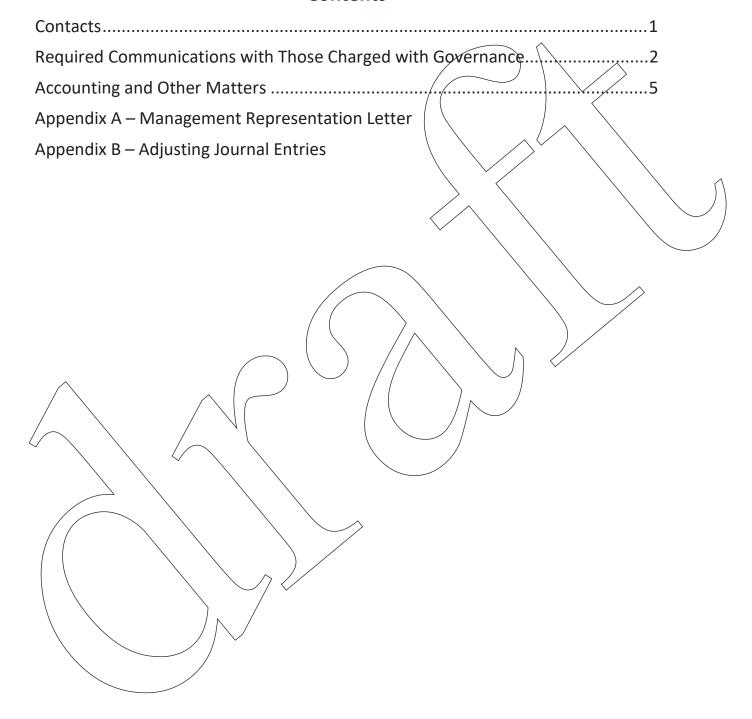
Report to the Board of Directors and Management

June 30, 2025



Economic Development Authority of the City of Richmond, Virginia

Contents





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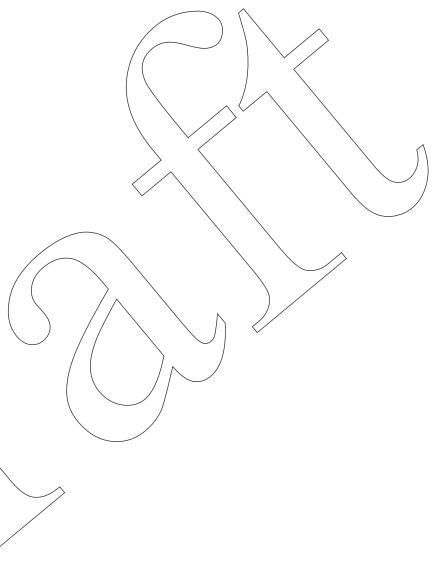
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Manager Brown, Edwards & Company, L.L.P 4951 Lake Brook Drive, Suite 375 Glen Allen, VA 23060 804-518-2373

cturner@BEcpas.com





Required Communication with Those Charged with Governance

To the Board of Directors and Management of Economic Development Authority of the City of Richmond, Virginia (A Component Unit of the City of Richmond, Virginia) Richmond, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia, collectively hereafter referred to as the "Authority" for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 9, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

- The useful lives of capital assets are based on management's knowledge and judgment, which is based on historical usage.
- The allowance for credit losses on loan program receivables are based on an analysis of risk assessments of credit risk of individual borrowers.

We have evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

• The disclosure of commitments and contingencies in Note 9 and the related party transactions disclosures in Note 12 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements and management has corrected certain other misstatements detected as a result of audit procedures as summarized in the attached journal entries (Appendix 8).

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter included in Appendix A.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Economic Development Authority of the City of Richmond, Virginia's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Economic Development Authority of the City of Richmond, Virginia's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis as listed in the Table of Contents, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Economic Development Authority of the City of Richmond, Virginia and is not intended to be, and should not be, used by anyone other than these specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

ENTER DATE

Economic Development Authority of the City of Richmond, Virginia

Accounting and Other Matters

June 30, 2025

New GASB Pronouncements

In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

The GASB issued **Statement No. 103, Financial Reporting Model Improvements** in April 2024. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis: This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items: This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position: This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Economic Development Authority of the City of Richmond, Virginia

Accounting and Other Matters

June 30, 2025

Major Component Unit Information: This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Information: This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

The GASB issued **Statement No. 104**, *Disclosure of Certain Capital Asset* in September 2024. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to peruse the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Economic Development Authority of the City of Richmond, Virginia

Accounting and Other Matters

June 30, 2025

Current GASB Projects

GASB currently has a variety of projects in process. Some of these projects are discussed below.

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government's exposure to severe financial stress is necessary to disclose. This project is currently in the initial deliberations period.

Implementation Guidance Update - 2025. The objective of this project is to update implementation guidance for additional issues that come to the attention of the staff. This project will result in the issuance of an Implementation Guide when sufficient need exists for new or improved guidance and the Board does not object to its issuance. All updates are incorporated into the Codification of Governmental Accounting and Financial Reporting Standards and the Comprehensive Implementation Guide, as appropriate. This project is currently in the preliminary views period.

Infrastructure Assets. The objective of this project is to address issues related to accounting and financial reporting for infrastructure assets. The project would evaluate standards-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government's economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. This project is currently in the preliminary views re-deliberation period.

Revenue and Expense Recognition. The objective of this project is to develop a comprehensive application model for the classification, recognition, and measurement of revenues and expenses. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability. (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. This project is currently in the preliminary views re-deliberations period.

Subsequent Events. The objective of this project is to improve the accounting and financial reporting for subsequent events. The project will reexamine existing requirements related to subsequent events in Statement No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards, to address issues related to (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events. This project is currently in the exposure draft period.

