



**Economic Development Authority of the City of Richmond
Special Called Meeting Notice – October 17, 2025**

- WHAT:** The City of Richmond’s Economic Development Authority will hold its **Special Called Meeting**.
- WHEN:** Friday, October 17, 2025, at 11:30 A.M.
- WHERE:** The Special Called Meeting will be an **all-virtual** public meeting.*
- **To access the meeting via Microsoft Teams**, please use the following link:
bit.ly/10172025EDA OR
 - **To dial in by phone**, please call (804) 316-9457, then enter Phone
Conference ID: 390 825 679#
- CONTACT:** Glenna Chung at (804) 646-1507 or RichmondEDA@rva.gov

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

*If the audio or video transmission of the meeting fails, please call or text (804) 763-9354.

Agenda

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND
SPECIAL CALLED MEETING OCTOBER 17, 2025 AGENDA**

- I. Call to Order
 - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. Meeting Minutes
 - A. September 25, 2025 Board Meeting Minutes
- IV. July and August Financial Reports
- V. New Business
 - A. Affordable Housing Performance Grant – ECG Semmes, LP
 - B. Enterprise Zone Cooperation Agreement
 - C. Tourism Development Financing Program
- 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 – November 20, 2025

September Board Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Minutes
Thursday, September 25, 2025

Members present:

John Molster, Vice-Chair
Jared Loiben
Jéron Crooks
Nathan Hughes

Others present:

Lindsey Chase – City of Richmond, City Attorney’s Office
Angie Rodgers – Department of Economic Development
Katie McConnell – Department of Economic Development
Glenna Chung – Department of Economic Development
DJ Mulkey – Department of Economic Development
Tahlia Williams – Department of Economic Development
Lisa Jones – A. G. Reese & Associates
Danielle Nikolaisen – Brown Edwards

Call to Order:

Mr. Molster called the meeting to order at 5:04pm and Ms. Chung started recording.

Public Comments:

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

Approval of Minutes of the Previous Meeting:

Mr. Molster requested the Board to consider a motion to approve the July 24, 2025, Board Meeting Minutes as stated. Mr. Hughes moved to accept the minutes. Mr. Crooks seconded the motion. The motion passed unanimously.

New Business:

Action to appoint Angie Rodgers as Executive Director of the EDA – Mr. John Molster

Ms. Angie Rodgers introduced herself to the EDA Board. She is excited to join the City of Richmond.

Mr. Molster requested the Board to consider a motion to appoint Angie Rodgers as the Executive Director of the EDA through the remainder of Fiscal Year 2026. Mr. Loiben made the motion. Mr. Crooks seconded the motion. The motion passed unanimously.

Action to appoint Angie Rodgers as Secretary of the EDA for remainder of FY 2026 – Mr. John Molster

Mr. Molster requested the Board to consider a motion to appoint Angie Rodgers as Secretary of the EDA through the remainder of Fiscal Year 2026. Mr. Crooks made the motion. Mr. Loiben seconded the motion. The motion passed unanimously.

Affordable Housing Performance Grant – Refuge Apartments, LP – Mr. Merrick Malone

Mr. Molster requested the Board to consider a motion to authorize the Board Chair, or her designee, 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). Mr. Hughes made the motion. Mr. Loiben seconded the motion. The motion passed unanimously.

FY 2025 Audit – Ms. Danielle Nikolaisen

Ms. Nikolaisen shared there was a detailed overview to the EDA Audit and Finance Committee on Monday. She did a brief review over the provided audit findings. The audit opinion is a clean unmodified audit opinion. The focus on this year's audit was on the high-profile activity. They confirmed all transactions with the City.

Ms. Rodgers requested the Board to consider a motion to approve the FY2025 financial audit for the Economic Development Authority of the City of Richmond, Virginia, and to submit the FY2025 financial audit to the City of Richmond for inclusion in the City's FY2025 Annual Comprehensive Financial Report. Mr. Hughes made the motion. Mr. Loiben seconded the motion. The motion passed unanimously.

VPM Performance Agreement – Ms. Katie McConnell

Ms. Rodgers requested the Board to consider a motion to authorize the Board Chair, or her designee, 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. Mr. Crooks made the motion. Mr. Loiben seconded the motion. The motion passed unanimously.

Old Business:

Diamond District Update – Ms. Angie Rodgers

Ms. Rodgers shared this presentation was presented to Council last week. The City was seeking to have a mixed-use stadium district with a quality experience for residents and visitors and that is under way. The stadium is under construction is on track. In surrounding areas, there will be retail, hotel, and multi-family housing, including affordable housing and commercial. On opening day, the stadium will be complete but the surrounding site will be under construction.

Report to the Officers:

Report of the Chairman – Mr. John Molster

On behalf of Nupa Agarwal, John shared that Nupa has expressed her excitement for the new people on board – Director Angie Rodgers and City Attorney Lindsey Chase. This is a new chapter for the EDA.

Report of the Secretary – Ms. Angie Rodgers

Ms. Rodgers did not have anything to report.

Other Business:

Ms. Rodgers aims to have an EDA Board retreat in November 2025.

Ms. McConnell gave a special thanks to EDA Board Member Jérón Crooks for his time spent during the EDA Audit with Brown Edwards.

Adjournment:

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

Respectfully submitted:

Secretary to the meeting

Approved:

Chair

EDA July Financial Report

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of July 31, 2025

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	Jul 31, 25	Jul 31, 24
ASSETS		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	652,544.91	650,421.84
10300 · Towne Bank Savings	50,835.35	50,809.97
10450 · Well Fargo #7155 Checking	2,577,471.91	2,109,446.33
10500 · Restricted Checking/Savings		
10501.1 · FCB 8605 Facade/Vent	53,634.58	53,554.28
10502 · C&F Bank #3929 Tobacco Rowe	163,374.57	140,655.53
10504 · US Bank Diamond District Bonds		
10504.2 · Diamond District Project	30,487,245.04	33,013,103.48
10504.3 · Diamond District-Capitalized In	1,751,440.25	3,133,506.39
Total 10504 · US Bank Diamond District Bonds	32,238,685.29	36,146,609.87
10505 · Wells Fargo #0731 Grants	3,463,713.46	568,604.39
10509 · EDA-Hull Street Facade Program	41,159.40	230,145.08
10510 · EDA Strategic Initiatives Inter		
10510.2 · Capital Access	1,350,000.00	0.00
10510.3 · Diamond District sale	11,407,499.00	0.00
10510 · EDA Strategic Initiatives Inter - Other	127,879.37	199,710.17
Total 10510 · EDA Strategic Initiatives Inter	12,885,378.37	199,710.17
10511 · Enterprise Zone Program	219,152.15	52,583.14
10512 · Diamond District -Peoples Bank	75.50	0.00
10513 · CARE-WF Checking #8628	608,924.12	0.00
10514 · CARE-WF Money Market #1055	106,790.09	0.00
Total 10500 · Restricted Checking/Savings	49,780,887.53	37,391,862.46
Total Checking/Savings	53,061,739.70	40,202,540.60
Current Assets		
11000 · Accounts Receivable	800.00	547,277.23
112000 · Due from City of Richmond	6,833,460.85	0.00
112010 · Due from Stone Brewery Fund	35,900.00	0.00
14000 · Prepaid Expenses	0.00	184.32
19001 · CARE Notes Receivable		
19001.1 · Accrued Interest CARE loan	10,971.00	0.00
19001.2 · Allowance on CARE loan	-12,135.00	0.00
19001 · CARE Notes Receivable - Other	24,179.53	0.00
Total 19001 · CARE Notes Receivable	23,015.53	0.00
Total Current Assets	59,954,916.08	40,750,002.15
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-1,953.60	-1,320.00
Total Fixed Assets	1,214.87	1,848.47
Other Assets		
17500 · Website		
17500.1 · Accumulated Amortization-Websit	-92,325.00	-48,009.00

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of July 31, 2025

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	Jul 31, 25	Jul 31, 24
17500 · Website - Other	126,895.00	126,895.00
Total 17500 · Website	34,570.00	78,886.00
18000 · Investment City Center	13,173,606.89	13,173,606.89
18100 · Investment Diamond District		
18100.2 · Stadium Build in Process	69,624,032.42	0.00
18100 · Investment Diamond District - Other	643,831.27	4,031,349.98
Total 18100 · Investment Diamond District	70,267,863.69	4,031,349.98
19100 · Net Invest.-Fin Lease Rec-Curr		
19100.1 · Current-Finance Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,226.83	-12,538.94
Total 19100 · Net Invest.-Fin Lease Rec-Curr	9,773.17	9,461.06
19500 · Net Investment on Capital Lease		
19500.1 · Finance Lease Receivable	528,000.00	550,000.00
19500.2 · Unearned Int on Finance Lease	-167,134.15	-179,360.98
Total 19500 · Net Investment on Capital Lease	360,865.85	370,639.02
Total Other Assets	83,846,679.60	17,663,942.95
TOTAL ASSETS	143,802,810.55	58,415,793.57
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
27000 · Accounts Payable	4,900.00	905,369.00
20000 · Other Accounts Payable	6,834,510.85	0.00
23100 · Accrued Interest Payable	270,908.00	125,671.00
24000 · Grants Payable	413,188.30	0.00
27100 · Deferred Revenue	0.00	207,102.79
27120 · Due to Leigh St fund	1,204,305.00	1,204,610.00
Total Current Liabilities	8,727,812.15	2,442,752.79
Long Term Liabilities		
27300 · Diamond District Bonds		
27310 · Premium on Diamond District Bon	3,089,220.00	3,089,220.00
27300 · Diamond District Bonds - Other	33,745,000.00	33,745,000.00
Total 27300 · Diamond District Bonds	36,834,220.00	36,834,220.00
Total Long Term Liabilities	36,834,220.00	36,834,220.00
Total Liabilities	45,562,032.15	39,276,972.79
Equity		
39002 · Intercompany Transfer	0.00	500,000.00
39005 · Retained Earnings	91,419,258.28	18,313,411.11
Net Income	6,821,520.12	325,409.67
Total Equity	98,240,778.40	19,138,820.78
TOTAL LIABILITIES & EQUITY	143,802,810.55	58,415,793.57

Economic Development Authority-Operations
Profit Loss Budget Performance
JUL 2025