Appendix A **Management Representation Letter**



Client: Engagement: Period Ending: Trial Balance: 1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia 6/30/2025 3240 - TBD EDHLF fund 3210 - Adjusting Journal Entries - EDHLF

Workpaper:

Account		Description	W/P Ref	Debit	Credit
Adjusting Journ To adjust beginni	al Entries JE # 1 ng net position balance to match pr	ior year ending balance.	6030		
39005 42800 Total	Retained Earnings Interest Income			1.00	1.00
					>
					<i>/</i>
					,
4					
/			<i>></i>		
\					

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia Client: Engagement:
Period Ending:

6/30/2025

3210 - TBD CARE loan fund Trial Balance:

3211 - Adjusting Journal Entries - CARE Workpaper:

Account Description W/P Ref Debit Credit

6030

Adjusting Journal Entries

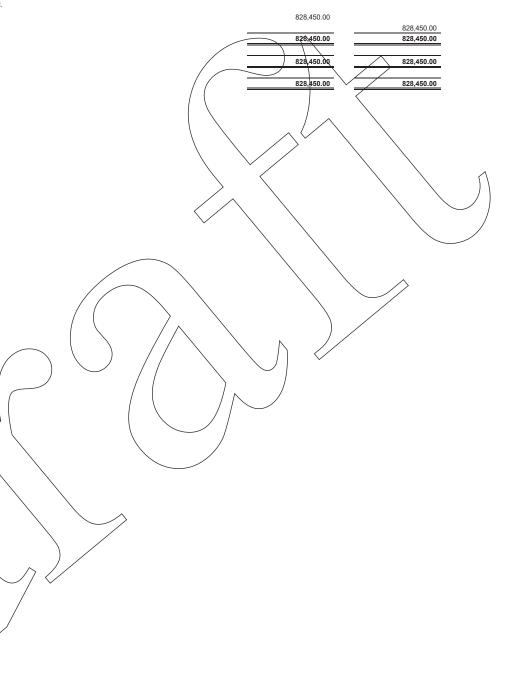
Adjusting Journal Entries JE # 1
Entry to transfer the net position of the CARES Fund to the EDA Operating Fund.

BE02 Intercompany Transfer 39005 Retained Earnings

Total

Total Adjusting Journal Entries

Total All Journal Entries



3215 - TBD CAP Loan Fund Trial Balance: Workpaper: 3212 - Adjusting Journal Entries - CAP Description W/P Ref Debit Account Credit **Adjusting Journal Entries** Adjusting Journal Entries JE # 1 6030 To post prior year entry not posted by the client to get equity to match PY. Retained Earnings 39005 27,222.00 27,222.00 **27,222.00** 14700 Accrued Interst Rec 27,222.00 Total Adjusting Journal Entries JE # 2 4320 To adjust accrued interest during FY25 for CAP. 14700 Accrued Interst Rec 48,964.00 Program Inc - CAP 41400 48,964.00 Total 48,964.00 48,964.00 Adjusting Journal Entries JE # 3 4315 To reverse the write-off of the CAP loan fund that was sent to collections, as they do expect to hopefully collect this money. 19200 Note Receivable-CAP 69,819.00 61500 Bad Debt Expense 69,819.00 Total 69,819.00 69,819.00 Adjusting Journal Entries JE # 4 4316 To adjust allowance for doubtful accounts for the CAP loan fund. 61500 Bad Debt Expense 34,909.00 19900 Allowance for Doubtful Acct 34,909,00 34,909.00 Total 34,909.00 180,914.00 **Total Adjusting Journal Entries** 180,914.00 180,914.00 Total All Journal Entries 180,914.00

1600008.000 - Economic Development Authority of the City of Richmond, Virginia

25 AUD - Economic Development Authority of the City of Richmond, Virginia

Client:

Engagement:

Period Ending:

6/30/2025

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia Client: Engagement:
Period Ending:

6/30/2025 3220 - TBD EZIL Loan fund Trial Balance:

3213 - Adjusting Journal Entries - EZIL Workpaper:

Account Description W/P Ref Debit Credit

Adjusting Journal Entries

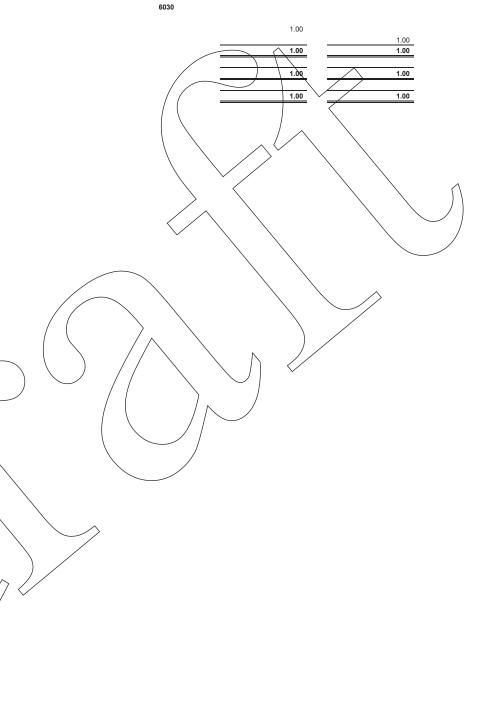
Adjusting Journal Entries JE # 1
To adjust beginning net position balance to match prior year ending balance.

40800 Interest Income 39005 Retained Earnings

Total

Total Adjusting Journal Entries

Total All Journal Entries



Engagement: Period Ending: Trial Balance: 3230 - TBD Citywide Revolving Loan Fund 3214 - Adjusting Journal Entries - CRLP Workpaper: Account Description W/P Ref Debit Credit Adjusting Journal Entries
Adjusting Journal Entries J # #1
To post prior year entry not posted by the client to get equity to match PY.
39005 Retained Earnings 6030 39005 11600 46,509.00 46,509.00 Accrued Interest Total 46,509.00 46,509.00 Adjusting Journal Entries JE # 2
To adjust the accrued interest booked in bad debt expense.

11600 Accrued Interest
60700 Bad debt expense 4320 154,893.00 154.893.00 154,893.00 154,893.00 Adjusting Journal Entries JE # 3
To reverse the write-off of the Citywide Revolving Loan Fund loans that were sent to collections, as they do expect to hopefully collect this money. (Normad Dell, Williams Windows, MSI Interiors, & Max Holdings).

19200 Note Receivable-CWRLF

11500.15000 Allowance for Doubtful Account 4315 667,225.00 62,731.00 11500.15000 60700 Allowance for Doubtful Account Bad debt expense 250,000.00 30,000.00 60700 Bad debt expense 187,225.00 60700 Bad debt expense 667,225.00 667,225.00 Adjusting Journal Entries JE # 4
To adjust allowance for doubtful accounts for the CWRLF. 4316 60700 11500.15000 Bad debt expense Allowance for Doubtful Account 21,685.00 21,685.00 Total 21,685.00 21,685.00 Adjusting Journal Entries JE # 5
To adjust accrued interest for the CityWide loan fund.

11600 Accrued Interest 4320 12,124.00 60700 Bad debt expense 12.124.00 12,124.00 12,124.00 902,436.00 Total Adjusting Journal Entries 902,436.00 Total All Journal Entries 902,436.00 902,436.00

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia

6/30/2025

Engagement: Period Ending: Trial Balance: 6/30/2025 3510 - TBD EDA Operating fund 3520 - Adjusting Journal Entries - EDA Operations Workpaper: Account W/P Ref Debit Credit Adjusting Journal Entries
Adjusting Journal Entries U# 2
To capitalize expenses paid to the Navigator Baseball LLC that were expensed in error. 4940 20-18100.2 Stadium Build in Process
20-61100 Diamond district project costs 949.911.00 949,911.00 949,911.00 949,911.00 Adjusting Journal Entries JE # 5 4940 To adjust the gain on sales for expenses that should have been capitalized for Phase 1A property owned by the Authrity until the sale in March 2025. 20-43300 20-61100 Gain (Loss) on Sale Diamond district project costs 1.366.707.00 1,366,707.00 Total 1,366,707.00 Adjusting Journal Entries JE # 7
To capitalize the expense and payable related to June 2025 expenses included in the reimbursement request the EDA received in July 2025 and record the associated revenue and blanace owed from the City.
20-112000 Due from City of Richmond
20-18100.2 Stadium Build in Process
20-2027000 Accounted Teachilds Adjusting Journal Entries JE # 7 4944 6 804 467 00 6,804,467.00 6,804,467.00 20-27000 Accounts Payable Contribution-Stadium Bonds 20-41312 6.804.467.00 13,608,934.00 13,608,934.00 Adjusting Journal Entries JE # 8 4943 Entry to recognize the funds received from the City as revenue to reimburse the EDA for prior year stadium costs. Stadium Build in Process 2.495.136.00 20-18100.2 20-41312 Contribution-Stadium Bonds 2.495.136.00 2,495,136.00 2,495,136.00 Adjusting Journal Entries JE #9
To reverse the write-off of the CARES loan fund that was sent to collections, as they do expect to hopefully collect this money. 4315 Notes Receivables (CARES) 23,653.00 23,653.08 20-61300 Uncollectible receivabl 23,653.00 23,653.00 Adjusting Journal Entries JE # 10 4316 To adjust the allowance for doubtful accounts for the remaining CARES notes receivable.

20-61300 Uncollectible receivabl 12,135.80 Allowance on Notes Receivable (CARES) 20-BE28 12,135.00 12,135.00 12,135.00 Adjusting Journal Entries JE # 11 4326 To adjust accrued interest for the CARES loan fund. 20-BE29 Accrued Interest Receivable (CARES) 10,971.00 10,971.00 20-43200 Program income 10,971,00 Adjusting Journal Entries JE # 12 To accrue interest not recorded at 6/30. PF14 8 - Tab 30 185 454 00 20-63400 Interest Expense 20-BE07 135,454.00 135,454.00 Adjusting Journal Entries JE #13 To adjust the transfer in on the EDA Op purposes. 20-64900 2.00 20-39002 Intercompany Transfer 2.00 2.00 2.00 Total Adjusting 18,602,903.00 18,602,903.00 18,602,903.00 18,602,903.00 Total All Journal Ent

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia 6/30/2025 3515 - TBD Leigh St Enterprise Fund 3525 - Adjusting Journal Entries Report - Leigh St Client: Engagement:
Period Ending:
Trial Balance:

Workpaper:

workpaper.	5525 - Adjusting Journal Entires Report - Leigh St			
Account	Description	W/P Ref	Debit	Credit
Adjusting Journa To adjust accumul	Il Entries JE # 1 ated depreciation to actual for financial statement preparation purposes.	4630		
30-17000 30-15000 Total	Accumulated Depreciation Furniture and Fixtures		10.00	10.00 10.00
i otai Adjusting Journa	I Entries JE # 2	7311	10.00	10.00
To offset the costs	of irrigation repairs against the loss on the transfer of the training center.			
30-48000 30-68400 Total	Gain/Loss disposal assets Grounds Maintenance		9,466.00	9,466.00 9,466.00
Adjusting Journa To move the balar	Il Entries JE # 3 Ice owed from the City out of A/R to Due to/from City.	4325		
BE01 30-11000 Total	Due to/from City of Richmond Accounts Receivable		10,500.00	10,500.00
Adjusting Journa To reflect the PY b	Il Entries JE # 4 Relatives JE # 6 Relatives JE # 7	7136		
at 6/30/25. 30-40000	Event Income		25,115.00	
BE01 BE01 Total	Due to/from City of Richmond Due to/from City of Richmond		25,115,00	1,115.00 24,000.00 25,115.00
Adjusting Journa	I Entrino IE # E	7135a		
To record the reve	nue and receivable owed from the City for the ACI Construction event held in July 2024 at the	71334		
training facility. BE01	Due to/from City of Richmond		3,500.00	0.500.00
30-40000 Total	Event Income		3,500.00	3,500.00 3,500.00
\				

1600008.000 - Economic Development Authority of the City of Richmond, Virginia 25 AUD - Economic Development Authority of the City of Richmond, Virginia 6/30/2025 3520 - TBD Stone Brewery Enterprise Fund 3530 - Adjusting Journal Entries - Stone Report

Client: Engagement: Period Ending: Trial Balance: Workpaper:

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE o recognize the interest for th	# 3 e July 2025 payment received in FY25.	4930 & 4931		
40-19000.2 Current F 40-43000 Interest optal	Portion Unearned int on Capital Lease		90,120.00	90,120.00
				\wedge
		$\hat{\nearrow}$		



INTRODUCED: June 23, 2025

AN ORDINANCE No. 2025-160

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, VPM Media Corporation, and the Economic Development Authority of the City of Richmond for the purpose of providing performance grants to VPM Media Corporation to establish, equip, and operate a new headquarters located at 13 East Broad Street in the city of Richmond.

Patron – Mayor Avula

Approved as to form and legality by the City Attorney

PUBLIC HEARING: JUL 28 2025 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Performance Agreement between the City of Richmond, VPM Media Corporation, and the Economic Development Authority of the City of Richmond for the purpose of providing performance grants to VPM Media Corporation to establish, equip, and operate a new headquarters located at 13 East Broad Street in the city of Richmond. The Performance Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

AYES:	9	NOES:	0	ABSTAIN:	
ADOPTED:	JUL 28 2025	REJECTED:		STRICKEN:	

§ 2. This ordinance shall be in force and effect upon adoption.

A TRUE COPY: TESTE:

City Clerk

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: March 19, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Sabrina Joy-Hogg, Interim Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer

FROM: Katie McConnell, Deputy Director, Department of Economic Development

RE: VPM Economic Development Performance Agreement

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, VPM Media Corporation, and the Economic Development Authority of the City of Richmond for the purpose of providing performance grants to VPM Media Corporation to establish, equip, and operate a new headquarters at 13 East Broad Street in the city of Richmond.