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	Jul 25	Jul 24	YTD 26	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40800 · Restricted Interest Income	1,052.14	65.26	1,052.14	83.33	968.81	1,000.00
41200 · Grants	745,339.20	487,631.23	745,339.20	159,569.92	585,769.28	1,914,839.00
41220 · Grants (non-city)	0.00	0.00	0.00	187,777.00	-187,777.00	2,253,324.00
41225 · Grants-Façade Program	0.00	0.00	0.00	1,260,586.00	-1,260,586.00	15,127,032.00
41312 · Contribution-Stadium Bonds	6,833,460.85	0.00	6,833,460.85	6,282,163.42	551,297.43	75,385,961.00
41700 · Administrative Fee	0.00	0.00	0.00	4,666.67	-4,666.67	56,000.00
42000 · Administrative Loan Fee Income	3,000.00	3,000.00	3,000.00	3,000.00	0.00	36,000.00
42400 · Grant Management Fee	0.00	0.00	0.00	1,896.75	-1,896.75	22,761.00
42800 · Interest Income	38,255.23	1,639.81	38,255.23	8,333.33	29,921.90	100,000.00
42900 · Investment Gains (Losses)	198,205.18	0.00	198,205.18	66,666.67	131,538.51	800,000.00
43000 · Parking Lot Rental Income	0.00	0.00	0.00	0.00	0.00	0.00
43100 · Interest on Capital Lease	0.00	0.00	0.00	1,018.92	-1,018.92	12,227.00
43200 · Program Income	126.53	0.00	126.53	0.00	126.53	0.00
43300 · Gain (Loss) on Sale	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	7,819,439.13	492,336.30	7,819,439.13	7,975,762.00	-156,322.87	95,709,144.00
Expense						
60100 · Grants-Econ Dev Incentives	293,832.00	0.00	293,832.00	105,903.25	187,928.75	1,270,839.00
60100-Grants Non City	0.00	0.00	0.00	1,260,586.00	-1,260,586.00	15,127,032.00
60115-Capital Access	0.00	0.00	0.00	112,500.00	-112,500.00	1,350,000.00
60200-Grants-Façade Program	0.00	0.00	0.00	0.00	0.00	0.00
60400 · Bank Service Charges	68.02	36.13	68.02	166.67	-98.65	2,000.00
60500 · Grants-Enterprise Zone/Expenses	21,883.23	29,400.00	21,883.23	30,666.67	-8,783.44	368,000.00
60700 · CARE Grants/rebates/expenses	51,050.00	0.00	51,050.00	0.00	51,050.00	276,000.00
60800 · Grants-Affordable Housing	0.00	0.00	0.00	354,443.67	-354,443.67	4,253,324.00
61100 · Diamond district project costs	457,790.26	0.00	457,790.26	0.00	457,790.26	0.00
61700 · Computer & Internet Expenses	0.00	0.00	0.00	166.67	-166.67	2,000.00
6240 · Depreciation	52.80	52.80	52.80	52.83	-0.03	634.00
6250 · Due & Memberships	19,982.00	0.00	19,982.00	2,666.67	17,315.33	32,000.00
62550 · Accounting Services	4,000.00	3,500.00	4,000.00	4,750.00	-750.00	57,000.00
62552 · Audit Services	4,531.00	0.00	4,531.00	3,500.00	1,031.00	42,000.00
62553 · Professional Services	3,062.50	0.00	3,062.50	0.00	3,062.50	0.00
63300 · Insurance Expense	0.00	0.00	0.00	0.00	0.00	0.00
63300.1 · Board Insurance	0.00	0.00	0.00	233.33	-233.33	2,800.00
63300.2 · Insurance-Other	0.00	0.00	0.00	641.67	-641.67	7,700.00
63300.3 · Insurance-Coliseum lots	0.00	2,468.70	0.00	985.42	-985.42	11,825.00
Total 63300 · Insurance Expense	0.00	2,468.70	0.00	1,860.42	-1,860.42	22,325.00
64100 · Interest Expense	135,454.00	125,671.00	135,454.00	135,454.17	-0.17	1,625,450.00
64200 · Marketing						
64200.1 · Web Hosting	0.00	1,299.00	0.00	2,083.33	-2,083.33	25,000.00
64200.2 · Website Amortization	3,693.00	3,693.00	3,693.00	3,693.00	0.00	44,316.00
64200 · Marketing - Other	0.00	0.00	0.00	1,666.67	-1,666.67	20,000.00
Total 64200 · Marketing	3,693.00	4,992.00	3,693.00	7,443.00	-3,750.00	89,316.00
64300 · Meals and Entertainment	0.00	0.00	0.00	1,250.00	-1,250.00	15,000.00
64400 · Miscellaneous Expense	0.00	0.00	0.00	125.00	-125.00	1,500.00
64900 · Office Supplies	29.20	0.00	29.20	41.67	-12.47	500.00
66700 · Professional Fees	0.00	0.00	0.00	2,083.33	-2,083.33	25,000.00
67800.7 · Workmans Comp Insurance	466.00	762.00	466.00	83.33	382.67	1,000.00
68400 · Meetings/Events expense	1,981.00	0.00	1,981.00	833.33	1,147.67	10,000.00
68500 · Travel	0.00	0.00	0.00	166.67	-166.67	2,000.00
68600 · Utilities	0.00	0.00	0.00	83.33	-83.33	1,000.00
68600.1 · Internet Service	44.00	44.00	44.00	41.67	2.33	500.00
Total Expense	997,919.01	166,926.63	997,919.01	2,024,868.33	-1,030,011.82	24,574,420.00
Net Ordinary Income	6,821,520.12	325,409.67	6,821,520.12	5,950,893.67	870,626.45	71,134,724.00
Net Income	6,821,520.12	325,409.67	6,821,520.12	5,950,893.67	870,626.45	71,134,724.00

EDA City of Richmond-Stone Brewery
Balance Sheet Prev Year Comparison
As of July 31, 2025

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	Jul 31, 25	Jul 31, 24
ASSETS		
Current Assets		
10100 · Wells Fargo #2828	2,659,448.42	2,328,488.32
11000 · Accounts Receivable	48,823.19	48,823.19
14000 · Prepaid Expenses	7,110.50	7,684.51
Total Current Assets	2,715,382.11	2,384,996.02
Fixed Assets		
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	-6,619.98	-4,529.46
Total Fixed Assets	698,649.53	700,740.05
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	1,595,244.09	1,595,244.09
19000.2 · Current Portion Unearned int	-882,781.39	-1,009,295.63
Total 19000 · Net Invest-Cap Lease Rec-Curret	712,462.70	585,948.46
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	26,103,994.41	27,844,260.69
19500.2 · Unearned Int on Capital Lease	-9,012,779.08	-10,075,521.07
Total 19500 · Net Investment on Capital Lease	17,091,215.33	17,768,739.62
Total Other Assets	17,803,678.03	18,354,688.08
TOTAL ASSETS	21,217,709.67	21,440,424.15
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
2000 · Accounts Payable	37,400.00	0.00
23100 · Accrued Interest Payable	106,469.42	110,322.42
25000 · Current Portion of Rec. Grant	795,000.00	775,000.00
Total Current Liabilities	938,869.42	885,322.42
Long Term Liabilities		
27200.1 · Recoverable Grant Payable	16,065,000.00	16,860,000.00
Total Liabilities	17,003,869.42	17,745,322.42
Equity		
32000 · Retained Earnings	4,178,867.51	3,656,168.62
Net Income	34,972.74	38,933.11
Total Equity	4,213,840.25	3,695,101.73
TOTAL LIABILITIES & EQUITY	21,217,709.67	21,440,424.15

**EDA City of Richmond-Stone Brewery
Profit & Loss Budget Performance
JULY 2025**

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	<u>Jul 25</u>	<u>Jul 24</u>	<u>YTD 26</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense						
Income						
42800 · Interest Income	1,200.84	1,731.72	1,200.84	1,666.67	-465.83	20,000.00
43000 · Interest on Capital Lease	89,841.07	93,353.39	89,841.07	88,561.83	1,279.24	1,062,742.00
Total Income	<u>91,041.91</u>	<u>95,085.11</u>	<u>91,041.91</u>	<u>90,228.50</u>	<u>813.41</u>	<u>1,082,742.00</u>
Expense						
62400 · Depreciation Expense	174.21	174.21	174.21	174.25	-0.04	2,091.00
63300 · Insurance Expense	1,160.25	816.58	1,160.25	825.00	335.25	9,900.00
63500 · Bank Fees	0.00	0.00	0.00	8.33	-8.33	100.00
66100 · Interest Expense-Bond	53,234.71	55,161.21	53,234.71	53,234.75	-0.04	638,817.00
66700 · Professional Fees	0.00	0.00	0.00	1,666.67	-1,666.67	20,000.00
67200 · Repairs and Maintenance	0.00	0.00	0.00	7,500.00	-7,500.00	90,000.00
67500 · Roof Expense	1,500.00	0.00	1,500.00	2,083.33	-583.33	25,000.00
Total Expense	<u>56,069.17</u>	<u>56,152.00</u>	<u>56,069.17</u>	<u>65,492.33</u>	<u>-9,423.16</u>	<u>785,908.00</u>
Net Ordinary Income	<u>34,972.74</u>	<u>38,933.11</u>	<u>34,972.74</u>	<u>24,736.17</u>	<u>10,236.57</u>	<u>296,834.00</u>
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>34,972.74</u></u>	<u><u>38,933.11</u></u>	<u><u>34,972.74</u></u>	<u><u>24,736.17</u></u>	<u><u>10,236.57</u></u>	<u><u>296,834.00</u></u>

Balance Sheet Prev Year Comparison

As of July 31, 2025

DRAFT

	Jul 31, 25	Jul 31, 24
ASSETS		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	437,780.18	455,087.24
10200.1 · Reserve Funds	140,252.84	128,009.62
10200.2 · Westhampton Funds	38,834.55	33,834.55
Total Truist #5122	616,867.57	616,931.41
11000 · Accounts Receivable	27,818.04	78,383.61
11401 · Other Receivable	1,204,305.00	1,204,610.00
14000 · Prepaid Expenses	0.00	2,262.00
Total Current Assets	1,848,990.61	1,902,187.02
Fixed Assets		
15000 · Furniture and Fixtures	0.00	66,449.59
15100 · Equipment	0.00	95,357.04
15300 · Other Depreciable Property	0.00	94,788.00
15350 · Improvement- Training Fields	18,515.00	80,702.00
15500 · Building Improvements	0.00	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	0.00	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased finance assets		
16990.1 · Leased finance asset--Museum	0.00	1,505,819.00
16990.2 · Accumulated amortization	0.00	-90,154.00
Total 16990 · Leased finance assets	0.00	1,415,665.00
17000 · Accumulated Depreciation	0.00	-139,416.37
17300 · Accum Depr-Other	-4,011.58	-92,628.14
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	0.00	-3,242,622.88
Total Fixed Assets	883,321.42	11,257,524.19
TOTAL ASSETS	2,732,312.03	13,159,711.21
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
20000 · Accounts Payable	3,146.00	41,548.71
23100 · Interest Payable	0.00	44,480.46
24400 · Fund Deposits	0.00	1,115.00
24800 · Deferred Revenue	0.00	28,582.93
25000 · Maintenance Reserve-Westhampton	140,252.84	156,009.62
49000 · Other Current Liability	14,615.00	0.00
Total Current Liabilities	158,013.84	271,736.72
Long Term Liabilities		

Balance Sheet Prev Year Comparison

As of July 31, 2025

DRAFT

	Jul 31, 25	Jul 31, 24
27100 · Recoverable Grant-City of Rich	0.00	6,000,000.00
27500 · LT Lease Liability		
27500.1 · LT Lease Liability-Museum	0.00	1,469,283.00
Total 27500 · LT Lease Liability	0.00	1,469,283.00
Total Long Term Liabilities	0.00	7,469,283.00
Total Liabilities	158,013.84	7,741,019.72
Equity		
39005 · Net Position	2,574,268.18	5,426,682.58
Net Income	30.01	-7,991.09
Total Equity	2,574,298.19	5,418,691.49
TOTAL LIABILITIES & EQUITY	2,732,312.03	13,159,711.21

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Profit & Loss Budget Performance
JULY 2025

DRAFT

	Jul 25	Jul 24	YTD 26	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40000 · Event Income	0.00	-1,500.00	0.00	0.00	0.00	0.00
41200 · Grants	0.00	6,400.00	0.00	0.00	0.00	0.00
41600.1 · Building Rent-1st Floor	0.00	25,484.41	0.00	0.00	0.00	0.00
41600.2 · Building Rent-2nd Floor	0.00	13,448.00	0.00	0.00	0.00	0.00
41600.3 · 1st Floor Ground Rent	0.00	1,767.00	0.00	0.00	0.00	0.00
41600.4 · 2nd Floor Ground Rent	0.00	563.00	0.00	0.00	0.00	0.00
41600.5 · 1st Floor CAM	0.00	16,625.00	0.00	0.00	0.00	0.00
41600.6 · 2nd Floor CAM	0.00	7,695.00	0.00	0.00	0.00	0.00
41650 · Rental Income-Westhampton	414.43	417.07	414.43	416.67	-2.24	5,000.00
41660 · Westhampton Maintenance Res	2,438.48	786.18	2,438.48	1,250.00	1,188.48	15,000.00
Total Income	2,852.91	71,685.66	2,852.91	1,666.67	1,186.24	20,000.00
Expense						
60100 · Amortization Expense	0.00	2,436.60	0.00	0.00	0.00	0.00
61500 · Security Service	0.00	460.00	0.00	0.00	0.00	0.00
61700 · Computer & Internet Expenses		810.00	0.00	0.00	0.00	0.00
63400 · Interest Exp-lease	0.00	4,099.57	0.00	0.00	0.00	0.00
63500 · Bank Service Charges	38.75	34.40	38.75	0.00	38.75	0.00
63700 · Landscaping and Groundskeeping	2,400.12	700.00	2,400.12	1,250.00	1,150.12	15,000.00
66500 · Telephone Expense	0.00	326.79	0.00	0.00	0.00	0.00
66670 · Insurance Expense	0.00	1,128.00	0.00	0.00	0.00	0.00
66700 · Professional Fees	0.00	450.00	0.00	0.00	0.00	0.00
67100 · Ground Rent Expense	0.00	0.00	0.00	0.00	0.00	0.00
67700 · Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00
68400 · Grounds Maintenance	0.00	20,561.27	0.00	0.00	0.00	0.00
68500 · Maintenance Expense	0.00	2,037.22	0.00	0.00	0.00	0.00
68510 · Janitorial Service Supplies	0.00	1,462.85	0.00	0.00	0.00	0.00
69000 · Base Management Expense	0.00	0.00	0.00	0.00	0.00	0.00
69500 · Operations	0.00	0.00	0.00	0.00	0.00	0.00
78000 · Utilities	235.00	18,551.30	235.00	83.33	151.67	1,000.00
Total Expense	2,673.87	53,058.00	2,673.87	1,333.33	1,340.54	16,000.00
Net Ordinary Income	179.04	18,627.66	179.04	333.33	-154.29	4,000.00
Other Income/Expense						
Other Income						
48000-Gain loss transfer assets	0.00	0.00	0.00	0.00	0.00	0.00
42800 · Interest Income-Cking	5.26	5.02	5.26	14.00	-8.74	28.00
Total Other Income	5.26	5.02	5.26	14.00	-8.74	28.00
Other Expense						
72500 · Depreciation Expense	154.29	26,623.77	154.29	154.33	-0.04	1,852.00
Total Other Expense	154.29	26,623.77	154.29	154.33	-0.04	1,852.00
Net Other Income	-149.03	-26,618.75	-149.03	-140.33	-8.70	-1,824.00
Net Income	30.01	-7,991.09	30.01	193.00	-162.99	2,176.00

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND**
(A Component Unit of the City of Richmond, Virginia)
Statement of Net Position
Enterprise Funds
July 31, 2025

	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
ASSETS						
Peoples Bank		761,864.80	241,110.36		11,162.46	1,014,137.62
Wells Fargo Checking						-
Wells Fargo Money Market						-
Locus Bank			185,762.87			185,762.87
Atlantic Union Bank	245,387.29			476,713.41		245,387.29
Locus Bank				2,491,480.27		476,713.41
Peoples Bank LRA				1,049,537.33		2,491,480.27
Peoples Bank GLFIA				364,770.80		1,049,537.33
Peoples Bank GLFIA-2				4,382,501.81		364,770.80
Total Cash	245,387.29	761,864.80	426,873.23		11,162.46	5,827,789.59
Prepaid/Accounts Receivable	-	-	-	-	3,000.00	3,000.00
Total Current Assets	245,387.29	761,864.80	426,873.23	4,382,501.81	14,162.46	5,830,789.59
Long Term Assets						
Note/Grant Receivable	-	81,197.34	1,084,991.20	7,025,951.28		8,192,139.82
Unused LOC		-				-
Accrued Interest Receivable	-	38,329.54	124,884.40	2,040,201.52		2,203,415.46
Loan Loss Reserve	-	(37,854.00)	(350,459.46)	(148,248.10)		(536,561.56)
Total Long Term Assets	-	81,672.88	859,416.14	8,917,904.70	-	9,858,993.72
Total Assets	245,387.29	843,537.68	1,286,289.37	13,300,406.51	14,162.46	15,689,783.31
Accounts Payable	-	750.00	1,200.00	-	400.00	2,350.00
Due to City of Richmond		-			3,390.00	3,390.00
Total Liabilities	-	750.00	1,200.00	-	3,790.00	5,740.00
Net Position	245,387.29	842,787.68	1,285,089.37	13,300,406.51	10,372.46	15,684,043.31
Total Liabilities & Net Position	245,387.29	843,537.68	1,286,289.37	13,300,406.51	14,162.46	15,689,783.31
	-	-	-	-	-	-

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**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**
(A Component Unit of the City of Richmond, Virginia)
Statement of Revenues, Expenses and Changes in Net Position
For the Month Ending July 31, 2025

	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Operating Revenues						
Program Income-Interest		851.34	5,120.47	28,564.32		34,536.13
Loan origination fee				-		-
Application fees						-
Loan Document Fees						-
Capital Contributions						-
Late fees , etc.		-				-
Total Revenues	-	851.34	5,120.47	28,564.32	-	34,536.13
Expenses						
Miscellaneous fees		-				-
Loan Loss Reserve		-				-
Bad debt expense				-		-
EDA Administration		750.00	1,200.00	-		1,950.00
Total Expenses	-	750.00	1,200.00	-	-	1,950.00
Net Increase (Decrease) From Operations	-	101.34	3,920.47	28,564.32	-	32,586.13
Other Income & Expenses						
Bank Interest Earned	52.09	2,096.60	890.75	11,559.46	51.77	14,650.67
Recoveries	-	-				-
Total Other Income & Expenses	52.09	2,096.60	890.75	11,559.46	51.77	14,650.67
Net Increase (Decrease) in Funds	52.09	2,197.94	4,811.22	40,123.78	51.77	47,236.80
Net Position, Beg of Year	245,335.20	840,589.74	1,280,278.15	13,260,282.73	10,320.69	15,636,806.51
Net Position, End of Period	245,387.29	842,787.68	1,285,089.37	13,300,406.51	10,372.46	15,684,043.31

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EDA August Financial Report

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of August 31, 2025

DRAFT

	Aug 31, 25	Aug 31, 24
ASSETS		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	652,721.64	650,607.24
10300 · Towne Bank Savings	50,837.51	50,812.12
10450 · Well Fargo #7155 Checking	1,444,080.25	1,478,149.84
10500 · Restricted Checking/Savings		
10501.1 · FCB 8605 Facade/Vent	53,634.58	53,561.09
10502 · C&F Bank #3929 Tobacco Rowe	163,432.98	140,707.55
10504 · US Bank Diamond District Bonds		
10504.2 · Diamond District Project	30,379,610.82	32,818,197.32
10504.3 · Diamond District-Capitalized In	1,756,316.87	3,134,298.50
Total 10504 · US Bank Diamond District Bonds	32,135,927.69	35,952,495.82
10505 · Wells Fargo #0731 Grants	2,730,500.26	589,938.45
10509 · EDA-Hull Street Facade Program	41,273.01	230,154.82
10510 · EDA Strategic Initiatives Inter		
10510.2 · Capital Access	1,350,000.00	0.00
10510.3 · Diamond District sale	11,407,499.00	0.00
10510 · EDA Strategic Initiatives Inter - Other	163,446.55	199,713.55
Total 10510 · EDA Strategic Initiatives Inter	12,920,945.55	199,713.55
10511 · Enterprise Zone Program	207,365.57	27,729.35
10512 · Diamond District -Peoples Bank	60.50	0.00
10513 · CARE-WF Checking #8628	605,685.46	0.00
10514 · CARE-WF Money Market #1055	106,845.30	0.00
Total 10500 · Restricted Checking/Savings	48,965,670.90	37,194,300.63
Total Checking/Savings	51,113,310.30	39,373,869.83
11000 · Accounts Receivable		
112000 · Due from City of Richmond	8,643,323.73	0.00
112010 · Due from Stone Brewery Fund	35,900.00	0.00
14000 · Prepaid Expenses	0.00	184.32
19001 · CARE Notes Receivable		
19001.1 · Accrued Interest CARE loan	10,971.00	0.00
19001.2 · Allowance on CARE loan	-12,135.00	0.00
19001 · CARE Notes Receivable - Other	24,306.06	0.00
Total 19001 · CARE Notes Receivable	23,142.06	0.00
Total Current Assets	59,819,476.09	40,097,405.95
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-2,006.40	-1,372.80
Total Fixed Assets	1,162.07	1,795.67
Other Assets		
17500 · Website		
17500.1 · Accumulated Amortization-Websit	-96,018.00	-51,702.00

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of August 31, 2025

DRAFT

	Aug 31, 25	Aug 31, 24
17500 · Website - Other	126,895.00	126,895.00
Total 17500 · Website	30,877.00	75,193.00
18000 · Investment City Center	13,173,606.89	13,173,606.89
18100 · Investment Diamond District		
18100.1 · Diamond District Infrastructure	0.00	391,009.07
18100.2 · Stadium Build in Process	78,267,356.15	0.00
18100 · Investment Diamond District - Other	643,831.27	4,689,741.99
Total 18100 · Investment Diamond District	78,911,187.42	5,080,751.06
19100 · Net Invest.-Fin Lease Rec-Curr		
19100.1 · Current-Finance Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,226.83	-12,538.94
Total 19100 · Net Invest.-Fin Lease Rec-Curr	9,773.17	9,461.06
19500 · Net Investment on Capital Lease		
19500.1 · Finance Lease Receivable	528,000.00	550,000.00
19500.2 · Unearned Int on Finance Lease	-167,134.15	-179,360.98
Total 19500 · Net Investment on Capital Lease	360,865.85	370,639.02
Total Other Assets	92,486,310.33	18,709,651.03
TOTAL ASSETS	152,306,948.49	58,808,852.65
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
27000 · Accounts Payable	38,906.50	927,634.30
20000 · Other Accounts Payable	8,645,423.73	0.00
23100 · Accrued Interest Payable	406,362.00	251,342.00
24000 · Grants Payable	149,714.64	0.00
27100 · Deferred Revenue	0.00	207,102.79
27120 · Due to Leigh St fund	4,305.00	1,204,610.00
Total Current Liabilities	9,244,711.87	2,590,689.09
Long Term Liabilities		
27300 · Diamond District Bonds		
27310 · Premium on Diamond District Bon	3,089,220.00	3,089,220.00
27300 · Diamond District Bonds - Other	33,745,000.00	33,745,000.00
Total 27300 · Diamond District Bonds	36,834,220.00	36,834,220.00
Total Long Term Liabilities	36,834,220.00	36,834,220.00
Total Liabilities	46,078,931.87	39,424,909.09
Equity		
39002 · Intercompany Transfer	0.00	500,000.00
39005 · Retained Earnings	91,419,258.28	18,313,411.11
Net Income	14,808,758.34	570,532.45
Total Equity	106,228,016.62	19,383,943.56
TOTAL LIABILITIES & EQUITY	152,306,948.49	58,808,852.65