BACKGROUND: In June 2023, VPM, Virginia's home for public media, announced that it chose downtown Richmond to build its new headquarters. The project broke ground in August 2024, and when complete, it will bring several economic and community development benefits to the City. The project will:

- Create at least 70 new jobs;
- Involve at least \$65 million in capital investment to build the five-story, 53,700 square feet headquarters on a parcel that was formerly a surface parking lot;

• Feature a state-of-the-art, street-level studio and new storefront-style space fronting Grace

Street that will provide street-level activation and placemaking benefits along a key

commercial corridor; and

• Serve as a venue for cultural, historical, and educational events in the City in cooperation

with city-based organizations.

To encourage VPM's investment in downtown Richmond, the City, through the Economic

Development Authority, offered an annual economic development performance grant equal to

VPM's annual business tangible personal property tax levy for a grant period of up to 20 years. To

receive full payment of its annual grant, VPM must make complete and timely payment of its

tangible personal property tax levy and have achieved its capital investment and new job targets,

as laid out in the performance agreement.

STRATEGIC INITATIVES AND OTHER GOVERNMENTAL: The attraction of a corporate

headquarters and the redevelopment of underutilized commercial property aligns with the

initiatives laid out in the City's adopted Strategic Plan for Equitable Economic Development

(SPEED). The development of high-quality commercial space, with street-level activation, in

Downtown Richmond aligns with the Richmond 300.

FISCAL IMPACT: The incentive leverages a portion of new, incremental taxes and does not

involve any existing city revenue. The actual grant payment is dependent on the company's annual

business tangible personal property taxes. The first-year grant is estimated to be between

\$270,000-\$300,000 and is anticipated to be disbursed in FY27. After taking into account grant

disbursements, the project is projected to generate an estimated \$2.5 million in net new direct

revenue over 10 years.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: June 9, 2025

CITY COUNCIL PUBLIC HEARING DATE: June 23, 025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing

Committee

AFFECTED AGENCIES: Department of Economic Development, the Department of Budget

and Strategic Planning, and the Department of Finance

ATTACHMENTS: Performance Agreement

STAFF: Matthew Welch, Acting Director, Department of Economic Development Katie McConnell, Senior Deputy Director, Department of Economic Development

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the "Agreement") made and entered this day of ______, 2025, by and among the **CITY OF RICHMOND, VIRGINIA** (the "City"), a municipal corporation of the Commonwealth of Virginia; **VPM MEDIA CORPORATION**, a Virginia nonstock corporation, authorized to transact business in the Commonwealth of Virginia (the "Recipient"); and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth.

RECITALS

WHEREAS, the Recipient is one of the premier media outlets serving Central Virginia and the Shenandoah Valley, connecting nearly two million people to insightful programming in arts and culture, history, science, news, and education as well as developing TV and radio content for local and national audiences.

WHEREAS, as a vital partner for families, caregivers, and educators of the Commonwealth's children, the Recipient offers free access to PBS KIDS content, bespoke educational content through the Science Matters initiative, plus local events and outreach.

WHEREAS, the Recipient's facilities host many community engagement opportunities for children and families throughout the Richmond region delivering educational and cultural content.

WHEREAS, the Recipient intends to establish, equip, and operate a new headquarters in the city of Richmond, to be located in the historic Arts District at 13 East Broad Street (Tax Map Parcel No. W0000084006) (the "Facility"), thereby making a significant Capital Investment and creating and Maintaining a significant number of New Jobs, as such capitalized terms are hereinafter defined.

WHEREAS, the Recipient is the parent of the Virginia Foundation for Public Media ("Foundation"). The Foundation was created in 2017 to hold assets from the sale of broadcast spectrum and supports the Recipient's mission. In 2023, the Recipient and the Foundation formed 13-17 East Broad Street LLC ("LLC") to hold title to the real estate for the Facility. The Foundation and the LLC are the Recipient's affiliates ("Affiliates").

WHEREAS, the establishing, equipping, and operating the Facility will entail a Capital Investment of at least \$65,000,000 and the creation of at least 70 New Jobs in the city of Richmond.

WHEREAS, the City and the Authority have determined that the Recipient will promote economic development in downtown Richmond; result in substantial benefits to the welfare of the city and its inhabitants; is in the public interest; and serves governmental interests, including but not limited to an increase in real estate tax receipts and job creation.

WHEREAS, the City and the Authority have determined to provide certain monetary incentives to assist the Recipient in locating its headquarters in the City.

WHEREAS, the City is willing to provide the funds to the Authority with the expectation that the Authority will provide the funds to or for the use of the Recipient, provided that the Recipient meets certain criteria relating to the Capital Investment and the New Jobs in accordance with the terms and conditions of this Agreement.

WHEREAS, the stimulation of additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitute a valid public purpose for the expenditure of public funds.

WHEREAS, the City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement.

WHEREAS, this Agreement sets forth the understanding of the parties concerning the payment of the monetary incentive, subject to the approval of the Authority's Board of Directors and the Richmond City Council.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

Section 1. <u>Definitions</u>.

For the purposes of this Agreement, the following terms shall have the following definitions:

"Capital Investment" means a capital expenditure by or on behalf of the Recipient in locally taxable real property, Tangible Personal Property, or both, at the Facility. The purchase or lease of machinery and tools or furniture, fixtures, and business personal property, including under an operating lease, and expected building renovation, improvement, and upfit by or on behalf of the Recipient will qualify as Capital Investment.

"Facility" is defined in the Recitals.

"Facility Completion Date" means the date upon which a final certificate of occupancy is issued for the Facility.

"Grant Payment" means an amount equal to the amount of the Tangible Personal Property Tax Levy paid by the Recipient for such corresponding tangible personal property tax year.

"Grant Payment Request" means a written request for a grant payment, which shall include (1) documentation showing its full payment of the Tangible Personal Property Tax Levy to the City in full and on time (except as provided in Section 3.4 below), and (2) the amount of the requested Grant Payment.

"Grant Period" means that certain period commencing upon the Facility Completion Date and ending on the last day of the twentieth (20th) tangible personal property tax year following the Facility Completion Date.

"Maintain" means that the New Jobs continued without interruption from the date of creation of each New Job through the end of the Grant Period. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Recipient's employment levels (so long as there is active recruitment for open positions) and (ii) other temporary work stoppages.