**Economic Development Authority-Operations
Profit Loss Budget Performance
AUGUST 2025**

DRAFT

	Aug 25	Aug 24	YTD 26	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40800 · Restricted Interest Income	1,000.32	59.57	2,052.46	166.67	1,885.79	1,000.00
41200 · Grants	0.00	451,276.80	745,339.20	319,139.83	426,199.37	1,914,839.00
41220 · Grants (non-city)	50,000.00	0.00	50,000.00	375,554.00	-325,554.00	2,253,324.00
41225 · Grants-Façade Program	0.00	0.00	0.00	2,521,172.00	-2,521,172.00	15,127,032.00
41312 · Contribution-Stadium Bonds	8,643,323.73	0.00	15,476,784.58	12,564,326.83	2,912,457.75	75,385,961.00
41700 · Administrative Fee	0.00	0.00	0.00	9,333.33	-9,333.33	56,000.00
42000 · Administrative Loan Fee Income	3,000.00	3,000.00	6,000.00	6,000.00	0.00	36,000.00
42400 · Grant Management Fee	0.00	0.00	0.00	3,793.50	-3,793.50	22,761.00
42800 · Interest Income	38,773.49	2,355.25	77,028.72	16,666.67	60,362.05	100,000.00
42900 · Investment Gains (Losses)	104,009.89	196,895.02	302,215.07	133,333.33	168,881.74	800,000.00
43000 · Parking Lot Rental Income	0.00	0.00	0.00	0.00	0.00	0.00
43100 · Interest on Capital Lease	0.00	0.00	0.00	2,037.83	-2,037.83	12,227.00
43200 · Program Income	126.53	0.00	253.06	0.00	253.06	0.00
43300 · Gain (Loss) on Sale	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	8,840,233.96	653,586.64	16,659,673.09	15,951,524.00	708,149.09	95,709,144.00
Expense						
60100 · Grants-Econ Dev Incentives	451,507.20	222,356.23	745,339.20	211,806.50	533,532.70	1,270,839.00
60100-Grants Non City	0.00	0.00	0.00	2,521,172.00	-2,521,172.00	15,127,032.00
60115-Capital Access	0.00	0.00	0.00	225,000.00	-225,000.00	1,350,000.00
60200-Grants-Façade Program	0.00	0.00	0.00	0.00	0.00	0.00
60400 · Bank Service Charges	66.48	35.00	134.50	333.33	-198.83	2,000.00
60500 · Grants-Enterprise Zone/Expenses	12,405.46	24,854.53	34,288.69	61,333.33	-27,044.64	368,000.00
60700 · CARE Grants/rebates/expenses	4,550.00	0.00	55,600.00	0.00	55,600.00	276,000.00
60800 · Grants-Affordable Housing	0.00	0.00	0.00	708,887.33	-708,887.33	4,253,324.00
61100 · Diamond district project costs	206,767.49	0.00	664,557.75	0.00	664,557.75	0.00
61700 · Computer & Internet Expenses	999.00	649.00	999.00	333.33	665.67	2,000.00
6240- · Depreciation	52.80	52.80	105.60	105.67	-0.07	634.00
6250 · Due & Memberships	0.00	0.00	19,982.00	5,333.33	14,648.67	32,000.00
62550 · Accounting Services	4,000.00	3,500.00	8,000.00	9,500.00	-1,500.00	57,000.00
62552 · Audit Services	25,463.50	26,135.00	29,994.50	7,000.00	22,994.50	42,000.00
62553 · Professional Services	3,500.00	0.00	6,562.50	0.00	6,562.50	0.00
63300 · Insurance Expense	0.00	0.00	0.00	0.00	0.00	0.00
63300.1 · Board Insurance	0.00	0.00	0.00	466.67	-466.67	2,800.00
63300.2 · Insurance-Other	0.00	0.00	0.00	1,283.33	-1,283.33	7,700.00
63300.3 · Insurance-Coliseum lots	0.00	2,468.70	0.00	1,970.83	-1,970.83	11,825.00
Total 63300 · Insurance Expense	0.00	2,468.70	0.00	3,720.83	-3,720.83	22,325.00
64100 · Interest Expense	135,454.00	125,671.00	270,908.00	270,908.33	-0.33	1,625,450.00
64200 · Marketing						
64200.1 · Web Hosting	0.00	1,299.00	0.00	4,166.67	-4,166.67	25,000.00
64200.2 · Website Amortization	3,693.00	3,693.00	7,386.00	7,386.00	0.00	44,316.00
64200 · Marketing - Other	0.00	0.00	0.00	3,333.33	-3,333.33	20,000.00
Total 64200 · Marketing	3,693.00	4,992.00	7,386.00	14,886.00	-7,500.00	89,316.00
64300 · Meals and Entertainment	0.00	0.00	0.00	2,500.00	-2,500.00	15,000.00
64400 · Miscellaneous Expense	0.00	0.00	0.00	250.00	-250.00	1,500.00
64900 · Office Supplies	0.00	0.00	29.20	83.33	-54.13	500.00
66700 · Professional Fees	0.00	0.00	0.00	4,166.67	-4,166.67	25,000.00
67800.7 · Workmans Comp Insurance	25.00	0.00	491.00	166.67	324.33	1,000.00
68400 · Meetings/Events expense	4,467.81	0.00	6,448.81	1,666.67	4,782.14	10,000.00
68500 · Travel	0.00	0.00	0.00	333.33	-333.33	2,000.00
68600 · Utilities	0.00	174.30	0.00	166.67	-166.67	1,000.00
68600.1 · Internet Service	44.00	44.00	88.00	83.33	4.67	500.00
Total Expense	852,995.74	410,932.56	1,850,914.75	4,049,736.66	-2,205,384.41	24,574,420.00
Net Ordinary Income	7,987,238.22	242,654.08	14,808,758.34	11,901,787.34	2,906,971.00	71,134,724.00
Net Income	7,987,238.22	242,654.08	14,808,758.34	11,901,787.34	2,906,971.00	71,134,724.00

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Balance Sheet Prev Year Comparison
As of August 31, 2025

DRAFT

	Aug 31, 25	Aug 31, 24
ASSETS		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	1,637,665.31	498,541.18
10200.1 · Reserve Funds	166,852.84	153,873.16
10200.2 · Westhampton Funds	43,834.55	38,834.55
Truist #5122 - Other	0.00	-857.22
Total Truist #5122	1,848,352.70	690,391.67
Total Checking/Savings	1,848,352.70	690,391.67
Accounts Receivable		
11000 · Accounts Receivable	27,403.61	45,383.61
Total Accounts Receivable	27,403.61	45,383.61
Other Current Assets		
11401 · Other Receivable	4,305.00	1,204,610.00
14000 · Prepaid Expenses	0.00	1,134.00
Total Other Current Assets	4,305.00	1,205,744.00
Total Current Assets	1,880,061.31	1,941,519.28
Fixed Assets		
15000 · Furniture and Fixtures	0.00	66,449.59
15100 · Equipment	0.00	95,357.04
15300 · Other Depreciable Property	0.00	94,788.00
15350 · Improvement- Training Fields	18,515.00	80,702.00
15500 · Building Improvements	0.00	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	0.00	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased finance assets		
16990.1 · Leased finance asset--Museum	0.00	1,505,819.00
16990.2 · Accumulated amortization	0.00	-92,590.60
Total 16990 · Leased finance assets	0.00	1,413,228.40
17000 · Accumulated Depreciation	0.00	-139,938.04
17300 · Accum Depr-Other	-4,011.58	-93,500.22
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	0.00	-3,267,852.90
Total Fixed Assets	883,321.42	11,228,463.82
TOTAL ASSETS	2,763,382.73	13,169,983.10
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable	2,911.00	42,420.23
Total Accounts Payable	2,911.00	42,420.23

Balance Sheet Prev Year Comparison

As of August 31, 2025

DRAFT

	Aug 31, 25	Aug 31, 24
Other Current Liabilities		
23100 · Interest Payable	0.00	48,580.03
24800 · Deferred Revenue	4,171.14	4,165.86
25000 · Maintenance Reserve-Westhampton	166,852.84	153,873.16
49000 · Other Current Liability	14,615.00	0.00
Total Other Current Liabilities	185,638.98	206,619.05
Total Current Liabilities	188,549.98	249,039.28
Long Term Liabilities		
27100 · Recoverable Grant-City of Rich	0.00	6,000,000.00
27500 · LT Lease Liability		
27500.1 · LT Lease Liability-Museum	0.00	1,469,283.00
Total 27500 · LT Lease Liability	0.00	1,469,283.00
Total Long Term Liabilities	0.00	7,469,283.00
Total Liabilities	188,549.98	7,718,322.28
Equity		
39005 · Net Position	2,574,268.18	5,426,682.58
Net Income	564.57	24,978.24
Total Equity	2,574,832.75	5,451,660.82
TOTAL LIABILITIES & EQUITY	2,763,382.73	13,169,983.10

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Profit & Loss Budget Performance
AUGUST 2025

DRAFT

	Aug 25	Aug 24	YTD 26	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
40000 · Event Income	0.00	25,115.00	0.00	0.00	0.00	0.00
41200 · Grants	0.00	0.00	0.00	0.00	0.00	0.00
41600.1 · Building Rent-1st Floor	0.00	25,484.41	0.00	0.00	0.00	0.00
41600.2 · Building Rent-2nd Floor	0.00	13,448.00	0.00	0.00	0.00	0.00
41600.3 · 1st Floor Ground Rent	0.00	1,767.00	0.00	0.00	0.00	0.00
41600.4 · 2nd Floor Ground Rent	0.00	563.00	0.00	0.00	0.00	0.00
41600.5 · 1st Floor CAM	0.00	16,625.00	0.00	0.00	0.00	0.00
41600.6 · 2nd Floor CAM	0.00	7,695.00	0.00	0.00	0.00	0.00
41650 · Rental Income-Westhampton	414.43	417.07	828.86	833.33	-4.47	5,000.00
41660 · Westhampton Maintenance Res	1,400.00	2,136.46	3,838.48	2,500.00	1,338.48	15,000.00
Total Income	1,814.43	93,250.94	4,667.34	3,333.33	1,334.01	20,000.00
Expense						
60100 · Amortization Expense	0.00	2,436.60	0.00	0.00	0.00	0.00
61500 · Security Service	0.00	280.00	0.00	0.00	0.00	0.00
61700 · Computer & Internet Expenses		810.00	0.00	0.00	0.00	0.00
63400 · Interest Exp-lease	0.00	4,099.57	0.00	0.00	0.00	0.00
63500 · Bank Service Charges	38.95	37.90	77.70	0.00	77.70	0.00
63700 · Landscaping and Groundskeeping	1,400.00	2,100.00	3,800.12	2,500.00	1,300.12	15,000.00
66500 · Telephone Expense	0.00	0.00	0.00	0.00	0.00	0.00
66670 · Insurance Expense	0.00	1,128.00	0.00	0.00	0.00	0.00
66700 · Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00
67100 · Ground Rent Expense	0.00	0.00	0.00	0.00	0.00	0.00
67700 · Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00
68400 · Grounds Maintenance	0.00	0.00	0.00	0.00	0.00	0.00
68500 · Maintenance Expense	0.00	1,063.06	0.00	0.00	0.00	0.00
68510 · Janitorial Service Supplies	0.00	4,077.17	0.00	0.00	0.00	0.00
69000 · Base Management Expense	0.00	0.00	0.00	0.00	0.00	0.00
69500 · Operations	0.00	0.00	0.00	0.00	0.00	0.00
78000 · Utilities	316.24	17,630.80	551.24	166.67	384.57	1,000.00
Total Expense	1,755.19	33,663.10	4,429.06	2,666.67	1,762.39	16,000.00
Net Ordinary Income	59.24	59,587.84	238.28	666.67	-428.39	4,000.00
Other Income/Expense						
Other Income						
48000-Gain loss transfer assets	0.00	0.00	0.00	0.00	0.00	0.00
42800 · Interest Income-Cking	5.32	5.26	10.58	28.00	-17.42	28.00
Total Other Income	5.32	5.26	10.58	28.00	-17.42	28.00
Other Expense						
72500 · Depreciation Expense	154.29	26,623.77	308.58	308.67	-0.09	1,852.00
Total Other Expense	154.29	26,623.77	308.58	308.67	-0.09	1,852.00
Net Other Income	-148.97	-26,618.51	-298.00	-280.67	-17.33	-1,824.00
Net Income	-89.73	32,969.33	-59.72	386.00	-445.72	2,176.00

EDA City of Richmond-Stone Brewery
Balance Sheet Prev Year Comparison
As of August 31, 2025

DRAFT

	Aug 31, 25	Aug 31, 24
ASSETS		
Current Assets		
Checking/Savings		
10100 · Wells Fargo #2828	2,950,813.50	2,652,246.06
11000 · Accounts Receivable	48,823.19	17,000.19
14000 · Prepaid Expenses	5,950.25	6,867.93
Total Current Assets	3,005,586.94	2,676,114.18
Fixed Assets		
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	-6,794.19	-4,703.67
Total Fixed Assets	698,475.32	700,565.84
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	1,305,199.71	1,305,199.71
19000.2 · Current Portion Unearned int	-793,220.19	-916,204.29
Total 19000 · Net Invest-Cap Lease Rec-Curret	511,979.52	388,995.42
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	26,103,994.41	27,844,260.69
19500.2 · Unearned Int on Capital Lease	-9,012,779.08	-10,075,521.07
Total 19500 · Net Investment on Capital Lease	17,091,215.33	17,768,739.62
Total Other Assets	17,603,194.85	18,157,735.04
TOTAL ASSETS	21,307,257.11	21,534,415.06
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	37,400.00	0.00
23100 · Accrued Interest Payable	159,704.13	165,483.63
25000 · Current Portion of Rec. Grant	795,000.00	775,000.00
Total Current Liabilities	992,104.13	940,483.63
Long Term Liabilities		
27200 · Recoverable Grant Payable		
27200.1 · Recoverable Grant Payable	16,065,000.00	16,860,000.00
Total Liabilities	17,057,104.13	17,800,483.63
Equity		
32000 · Retained Earnings	4,178,867.51	3,656,168.62
Net Income	71,285.47	77,762.81
Total Equity	4,250,152.98	3,733,931.43
TOTAL LIABILITIES & EQUITY	21,307,257.11	21,534,415.06

**EDA City of Richmond-Stone Brewery
Profit & Loss Budget Performance
AUGUST 2025**

DRAFT

	<u>Aug 25</u>	<u>Aug 24</u>	<u>YTD 25</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense						
Income						
42800 · Interest Income	1,320.70	1,890.36	2,521.54	3,333.33	-811.79	20,000.00
43000 · Interest on Capital Lease	89,561.20	93,091.34	179,402.27	177,123.67	2,278.60	1,062,742.00
Total Income	<u>90,881.90</u>	<u>94,981.70</u>	<u>181,923.81</u>	<u>180,457.00</u>	<u>1,466.81</u>	<u>1,082,742.00</u>
Expense						
62400 · Depreciation Expense	174.21	174.21	348.42	348.50	-0.08	2,091.00
63300 · Insurance Expense	1,160.25	816.58	2,320.50	1,650.00	670.50	9,900.00
63500 · Bank Fees	0.00	0.00	0.00	16.67	-16.67	100.00
66100 · Interest Expense-Bond	53,234.71	55,161.21	106,469.42	106,469.50	-0.08	638,817.00
66700 · Professional Fees	0.00	0.00	0.00	3,333.33	-3,333.33	20,000.00
67200 · Repairs and Maintenance	0.00	0.00	0.00	15,000.00	-15,000.00	90,000.00
67500 · Roof Expense	0.00	0.00	1,500.00	4,166.67	-2,666.67	25,000.00
Total Expense	<u>54,569.17</u>	<u>56,152.00</u>	<u>110,638.34</u>	<u>130,984.67</u>	<u>-20,346.33</u>	<u>785,908.00</u>
Net Ordinary Income	<u>36,312.73</u>	<u>38,829.70</u>	<u>71,285.47</u>	<u>49,472.33</u>	<u>21,813.14</u>	<u>296,834.00</u>
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u><u>36,312.73</u></u>	<u><u>38,829.70</u></u>	<u><u>71,285.47</u></u>	<u><u>49,472.33</u></u>	<u><u>21,813.14</u></u>	<u><u>296,834.00</u></u>

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**
(A Component Unit of the City of Richmond, Virginia)
Statement of Revenues, Expenses and Changes in Net Position
For the Two Months Ending Aug 31, 2025

	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Operating Revenues						
Program Income-Interest		882.97	9,960.10	57,075.21		67,918.28
Loan origination fee				-		-
Application fees						-
Loan Document Fees						-
Capital Contributions						-
Late fees , etc.		-				-
Total Revenues	-	882.97	9,960.10	57,075.21	-	67,918.28
Expenses						
Miscellaneous fees		-				-
Loan Loss Reserve		-				-
Bad debt expense				-		-
EDA Administration		1,500.00	2,400.00	-		3,900.00
Total Expenses	-	1,500.00	2,400.00	-	-	3,900.00
Net Increase (Decrease) From Operations	-	(617.03)	7,560.10	57,075.21	-	64,018.28
Other Income & Expenses						
Bank Interest Earned	104.19	4,199.98	1,795.66	23,154.18	83.28	29,337.29
Recoveries	-	-				-
Total Other Income & Expenses	104.19	4,199.98	1,795.66	23,154.18	83.28	29,337.29
Net Increase (Decrease) in Funds	104.19	3,582.95	9,355.76	80,229.39	83.28	93,355.57
Net Position, Beg of Year	245,335.20	840,589.74	1,280,278.15	13,260,282.73	10,320.69	15,636,806.51
Net Position, End of Period	245,439.39	844,172.69	1,289,633.91	13,340,512.12	10,403.97	15,730,162.08

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**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND**
(A Component Unit of the City of Richmond, Virginia)
Statement of Net Position
Enterprise Funds
Aug 31, 2025

	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
ASSETS						
Peoples Bank		764,368.18	246,028.61		11,493.97	1,021,890.76
Wells Fargo Checking						-
Wells Fargo Money Market						-
Locus Bank			185,999.53			185,999.53
Atlantic Union Bank	245,439.39					245,439.39
Locus Bank				477,523.17		477,523.17
Peoples Bank LRA				2,499,986.34		2,499,986.34
Peoples Bank GLFIA				1,052,434.35		1,052,434.35
Peoples Bank GLFIA-2				365,777.67		365,777.67
Total Cash	245,439.39	764,368.18	432,028.14	4,395,721.53	11,493.97	5,849,051.21
Prepaid/Accounts Receivable	-	-	-	-	3,000.00	3,000.00
Total Current Assets	245,439.39	764,368.18	432,028.14	4,395,721.53	14,493.97	5,852,051.21
Long Term Assets						
Note/Grant Receivable	-	80,797.34	1,082,450.02	7,025,951.28		8,189,198.64
Unused LOC		-				-
Accrued Interest Receivable	-	38,361.17	128,015.21	2,067,087.41		2,233,463.79
Loan Loss Reserve	-	(37,854.00)	(350,459.46)	(148,248.10)		(536,561.56)
Total Long Term Assets	-	81,304.51	860,005.77	8,944,790.59	-	9,886,100.87
Total Assets	245,439.39	845,672.69	1,292,033.91	13,340,512.12	14,493.97	15,738,152.08
Accounts Payable	-	1,500.00	2,400.00	-	400.00	4,300.00
Due to City of Richmond	-	-			3,690.00	3,690.00
Total Liabilities	-	1,500.00	2,400.00	-	4,090.00	7,990.00
Net Position	245,439.39	844,172.69	1,289,633.91	13,340,512.12	10,403.97	15,730,162.08
Total Liabilities & Net Position	245,439.39	845,672.69	1,292,033.91	13,340,512.12	14,493.97	15,738,152.08
	-	-	-	-	-	-

DRAFT

Affordable Housing Performance Grant

INTRODUCED: September 22, 2025

An ORDINANCE No. 2025-226

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, ECG Semmes, 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 2201 McDonough Street, 2300 Semmes Avenue, 2301 McDonough Street, 322 West 22nd Street, 315 West 22nd Street, 307 West 22nd Street, 301 West 22nd Street, 302 West 22nd Street, 2100 Perry Street, 222 West 21st Street, 215 West 22nd Street, 217 West 22nd Street, 219 West 22nd Street, and 221 West 22nd Street. (5th District)

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 10 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, ECG Semmes, 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 2201 McDonough Street, 2300 Semmes Avenue, 2301 McDonough Street, 322 West 22nd Street, 315 West 22nd Street, 307 West 22nd Street, 301 West 22nd Street, 302 West 22nd Street, 2100 Perry Street, 222

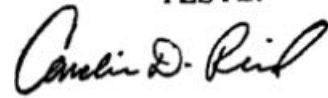
AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 14 2025 REJECTED: _____ STRICKEN: _____

West 21st Street, 215 West 22nd Street, 217 West 22nd Street, 219 West 22nd Street, and 221 West 22nd Street. The Grant 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.

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

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Camille D. Reed". The signature is written in a cursive, flowing style.

City Clerk

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: September 16, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald, II Chief Administrative Officer

THROUGH: Tanikia Jackson, DCAO for Finance and Administration

THROUGH: Letitia Shelton, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

THROUGH: Sharon Ebert, DCAO – Planning & Economic Development Portfolio

THROUGH: Angie Rodgers, Director of Economic Development

FROM: Merrick Malone, Director of Housing and Community Development

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 ECG Semmes, LP for the purpose of facilitating the construction of an affordable housing development.

The development is located in the 5th District and will be comprised of no less than 246 affordable housing units with 246 units at 50-80% AMI of the Richmond-Petersburg MSA. The developer for the project is Elmington Capital Group, LLC. It is expected that construction for the project will begin by or before 2027 and be complete by or before 2030.

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 incremental 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.

COMMUNITY ENGAGEMENT: This project received an SUP (Ord. 2024-180) in the SUP process, the Swansboro Neighborhood Association was notified of the SUP application and the Recipient engaged with the community.

STRATEGIC INITATIVES AND OTHER GOVERNMENTAL: This development complies with the Richmond 300 Master Plan and the Equitable Affordable Housing Plan.

FISCAL IMPACT: 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, is \$20,448.00 and the estimated real estate tax revenue at the time of commencement of the Grant Period is \$661,228.21. As such the increase from the Effective Date to the first year of the Grant Period, based on the percentage of performance grant awarded, is \$640,780.21. 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.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: September 22, 2025

CITY COUNCIL PUBLIC HEARING DATE: October 14, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

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

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. 2024-180 authorized the special use of the properties in the project.

ATTACHMENTS: Grant agreement

STAFF: Rachel Hightman, Dept. of Housing and Community Development

Merrick Malone, Director of Housing and Community Development

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”), **ECG SEMMES, 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. Preliminary Provisions

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, as defined by the US Department of Housing and Urban Development, for each applicable year of the Grant Period.

“Assemblage” means, collectively, that certain real property comprised of (i) those certain parcels of 1.6, 0.527, and 0.527 acres currently owned by 2201 McDonough, LLC, a Virginia limited liability company, located respectively at 2201 McDonough Street, 2300 Semmes Avenue, and 2301 McDonough Street, and currently referred to in the records of the City Assessor’s Office as Parcel Nos. S0000492001, S0000493002, and S0000493007; and (ii) those certain parcels of 0.906, 0.154, 0.561, 0.342, 0.244, 0.081, 0.082, 0.083, 0.083, 0.083, and 0.102 acres currently owned by 322 W 22nd Street, LLC, a Virginia limited liability company, located respectively at 322 W 22nd Street, 315 W 22nd Street, 307 W 22nd Street, 301 W 22nd Street, 302 W 22nd Street, 2100 Perry Street, 222 W 21st Street, 215 W 22nd Street, 217 W 22nd Street, 219 W 22nd Street, and 221 W 22nd Street and currently referred to in the records of the City Assessor’s Office as Parcel Nos. S0000491024, S0000489001, S0000489005, S0000489012, S0000491038, S0000418001, S0000418003, S0000418021, S0000418022, S0000418023, and S0000418024.

“Base Real Estate Tax Revenue” means \$20,448 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.

“Capital Improvements” means systems and structures expenses which include the replacement or repair of HVAC, electrical, roofing, plumbing, windows, doors, elevators, and appliances. Specific expenses not listed will be approved at the discretion of the City.

“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 minus Base Real Estate Tax

Revenue equals 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 246 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 ECG Semmes, LP, a Virginia limited partnership, and its successors and assigns, to the extent permitted by this Agreement.

“Site” means that the certain parcel of approximately 5.375 acres, being a consolidation of the same parcels comprising the Assemblage.

“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 (3) 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 2.2.3 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) and Section 2.6 (Continued Investment and Capital Improvements) 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.

2.4.2 Reporting. To enable the City to measure the achievements of the Recipient 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 monthly

expenditures spent with minority business enterprises and emerging small businesses. The Recipient shall submit these reports on forms prescribed by the City. The City will use these reports in evaluating the good faith efforts with 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, or, at the City's option, a Rent and Occupancy Report in the format supplied by the City, 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 Two Million Four Hundred Sixty Thousand dollars (\$2,460,000) 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. Disbursement of Grant.

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. Grant Payment Requests. 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 and Section 2.5 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

ECG Semmes, LPT.
Attention: C. Hunter Nelson
1030 16th Ave. S, Ste. 500
Nashville, TN 37312

with a copy to:

Preston Lloyd, Jr., Esq.
Williams Mullen
200 S. 10th Street, Ste. 1600
Richmond, VA 23218

if to the City, to

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

with a copy to:

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

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 2.2 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.