"New Jobs" means new permanent full-time employment of an indefinite duration created in the City, based at the Facility, for which the standard fringe benefits are provided by the Recipient for the employee, and for which the Recipient pays an average annual wage of at least \$60,000_. Each New Job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the Recipient's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions and positions with construction contractors, vendors, suppliers and similar multiplier, ancillary or spin-off jobs shall not qualify as New Jobs.

"Tangible Personal Property" means all personal property at the Facility not classified as intangible personal property, merchants capital, or daily rental property as defined by Code of Virginia §§ 58.1-1100 and 58.1-3510, as the same may be from time to time amended, and taxable by the City of Richmond, Virginia.

"Tangible Personal Property Tax Levy" means the amount of taxes levied by the City for a given tax year, pursuant to Chapter 26 of the Code for the City of Richmond, or as it may be amended ("City Code"), on Recipient's Tangible Personal Property at the Facility.

Section 2. Targets.

- **2.1 Capital Investment Target.** The Recipient shall make, or cause to be made, a minimum Capital Investment at the Facility of \$65,000,000 by the Facility Completion Date.
- **2.2 New Jobs Target.** The Recipient shall create at least 70 New Jobs by the first Grant Payment Request and shall Maintain at least 70 New Jobs through the Grant Period.

Section 3. Disbursement of Grant.

- **3.1 Grant.** During the Grant Period, the City shall pay to Recipient, through the Authority, the Grant Payment for such tangible personal property tax year subject to the provisions of this Section 3.
- **3.2. Grant Payment Request.** For each tangible personal property tax year of the Grant Period, and within sixty (60) days of paying its Tangible Personal Property Tax Levy, the Recipient will submit a Grant Payment Request to the City's Chief Administrative Officer, with copies to the Department of Economic Development, the Authority, and the Office of the City Attorney at the respective addresses set forth in Section 8.
- **3.3.** Certification of Capital Investment and New Job Targets. With each Grant Payment Request, the Recipient shall provide, at the Recipient's expense, certification of the achievement of the Capital Investment Target (as set forth in section 2.1) and New Jobs Target (as set forth in

- Section 2.2), on the Annual Report form attached hereto as Exhibit A, together with supporting documentation reasonably satisfactory to the City to detail such Capital Investment and New Job creation and Maintenance.
- **3.4. Disbursement of Grant Payment**. Upon receipt of a Grant Payment Request, the City shall review the accuracy of the request. The City shall not make a Grant Payment if the Recipient did not make full and timely payment of the Tangible Personal Property Tax Levy (except when Recipient (i) makes full payment within 60 days after the date such payment was due to the City and (ii) pays all penalties and interest for such late payment in accordance with any applicable provisions of the Richmond City Code) and shall not make a Grant Payment if Recipient is delinquent in payment of any other taxes levied by the City for the Facility (except when all penalties and interest for such late payment have been paid in accordance with any applicable provision of the Richmond City Code). Within fifteen (15) business days of receipt of a Grant Payment Request, the City shall notify Recipient either that (1) the City denies the request and will not make a Grant Payment for the foregoing reasons, (2) the City approves the request and intends to make a Grant Payment in the amount requested, or (3) the City approves making a payment to Recipient but in a different amount than the amount requested because the amount requested is inconsistent with this Agreement, in which case the City shall indicate the correct Grant Payment amount it intends to make. Notwithstanding the foregoing, the City's failure to respond within fifteen (15) business days shall not constitute approval of a requested Grant Payment and the Recipient shall not be entitled to any such payment due solely to the City's failure to timely respond. Subject to any necessary City Council action, including any necessary budget amendment or appropriation of funds, the City agrees to transfer the funds for any approved Grant Payment to the Authority within fifteen (15) business days of the City's approval of such Grant Payment or no later than July 10 of the corresponding calendar year, whichever is later. The Authority agrees to pay the Grant Payment to the Recipient within fifteen (15) business days of receipt of the funds from the City.
- 3.5 Partial Disbursement of Grant Payment. If the Recipient fails to achieve the Capital Investment Target and achieve and Maintain the New Jobs Target by the date of a Grant Payment Request during the Grant Period, the corresponding Grant Payment shall be reduced in proportion to the shortfall. For the purposes of calculating a partial disbursement of the Grant Payment resulting from a shortfall, one half of the Grant Payment shall be allocated to the Capital Investment Target and one half of the Grant Payment shall be allocated to the New Jobs Target.
- **3.6 Recipient Projections.** To support annual budgeting processes and efficient grant administration by the City and the Authority, the Recipient agrees:
- (a) To provide the City and the Authority with a detailed update on the progress of Facility completion twelve (12) months prior to the anticipated Facility Completion Date and again three (3) months prior the anticipated Facility Completion Date.
- (b) To provide the City and the Authority with an annual projection of its upcoming Tangible Personal Property Tax liability by October 1 of each year during the Grant Period.

Section 4. Administration of Grant.

- **4.1** The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under the Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.
- **4.2** The Authority's obligation to undertake the activities herein is specially 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.
- **4.3** The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement and will keep the Chief Administrative Officer fully and timely informed of all matters related to the Agreement.
- **4.4** The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a project fund, to be used only to satisfy the obligations contained in this Agreement related to the Grant.
- **4.5** It is the intent of the parties not to impose upon the Authority any responsibility, duty or obligation other than what may be required to implement the Grant. Accordingly, Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer.
- **4.6** The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or a designee thereof may at any time audit the financial transactions undertaken under this Agreement.
- **4.7** The Authority shall not be required to furnish the City with surety.

Section 5 Covenants of Recipient.

- **5.1 VPM Media Community Commitments.** To ensure the Facility provides significant opportunities to enhance community development and results in public benefits in the immediate neighborhood, Recipient agrees to:
- (a) Make at least 50 parking spaces at the Facility available for hourly, daily, and/or monthly rental or use by the general public for no greater than the market rate in the surrounding area.
- (b) Construct storefront-style space within the Facility along the Grace Street frontage to enhance the vibrancy of this important commercial corridor.
- (c) Add street lighting, cameras, and other technology on both the Broad Street and Grace Street frontages to enhance public safety and security in the neighborhood.
 - (d) Provide or cause the creation or display of public-facing art at or from the Facility.

- (e) Develop the Facility to LEED Silver standard to complement City environmental stewardship efforts.
- (f) Provide on-site publicly accessible bike storage and facilitate other efforts to complement multi-modal transportation programs for employees and visitors.
- **5.2 VPM Media Partnership Opportunities.** In recognition of its educational and cultural mission, the Recipient acknowledges its intent to support a variety of activities to advance community knowledge of public affairs, and childhood education efforts, which activities may include:
- (a) Enabling use of broadcast (TV, radio, podcast) capabilities and headquarters facilities for City sponsored or facilitated public forums.
- (b) Facilitating sponsored announcements and other communications tools to convey information about City events, public hearings, and community activities.
- (c) Hosting of cultural, historical, and educational events in cooperation with city-based non-profits, museums, and colleges.
- (d) Continuing service as host of the Emergency Broadcast System for the Richmond area to provide community wide alerts on weather and other threats.
 - (e) Community outreach for childhood education in Richmond neighborhoods.
- **5.3 Minority Participation.** The Recipient, in cooperation with its contractor, agrees to exercise good faith efforts to identify and encourage qualified Minority Business Enterprises and Emerging Small Businesses (each as defined in Chapter 21 of the City Code for the City of Richmond) to participate in the bidding process for agreements and contracts related to completion of the Facility.

Section 6. Representations.

- **6.1** The Recipient is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.
- **6.2** Any and all actions necessary to enable the Recipient to enter into this Agreement, and to be bound hereby, have been duly taken.
- 6.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Recipient has or have been duly authorized and empowered to so execute or attest.
- **6.4** The execution of this Agreement on behalf of the Recipient will bind and obligate the Recipient to the extent provided by the terms hereof.
- **6.5** There exists no litigation pending against the Recipient or to the Recipient's actual knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Recipient to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 7 Default.

- **7.1 Events of Default.** Each of the following events (each an "Event of Default") shall be a default hereunder by Recipient:
- (a) Failure by Recipient to maintain its corporate existence or the declaration of bankruptcy by Recipient;
 - (b) The failure of Recipient to comply with Sections 2.1 or 2.2 of this Agreement;
 - (c) The failure of Recipient to comply with Section 5.1 of this Agreement; and
 - (d) The failure of Recipient to pay all taxes levied by the City.
- **7.2 Effect of Event of Default.** In the case of an occurrence of an Event of Default, the Grant Payment provisions of Section 3 shall, at City's option (provided that City may elect to exercise such option only if City is not then in default of its obligations under this Agreement), terminate thirty (30) days after City's notice to Recipient, unless Recipient cures the Event of Default to City's satisfaction within such thirty (30) days, and neither City nor Authority shall have any further obligation relating thereto and Recipient shall no longer be eligible for any Grant Payments hereunder. Notwithstanding the foregoing, Recipient's obligations hereunder will remain in force and effect throughout the Grant Period and City shall be entitled to any remedies available at law and equity, including, but not limited to, specific performance.

Section 8 Notices.

All notices, demands or other communications under this Agreement shall be in writing and shall be sent to each other party, at its address specified below (or such other address as a party may from time to time specify to the other parties by notice given in accordance with this Agreement), and shall be deemed to have been duly given when actually received by the addressee or when served (a) personally; (b) by independent, reputable, overnight commercial carrier; or (c) by deposit in the United States mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

If to the City:

Chief Administrative Officer 900 East Broad Street, 14th Floor Richmond, Virginia 23219

with a copy to:

Department of Economic Development City of Richmond, Virginia 1500 East Main Street, Suite 400 Richmond, Virginia 23219 Attention: Director of Economic Development

and

City Attorney 900 East Broad Street, Suite 400 Richmond, Virginia 23219

If to the Authority:

Economic Development Authority of the City of Richmond, Virginia 1500 East Main Street, Suite 400 Richmond, Virginia 23219 Attention: Chairman

with a copy to:

Economic Development Authority of the City of Richmond, Virginia 1500 East Main Street, Suite 400 Richmond, Virginia 23219 Attention: Executive Director

and

City Attorney 900 East Broad Street, Suite 400 Richmond, Virginia 23219

If to the Recipient (prior to July 1, 2026):

Chief Financial Officer VPM Media Corporation 23 Sesame Street Richmond, Virginia 23235

If to the Recipient (after July 1, 2026):

Chief Financial Officer VPM Media Corporation 13 East Broad Street Richmond, Virginia 23220

Section 9 General Terms and Conditions.

9.1 Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each

of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Performance Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that in no event may this Performance 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 no party shall be obligated to give.

- **9.2 Governing Law; Venue.** This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.
- **9.3 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This Agreement is signed when a party's signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.
- **9.4 Severability.** If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.
- **9.5 Subject-to-Appropriation.** All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval and annual appropriation by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

- **9.6.1 Applicable Law.** The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-3714 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.
- **9.6.2** Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

- **9.7 No Waiver.** Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.
- **9.8 Effective Date of the Agreement.** The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by City Council and by the Authority's Board of Directors.
- **9.9 No Partnership or Joint Venture.** It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.
- **9.10 No Third Party Beneficiaries.** Notwithstanding any other provision of this Agreement, the parties agree that (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Recipient; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Recipient under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.
- **9.11** Attorney's Fees. Each party will bear its own attorney's fees.
- **9.12 Authorization to Act.** The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof and the Chairman of the Economic Development Authority of the City of Richmond, Virginia are authorized to act on behalf of the City and the Authority, respectively, under this Agreement.
- **Assignment.** None of the rights or responsibilities under this Agreement or any related agreement shall be transferred or assigned, including by operation of law without the prior written consent of the other party. Notwithstanding the preceding sentence, Recipient shall have the right, without the consent of any party hereto, to assign its rights and responsibilities under this Agreement to its Affiliates provided that (i) Recipient shall remain liable for the performance of any such assignee of Recipient 's obligations under this Agreement, (ii) Recipient shall provide written notice of such assignment to the City and shall provide a copy of such assignment to the Authority, and (iii) such assignee shall assume in writing all of the obligations of Recipient under this Agreement. In addition, it is anticipated that the actual development of the headquarters site will be undertaken by the LLC and that the LLC will own the headquarters site and lease it to Recipient. As described in Section 1 above, any improvements made directly by the landlord or developer and leased to Recipient shall be counted towards Recipient's Capital Investment obligations.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA a municipal corporation of the Commonwealth of Virginia

	By: Chief Administrative Authorized by Ordina	
Approved as to Form:		
By: Bornell Osleg City Attorney's Office		
	OF THE CITY OF F	LOPMENT AUTHORITY RICHMOND, VIRGINIA, a f the Commonwealth of
	By:Chair	Date
Approved as to Form:		
By:General Counsel to Authority		
	VPM MEDIA C nonstock corpor	CORPORATION, a Virginia ation
	By:	
	Title:	