92 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.

94 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.

96 Public Disclosure.

96.1 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.

96.2 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.

97 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: _____
Chief Administrative Officer Date

Authorized by Ordinance No. _____

Approved as to Form:

By: 
City Attorney's Office

ECG SEMMES, LP, a Virginia limited liability partnership

By: ECG Semmes GP, LLC a Tennessee limited liability company, its General Partner

By: _____ Date _____

Name: C. Hunter Nelson
Title: Managing Member

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 sixty percent (60%) of AMI for two-hundred forty-six (246) of the applicable units, according to standards promulgated by the State Housing Finance Agency, Virginia Housing Development Authority, for a minimum of thirty (30) years.

Enterprise Zone Cooperation Agreement

INTRODUCED: October 14, 2025

AN ORDINANCE No. 2025-237

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute The Third Enterprise Zone Cooperation Agreement between the City of Richmond, Virginia and the Economic Development Authority of the City of Richmond for the purpose of administering the Enterprise Zone Program to stabilize and revitalize enterprise zone areas by stimulating private investment through financial incentives.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 10 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 The Third Enterprise Zone Cooperation Agreement between the City of Richmond, Virginia, and the Economic Development Authority of the City of Richmond for the purpose of administering the Enterprise Zone Program to stabilize and revitalize enterprise zone areas by stimulating private investment through financial incentives. Such 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: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

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

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: August 28, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald II, Chief Administrative Officer

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer

FROM: Angie Rodgers, Director, Department of Economic Development

RE: Authorization of Enterprise Zone Cooperation Agreement

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer to enter into the Third Enterprise Zone Program Cooperation Agreement with the Economic Development Authority of the City of Richmond (EDA) for the purpose of administering the Enterprise Zone Program.

BACKGROUND: The Enterprise Zone program is a partnership between the Commonwealth and the City of Richmond that encourages job creation and private investment in the City's designated Enterprise Zones. The City has two enterprise zones, Zones 19A and 28A. The Commonwealth approved both Zones for five-year extensions in December 2022. The City's Enterprise Zones are best viewed through this [searchable map](#).

Richmond's participation in the program enables economic development and redevelopment projects within the Enterprise Zones to access two state-level incentive programs – the Job Creation Grant program and the Real Property Investment Grant (RPIG) program. In the most recent funding cycle, \$719,049.00 in state enterprise zone funds were awarded to Richmond projects.

The Commonwealth requires Richmond to offer incentives, which it does through six local reimbursement grant programs for businesses and property owners that invest and create jobs within the Zones. The maximum value of Richmond's grants ranges from \$1,000 to \$10,000, depending

on the program. As of June 2025, \$225,224 in local Enterprise Zone funds were awarded to 47 applicants. The private investment associated with these projects was over \$11.5 million.

The FY 2026 budget included \$400,000 to support the Enterprise Zone program. The Cooperation Agreement between the City and the EDA establishes the framework for program administration. The FY 2026 Cooperation Agreement raises the maximum rebate amount for the machinery and equipment rebate from \$5,000 to \$10,000 and further clarifies terms of the program.

In late FY 2024, the City initiated a review of Enterprise Zone boundaries and incentives. Recommendations on boundary adjustments and incentive updates are expected in FY 2026.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: The Enterprise Zone is a joint program between the Commonwealth of Virginia Department of Housing and Community Development and the City, with administrative support from the EDA. The use of targeted incentives to encourage revitalization and job creation and support business attraction and expansion is supported by the Strategic Plan for Equitable Economic Development.

FISCAL IMPACT: Enterprise Zone program funds were included in the adopted Fiscal Year 2026 budget.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: October 14, 2025

CITY COUNCIL PUBLIC HEARING DATE: November 10, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing Committee

AFFECTED AGENCIES: Department of Economic Development

ATTACHMENTS: The Third Enterprise Zone Cooperation Agreement Between the City of Richmond, Virginia, and the Economic Development Authority

STAFF: Jacquelyn Teemer, Department of Economic Development
Katie McConnell, Department of Economic Development

THE THIRD ENTERPRISE ZONE COOPERATION AGREEMENT BETWEEN
THE CITY OF RICHMOND, VIRGINIA AND
THE ECONOMIC DEVELOPMENT AUTHORITY

THIS ENTERPRISE ZONE PROGRAM COOPERATION AGREEMENT (the "Agreement") is made as of _____, 2025 (the "Effective Date"), by and between the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City") and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"),

RECITALS:

WHEREAS, the Commonwealth of Virginia (the Commonwealth), pursuant to Title 59.1 Chapter 49 of the Code of Virginia, authorizes the establishment of local Enterprise Zones and authorizes localities to offer incentives to stimulate economic development within the Enterprise Zones;

WHEREAS, as of the Effective Date the City has two Enterprise Zones designated by the Commonwealth. Zone 19 (previously referred to as Zone I) and Zone 28A (previously referred to as Zone III) are, generally speaking, comprised of the following areas of the City as further depicted in Exhibit A.

- Zone 19 comprises 3,611 acres of commercial property south of the James River, bounded on the north by the James River, on the east by Interstate 95 to its intersection with Chippenham Parkway (Route 150), on the south by Chippenham Parkway, and on the west by Richmond Highway.

- Zone 28A comprises 3,588 acres. The city line between Richmond and Henrico County generally bounds the zone to the west, Interstate 64 to the north, Interstate 95 to the east, and E. Canal Street to the south. A portion of this Enterprise Zone is in Henrico County and is overseen by the County.

WHEREAS, the City, in accordance with its Enterprise Zone designations, offers local incentives that address the economic conditions within the city and that help stimulate real property improvements and new job creation.

WHEREAS, the City has, from time to time, appropriated funds for incentives;

WHEREAS, the Enterprise Zone Program operated in the City's Fiscal Year 2025 with the use of previously and properly appropriated funds;

WHEREAS, the City appropriated to the City's Department of Economic Development \$400,000.00 in Fiscal Year 2025 for the Program;

WHEREAS, at the City's request, the Authority has undertaken certain grant and rebate activities to encourage job creation, private investment, and commercial development in the City;

WHEREAS, the City and the Authority agree to work together to jointly implement the Enterprise Zone Program; and

NOW, THEREFORE, in consideration of the benefits to accrue to the City and its citizens from the implementation of the Program, and of the mutual covenants hereinafter set forth, the City and the Authority agree as follows:

1. **DEFINITIONS.** The following words and terms used in this Agreement have the following meanings unless the context clearly indicates otherwise:

A. **Agreement** shall mean this Enterprise Zone Program Cooperation Agreement, as amended and restated, from time to time.

- B. **Applicant** shall mean the commercial entity that is applying for the Enterprise Zone Program.
- C. **Covered Period** shall mean the 12-month period after a New Job has been created and occupied in the City.
- D. **Enterprise Zones** shall mean those areas in the City that are designated as Enterprise Zones by the Commonwealth of Virginia.
- E. **Enterprise Zone Program or Program** shall mean the local incentives described herein which satisfy the conditions and requirements of this Agreement.
- F. **New Job** shall mean a permanent, full-time position with at least 35 hours of work each week, that pays at least 1.5 time the minimum wage required by the Commonwealth and provides annual leave benefits.
- G. **Program Fund** shall mean that account established in accordance with this Agreement and that contains all funds from any source related to the Enterprise Zone Program.
- H. **Specialized Equipment** shall, at a minimum, mean machinery, tools, and equipment which are necessary for a business to produce and deliver its unique services or produce its unique goods. Specialty equipment must be newly acquired (new or used) by the applicant and have a minimum base cost of \$500 per item (excluding taxes and fees). Standard office equipment, software, general-use vehicles, preventative maintenance, replacement parts, consumables, and other equipment used for general operations are not eligible are not considered Specialized Equipment. The Department of Economic Development, with review and approval by the Authority's

Executive Director, is responsible for providing additional specification on what constitutes Specialized Equipment in its Enterprise Zone program guidelines. Such guidelines may be amended from time to time by the Department of Economic Development to further clarify and operationalize the definition of Specialized Equipment to further accomplish program goals. Such updates to Enterprise Zone program guidelines require the approval by the Authority's Executive Director.

2. FUNDING. Any expenditures of properly appropriated money, prior to the execution of this Cooperation Agreement and pursuant to the Enterprise Zone program in FY26 are ratified hereby.

3. ENTERPRISE ZONE PROGRAM REQUIREMENTS. Enterprise Zone Program incentives shall be available only to the extent that funding is available. Enterprise Zone Applicants must meet the following Enterprise Zone Program requirements and meet the individual program requirements in accordance with Sections 4 – 9.

- A. Applicants must be located in a commercial or industrial property in an Enterprise Zone, this includes commercial space located within a mixed-use property. If the property involves a change of use, after construction or rehabilitation is complete, the property must include commercial space;
- B. Applicants must be current on all taxes, licenses, and fees owed to the City, or have a formal payment plan established with the City and be current on all payments;
- C. Applicants must submit all required applications and documentation. Incomplete applications will not be processed and must be submitted again.

- D. Applications must be signed by the business owner, or the business owner's designee employed within the business. Applications by third parties not directly employed by the Applicant will not be accepted;
- E. Applicants must provide invoices and proof of payment documentation;
- F. Applicants must self-certify that any contractor used is qualified to perform the work and complies with all applicable local, state, and federal regulations. By submitting an application or reimbursement request, the applicant assumes responsibility for ensuring the contractor's qualifications; and
- G. Applicants must submit evidence of payments for all goods and services \$1,000 and above in value by canceled check, cashier's check, debit or credit card receipts. If Applicant pays cash for work below \$1,000 in value, the invoice must be signed and notarized by both the Applicant and the vendor. Payments over \$1,000 in cash will not be accepted.

4. BROWNFIELDS ENTERPRISE ZONE REBATE. The Brownfields Enterprise Zone Rebate provides a reimbursement grant up to \$3,500 for costs of Phase I Environmental Site Assessments and up to \$7,500 for Phase II Environmental Site Assessments. To be eligible:

- A. The Applicant must own or have a binding contract to purchase property located in an Enterprise Zone and be undertaking the site assessment as part of the purchase or redevelopment of the property.
- B. The site assessment must meet the standards set by the Environmental Protection Agency.
- C. The application must be submitted within twelve (12) months of the date of the assessment completion.

D. The Applicant must not have received a previous Brownfields Enterprise Zone Rebate grant.

E. This is a one-time incentive.

5. BUSINESS RELOCATION REBATE. The Business Relocation Rebate program is a reimbursement grant of up to \$10,000 covering 50% of the company cost of relocating a company to an Enterprise Zone.

A. Allowable moving expenditures include costs incurred during the physical move of a company, such as moving company fees, van rentals, and separate wages paid to employees for assistance with the move.

B. Costs incurred by the company to relocate employees are ineligible.

C. Application must be submitted within twelve (12) months of the move-in date.

D. This is a one-time incentive.

6. MACHINERY AND EQUIPMENT REBATE. The Machinery and Equipment Rebate program provides a reimbursement grant equal to 50% of the costs incurred to purchase Specialized Equipment.

A. A company may qualify for up to \$10,000 in a 12-month period.

B. The application must be submitted within twelve (12) months of the date of purchase of the Specialized Equipment.

7. EMPLOYMENT ASSISTANCE GRANT. The Employment Assistance Grant program provides grants to businesses located within an Enterprise Zone that create New Jobs by providing a grant equal to the equivalent to \$400 per New Job.

A. Maximum award is \$7,200 over a 24-month period.

- B. An Applicant cannot apply for the Employment Assistance Grant and the state level Enterprise Zone Job Creation Grant program administrated by the Commonwealth.
- C. Application must be submitted within 12 months of the completion of the Covered Period.
- D. The City's Department of Economic Development will provide a position worksheet for the purpose of identifying the number of New Jobs.

8. LOAN FEE REBATE. The Loan Fee Rebate program provides a reimbursement grant of up to \$1,000 for authorized loan fees associated with the purchase of real property located in an Enterprise Zone.