Exhibit A

ANNUAL REPORT

Grant Recipient:	
Project Address:	
Grant Request Date:	
City Response Date:	
(15 business days from Grant	
Request Date)	

A. Required Attachments

Letter requesting Grant Payment
Documentation showing full payment of Tangible Personal Property Tax Levy
Capital Investment Target supporting documentation
New Jobs Target supporting documentation
Certificate of Occupancy (first Grant Request only)

B. Targets

	Target	Actual	Percent Achieved
New Jobs	70/70		
Capital Investment	\$65,000,000		

C. Grant Payment Calculation

Α	20 Tangible Personal Property Tax Levy	\$
	Grant Payment apportioned to New Jobs Target	
В	(50% of row A prorated by New Jobs Target percent achieved)	\$
	Grant Payment apportioned to Capital Investment Target	
C	(50% of row A prorated by Capital Investment Target percent achieved)	\$
	Total Grant Payment	
D	(row C plus row D)	\$

D.	Section 5. Covenants of Recipient Accomplishments: VPM Media Corporation Community Commitments, VPM Media Corporation Partnership Opportunities, and Minority Participation (Provide details here, add attachments as necessary)
O.F.	ANTE DE CADALNE CEDEVEL CA EVON
GF	RANT RECIPIENT CERTIFICATION:
	ertify that I have examined this report and to the best of my knowledge and belief, it is true, rect, and complete.
Ву	: Signature of Representative
Tit Na Da	de: me:



Diamond District

Richmond City Council
Finance and Economic Development Standing Committee
Presented by Richmond Economic Development Authority

September 17, 2025



Executive Summary

The Diamond District redevelopment remains on schedule across both the CarMax Park stadium and Phase 1A of the mixed-use development. Key construction milestones have been achieved, with strong private investment secured and community benefit programs underway.



Stadium (CarMax Park):

Major structural construction is complete, interior work is well underway, keeping the stadium on track for timely completion.



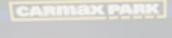
Mixed-Use Phase 1A:

Sitework has begun on infrastructure and roadways serving housing, hotel, and retail, with planning in place to align public infrastructure funding with scope of work.



Community Benefits:

Minority business participation and workforce development programs are active, with community engagement and hiring progress.





Mixed-Use Development – Phase 1A Program



- 161 affordable units + 276 market rate units
- 180-key hotel
- 20,000sf retail
- Trophy office building ~90,000sf (contingent on leases)



- Total \$350.1M (Public Infra \$43.3M, Private \$306.8M)
- ~ \$10M public infrastructure gap identified
- Options: CVTA funds, future CIP funds, scope adjustments with DDP



- Groundbreaking mid-April 2025
- Road B construction 50% complete
- Remaining Phase 1A critical infrastructure and roadway construction to commence mid-September.
- First building structures will go vertical in 2026













Phase 1A

Phase 1A Financing

PUBLICLY FINANCED

• Amount: ~\$166 million

• Acreage: ~20 ACRES

• Scope:

CarMax Park (~10 acres)

Roadways & Infrastructure (~6.3 acres)

• Park & Mews (~2.6 acres)

PRIVATELY FINANCED

Amount: ~\$306.8 million

Acreage: ~12 acres

Scope:

• Gateway Retail (~0.6 acres)

Hotel (~1 acre)

Affordable Housing (~2.5 acres)

Mixed-use Buildings (~7.8 acres)





Stadium (CarMax Park) – Construction & Finance

Progress Highlights

- Steel topping out (April 2025)
- Seating bowl concrete poured, structures in place, suit framing, HVAC installation well underway
- Waterproof "dry-in" anticipated for Sept. 2025
- Substantial completion on track for Feb. 27, 2026

Financial Update

- \$130.4M in stadium bonds issued
- \$77.3M spent (~60%) as of Sept. 2025
- Risk check: still on schedule & budget



CarMax Park 8/25/25 Aerial View



Stadium (CarMax Park) Construction Progress

CarMax Park 10/3/24 Aerial View



CarMax Park 4/2/25 Aerial View



CarMax Park 1/24/25 Aerial View



CarMax Park 6/24/25 Aerial View





Roadways & Infrastructure – Phase 1A

Status: Under Construction

Scope:

- Underground utilities
- 4 new streets
- Raised pedestrian crossings
- Streetlights and street furnishings
- Street trees and plantings
- Signals at Ashe and Hermitage

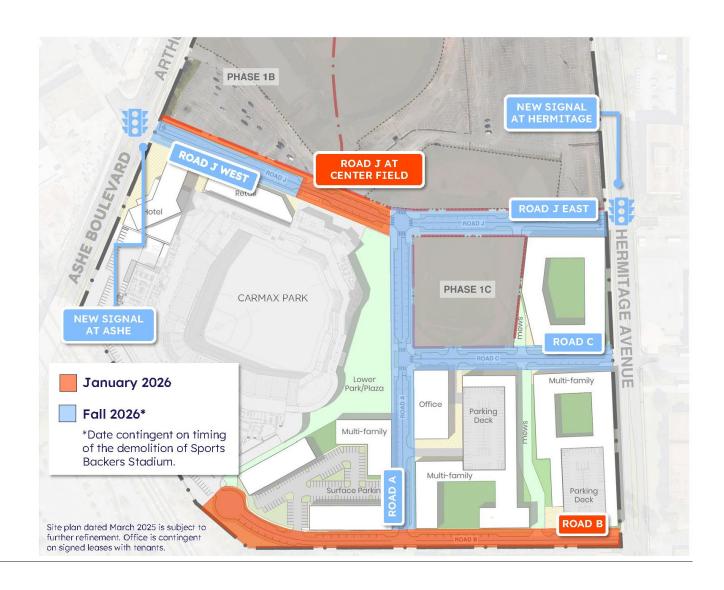
Phased Delivery:

JANUARY 2026

- Road B
- Road J at Center field and northern sidewalk

Fall 2026*

- Signals at Ashe and Hermitage
- Road J from Ashe to Hermitage
- Road A
- Road C





^{*}Date contingent on timing of the demolition of Sports Backers Stadium.