- A. Eligible fees include those associated with origination, loan processing, filing fees, administrative fees, guaranties, recording fees, application fees and settlement costs.
- B. Ineligible fees include, but are not limited to, survey costs and fees associated with legal, accounting, appraisal, brokerage, and other professional activities.
- C. Applicant must provide a signed settlement statement itemizing the various loan fees.
- D. Applicant must provide a copy of a contract to purchase the property or property deed.
- E. Application must be filed within twelve (12) months of the date of loan closing.
- F. This is a one-time incentive.

9. DEVELOPMENT FEE REBATE. The Development Fee Rebate program provides a reimbursement grant of up to \$3,000 for permit fees associated with the

renovation or construction of commercial and industrial facilities located in an Enterprise Zone.

- A. A minimum investment of \$20,000 during the 12 months prior to application is required. If the property is mixed-use and has residential components, only investments associated with the rehabilitation and construction of the commercial portion of the structure are eligible to meet the minimum investment criteria.
- B. Eligible fees include building, mechanical, electrical, plumbing and elevator permit fees.
- C. Ineligible fees include but are not limited to, fees associated with administrative handling, surcharges, plan review, state levy fees and taxes.
- D. If the property is mixed-use, permit fees must be associated with only the commercial portion of the property. In cases when this is not practicable (i.e., a permit is associated with the whole building), the total eligible permit fees will be prorated by the percent of the mixed-use property that is commercial.
- E. Application must be submitted within twelve (12) months of the issuance of the Certificate of Occupancy or Certificate of Zoning Compliance, whichever is applicable.
- F. This is a one-time incentive.

10. APPLICATION REVIEW AND AWARD DISBURSEMENTS. The City's Department of Economic Development staff shall review Enterprise Zone Program applications to determine award amounts based on the criteria set forth in this Agreement and program guidelines. Funds will then be distributed through the Authority to the Applicant.

11. AUTHORITY RECORDS. The Authority shall keep a record of all Enterprise Zone Program awardees including the names and award amounts. The City shall monitor the Authority records, and the Chief Administrative Officer and the City Attorney, and their designees shall have access to such records during normal business hours upon reasonable notice. The City Auditor, pursuant to City Code Section 2-187, as same may be amended from time to time, shall have access to any and all records on demand and without notice.

12. INFORMATION SHARING. The Authority agrees to provide the Chief Administrative Office or a designee thereof with copies of all correspondence relating to its activities to be performed under this Agreement and will keep the Chief Administrative Officer or a designee thereof fully and timely informed of all material developments relating to the Program. For purposes of this Agreement, the City's Director of Economic Development is the designee of the City's Chief Administrative Officer.

13. BUDGET AND AUTHORITY EXPENSES. The budget shall contain existing appropriations, any unencumbered amounts within the Program Fund and anticipated revenues from activities undertaken for the current Fiscal Year. The Fiscal Year 2025 appropriation will be transferred to the Authority no sooner than July 1, 2025. The Authority is authorized to use an amount not to exceed \$32,000.00 to cover the Authority's direct expenses in administering this Agreement.

14. GENERAL PROJECT FUND. The Authority agrees that funds transferred by the City to the Authority from time to time for the Program shall be deposited by the Authority in a designated Program Fund to be used only in accordance with this Agreement. The Authority agrees to transfer to the Program Fund any funds received

from any source as a result of this Program, including, but not limited, income and interest earned against the Program Fund.

15. AUTHORITY LIABILITY. It is the intent of the parties not to impose upon the Authority any responsibility other than what may be required to implement the Plan under this Agreement. Accordingly, the Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. Should any liability accrue to the Authority which is not specifically addressed in this Agreement, the Authority shall not be required to expend its funds derived from sources other than the Program Fund to discharge such liability. The Authority is hereby authorized to expend such funds from the Program Fund as may be necessary to protect the assets of the Authority and to prevent the entry of a default judgment against the Authority. If a lawsuit involving the Program is filed or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer. The parties acknowledge that the Authority has no general fund revenue and that each Program the Authority undertakes is subject to such program's own independent financial resources and limitations.

16. ACCOUNTING AND AUDIT. The Authority shall keep records of its financial transactions, if any, for the projects described herein in accordance with generally accepted accounting principles. The City and the Authority agree that the Authority may engage the services of an independent auditor to conduct an annual audit of the financial transactions, if any, undertaken for the projects described herein. Such audit shall comply in all respects with generally accepted accounting principles. The City Auditor shall have access to the independent auditor's work papers. In addition, the City Auditor or his designee may at any time audit the financial

transactions undertaken under this Agreement. The Authority shall cooperate to assure that the independent external auditor and the City Auditor are granted access to all books and records of any party necessary to complete such audits and will require appropriate provisions in furtherance of this objective in any contracts required under this Agreement. The Authority shall provide an annual audited report on the Program Fund within three months after the end of its fiscal year. Failure to provide an annual audited report shall be considered a material breach of this Agreement and provide cause for termination of the Agreement.

17. AUTHORITY CONTRACTS. The Authority may, within the approved budget, contract without the City's prior approval for services deemed by the Authority to be necessary to undertake and carry out its responsibilities under this Agreement.

18. NO DISCRIMINATION. The City and the Authority agree not to discriminate, in carrying out this Agreement, against any employee or applicant because of race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, sexual orientation, gender identity, disability, or military status.

19. AUTHORITY BOND. The Authority shall not be required to furnish the City a blanket corporate fidelity bond surety covering all officers and employees of the Authority capable of authorizing disbursements of funds or handling funds received or disbursed by the Authority from the City or any other party involved in any activities undertaken pursuant to this Agreement.

20. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by 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.

21. NOTICES. Any notices required to be given under this Agreement shall be sufficient if in writing and delivered personally, by messenger, by recognized overnight courier service or sent by first class, registered or certified mail, return receipt requested; if to the Authority, to its Chairman at 1500 East Main Street, Suite 400, Richmond, Virginia 23219 or if to the City, to its Chief Administrative Officer at City Hall, 900 East Broad Street, 14th Floor, Richmond, Virginia 23219 with a copy to the City Attorney, 900 East Broad Street, Suite 400, Richmond, Virginia 23219. Either party may change its address for purposes of notice by giving notice to the other in accordance with this paragraph.

22. NO ASSIGNMENT. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto; provided, however, that in no event may this 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.

23. NO THIRD-PARTY RIGHTS. Notwithstanding any other provision of this Agreement, the City and the Authority hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City and the Authority; (iii) no individual or entity shall obtain any right to make any claim against the City or the Authority under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed

or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this section, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, tenants, subtenants, contractors, subcontractors, vendors, sub-vendors, assignees, licensors and sub-licensors, regardless of whether such individual or entity is named in this Agreement.

24. TERMINATION. Either party may terminate this Agreement with or without cause at any time upon reasonable written notice. Upon termination, the Authority shall transfer to the City all assets held under this Agreement, including receivables, and shall cooperate in transferring any such assets to the City.

25. 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 are 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.

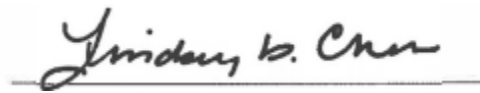
Witness the following signatures and seals:

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

By: _____
Odie Donald
Chief Administrative Officer

Date: _____

Approved as to Form:



Deputy City Attorney

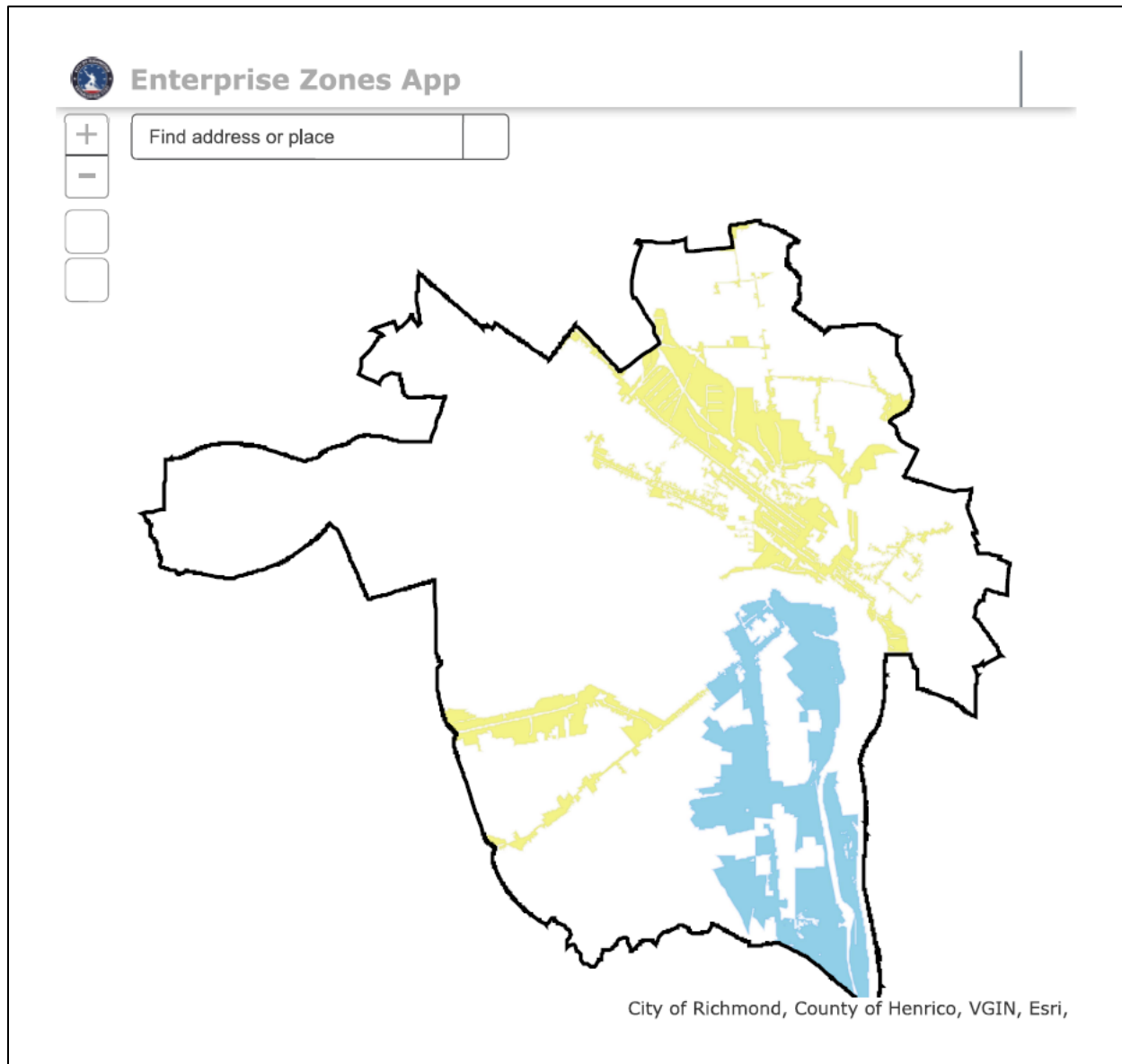
**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA,**
A Political Subdivision of the Commonwealth of
Virginia

By: _____
Nupa Agarwal,
Chairman

Date: _____

Exhibit A

City of Richmond Enterprise Zones (2023)