Private Development – Phase 1A

Status: Various

Scope:

• 180-key hotel

• 30,000sf retail

• 730 market-rate units

161 units at 60% AMI

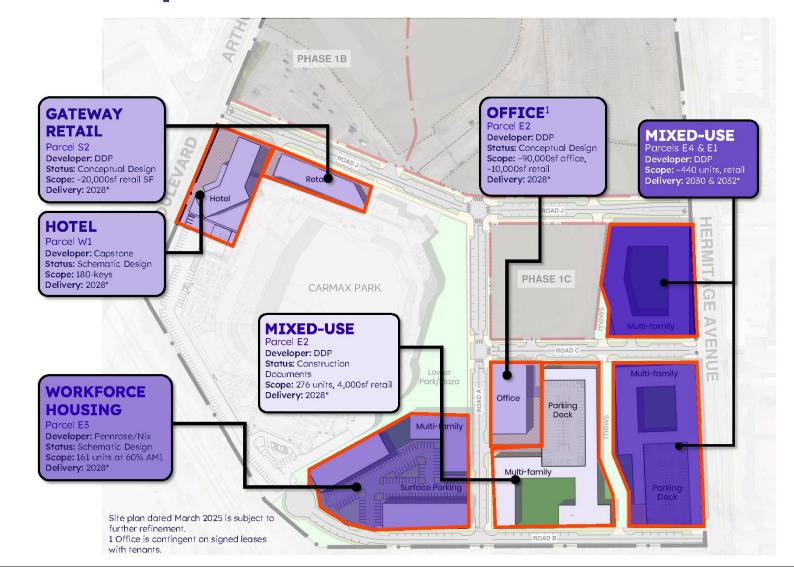
Anticipated Delivery*



2028

2032

*All dates are contingent on the timing of the demolition of Sports Backers Stadium.





Community Amenities – Park & Mews

Status: Design Development

Scope:

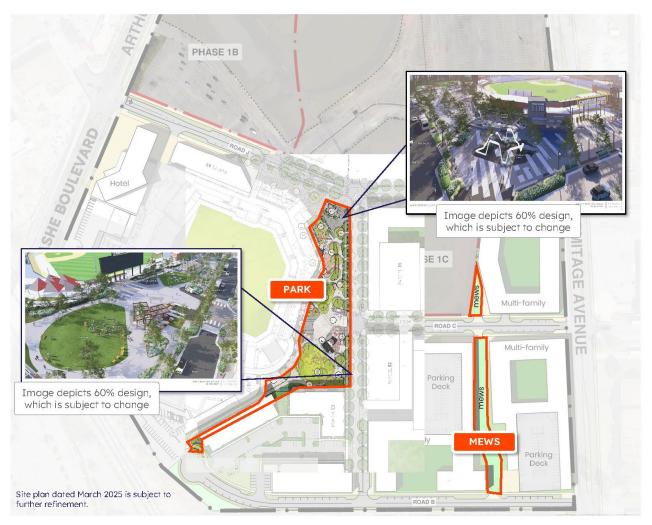
Free park amenity

Usable year-round

- Connectivity to CarMax Park playground and restrooms
- Manage large CarMax Park crowds
- Include shade features and Arthur Ashe Legacy Trail
- Public art

Anticipated Delivery: Summer 2027*

*Date contingent on timing of the demolition of Sports Backers Stadium and availability of funding.





Community Amenities - Stadium (CarMax Park) Solar Array

Dominion Energy Solar Project Highlights

- Dominion executed a 30-year Sublease with the Squirrels as a party of the EDA, and will construct, own, operate, and maintain the solar facility.
- Coined "Squirrels Solar," the new solar array installation includes over 2,000 rooftop panels and five (5) solar-powered carports, producing 1 Megawatt (MW) of carbon-free energy
- Enough power generated at peak output to service 250 Richmond homes or businesses within The Diamond District
- Construction will commence in Q2 2026 after the Squirrels' inaugural season in CarMax Park

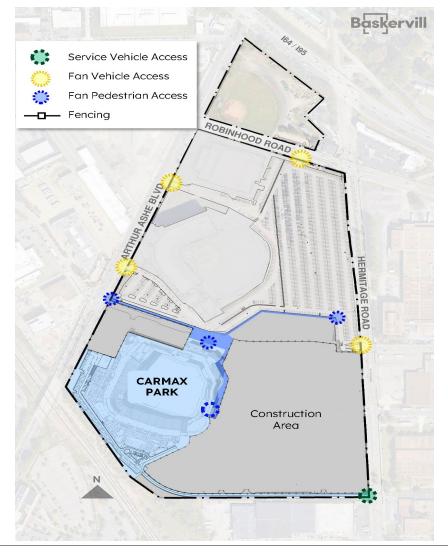




Stadium (CarMax Park) - Opening Day April 7, 2026

Entrance Conditions

- Fans driving to CarMax Park enter via the same access points they use today and park in the same parking lots
- Northern side of Road J West will have sidewalks to enter CarMax Park at Center field





2025 Stadium & Mixed-Use Development Milestones

January - June

July - December

Mixed-Use Phase 1A land closed March 3, 2025

Road B construction began April 10, 2025 CarMax Park Topping Out Ceremony April 17, 2025

DDP active construction on Road B infrastructure

All underground utilities complete to parcel boundary

Remaining roadway & infrastructure construction begins SBS Parcel Acquisition

Phase 1A-2 land disposition to DDP



2026 Stadium & Mixed-Use Development Milestones

January - June

July - December

Road B & Road J Center Field Complete

> CarMax Park Construction completion

CarMax Park Opening Day April 7, 2026

E2 - 276 market-rate units construction starts Capstone hotel component & DDP Office (E2) and retail (S2) construction start

Park & Mews construction starts



MBE Participation Snapshot

Goal: 40% MBE participation (realistic goal is closer to 18%)

Contracts to Date:

- DDP Phase 1A: ~26% awarded to MBEs
- Stadium (CarMax Park): Over \$114M in scheduled value, with
 9.6% going to certified MBE firms

Spend to Date / MBE Utilization:

- DDP Phase 1A: ~39% of soft cost payments directed to MBEs
- Stadium (CarMax Park): ~8% of total spend directed to MBE contractors

Progress:

- DDP Phase 1A: Early contracting and consultant work underway
- Stadium (CarMax Park): ~60% construction complete based on costs

Workforce:

- DDP Phase 1A: Hiring events underway with workforce partnerships in place
- Stadium (CarMax Park): Hiring events drew nearly 400 residents, resulting in 14 local hires



Richmond Disparity Study

According to a 2023 disparity study for the City of Richmond, the market availability of minority business enterprises (MBEs) was found to be 17.93%.

Note: The study, conducted by MGT of America Consulting, examined procurement activity from 2016 through 2021 across various sectors, not specifically for a single stadium project.



Critical Path Items



Filling Public Infrastructure gap of ~\$10M



RVA Performance Fitness Sewer Issue – Resolution between parties reached



Sports Backers Stadium acquisition from VCU



Sports Backers Stadium demolition