Zone 28A is yellow
Zone 19 is blue

Tourism Development Financing Program

Tourism Development Financing Program

Finance and Economic Development Committee Meeting
October 15, 2025

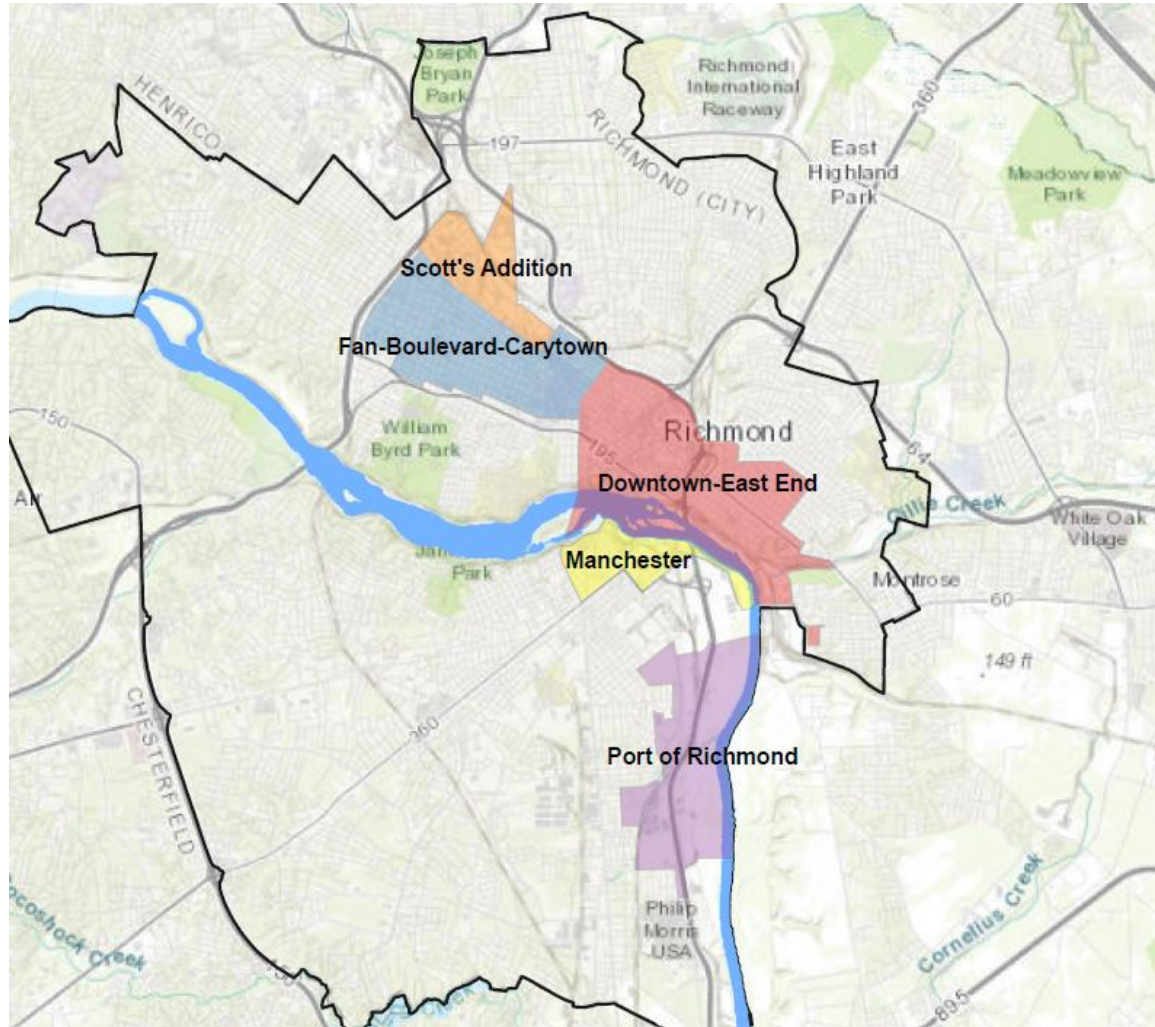
Tourism Development Financing Program (TDFP)

- **TDFP is a state program that provides gap financing to tourism projects** that fill a market deficiency, for example not having sufficient hotel product to meet market demand
- TDFP **leverages a portion of net new revenue** generated from the project and does not rely on existing city or state tax revenue
- **Projects must be in a Designated Tourism Zone** as authorized by the Virginia Assembly and designated by Localities (Code of Virginia, § 58.1-3851).
- In 2016, the City of Richmond designated **Scott's Addition** as one of five tourism zones in the City to help drive tourism-related developments. (Ord. No. 2016-144)
- To apply for the program, **the Commonwealth requires a locality and a developer to partner to complete a rigorous application process**, which includes passing a project ordinance and a performance agreement

TDFP Process

Qualifying tourism project identified	✓
Third-party market study to demonstrate tourism deficiency	✓
Tourism development plan completed	✓
Developer plan of finance reviewed and verified by Virginia Resource Authority	✓
Letters of support collected	✓
Municipality approves project ordinance and performance agreement	
Application reviewed and certified by VA State Comptroller	

Council Adopted Tourism Zones (Ord. No. 2016-144)



TDFP Financing Structure

- Depending on project tier, the developer must secure at least 70% or 80% of the financing from other sources.
- The developer must prove a “But For” need for the TDFP gap financing (i.e., the proposed hotel development would not be financially feasible without the gap financing).
- To pay the gap financing, the developer, state, and city contribute a portion of the new revenue derived by the project. Per the performance agreements, the developer is paying a required share plus an additional share.*
- The developer guarantees the debt and is responsible for any debt service shortfalls.



Example TDFP Quarterly Calculation

Example: If a hotel generates \$1,000,000 in revenue in a quarter...

Tier 1 < \$100 M

Quarterly payments are equal to **1%** of the project's quarterly revenue

	Tier 1	Quarterly Contribution
City	1%	\$ 10,000
State	1%	\$ 10,000
Developer (Statutory)	1%	\$ 10,000
Developer (Additional)*	1%	\$ 10,000
Total Quarterly Payment		\$40,000

Tier 2 \$100 M +

Quarterly payments are equal to **1.5%** of the project's quarterly revenue

	Tier 2	Quarterly Contribution
City	1.5%	\$ 15,000
State	1.5%	\$ 15,000
Developer (Statutory)	1.5%	\$ 15,000
Developer (Additional)*	1.5%	\$ 15,000
Total Quarterly Payment		\$60,000

This simple example shows that through the TDFP program in Tier 1 and Tier 2 projects, for every \$1 the City contributes, the developer and state collectively match \$3 to service the TDFP Gap debt.

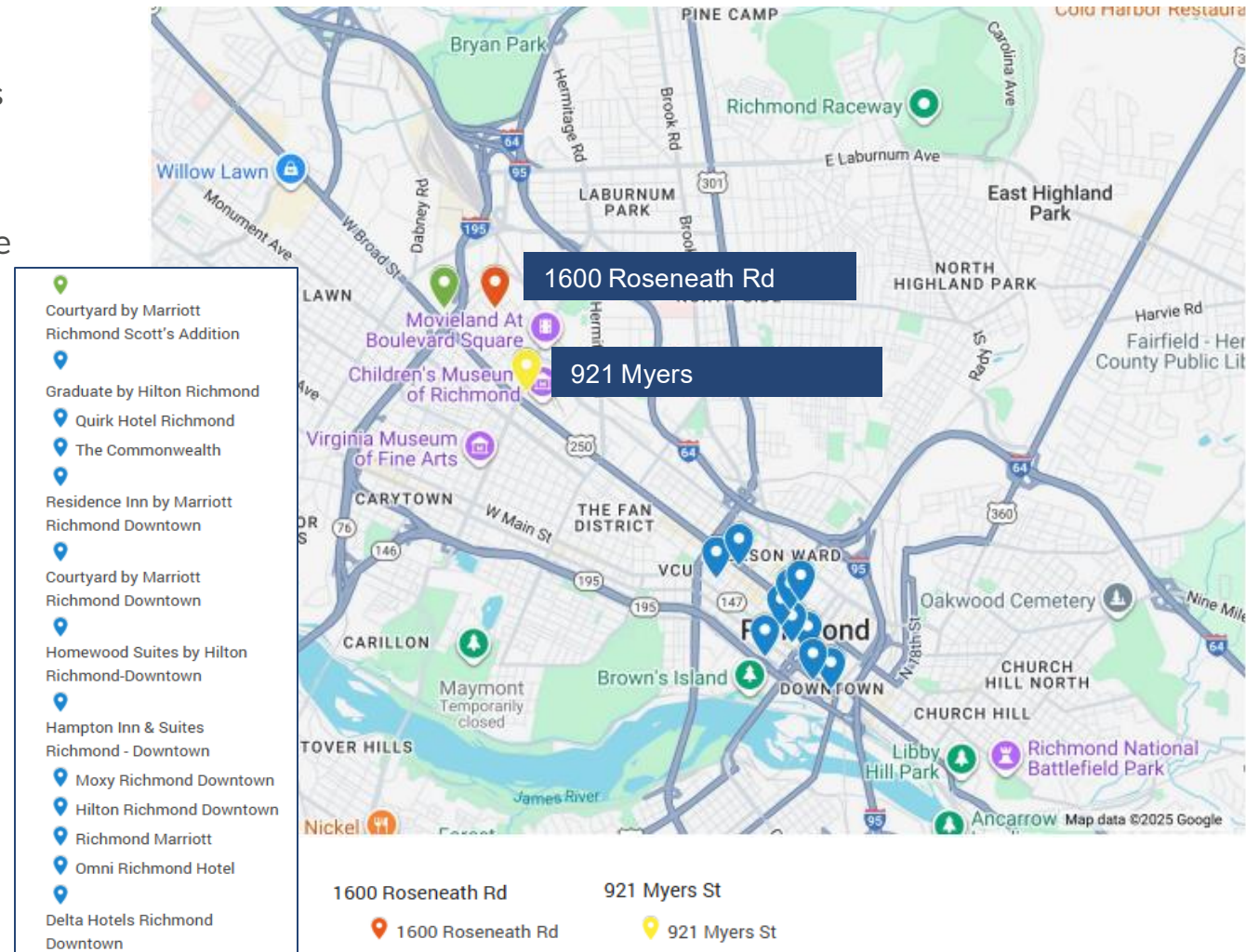
**Both proposed TDFP projects include an additional payments from the developer. This is allowed, but not required in state statute.*

Market Demand

- Over the past decade, the greater Scott's Addition area has had considerable residential and commercial growth, but there is limited availability of hotel product.
- External market studies indicate that the new hotels will be absorbed into market –the increase in supply of hotel product and conference space will have a proportional increase in demand for rooms and conference space.
- Unique product types of both projects will appeal to unserved customers.

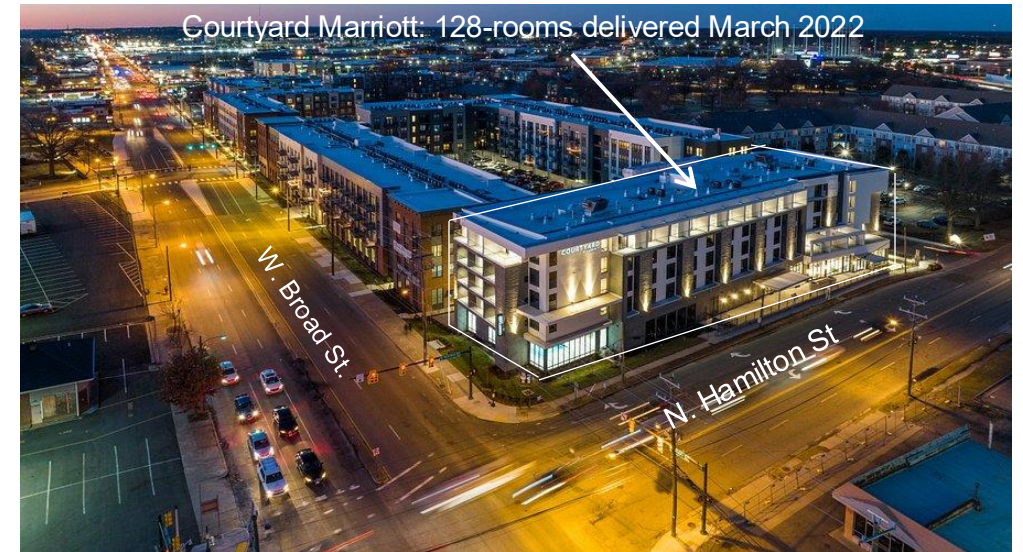
Proximity to Tourism Assets

- Children's Museum of Richmond
- Science Museum of Virginia
- Virginia Museum of Fine Arts
- Diamond District
- Access to Scott's Addition, Museum District, Carytown, and Fan District neighborhoods

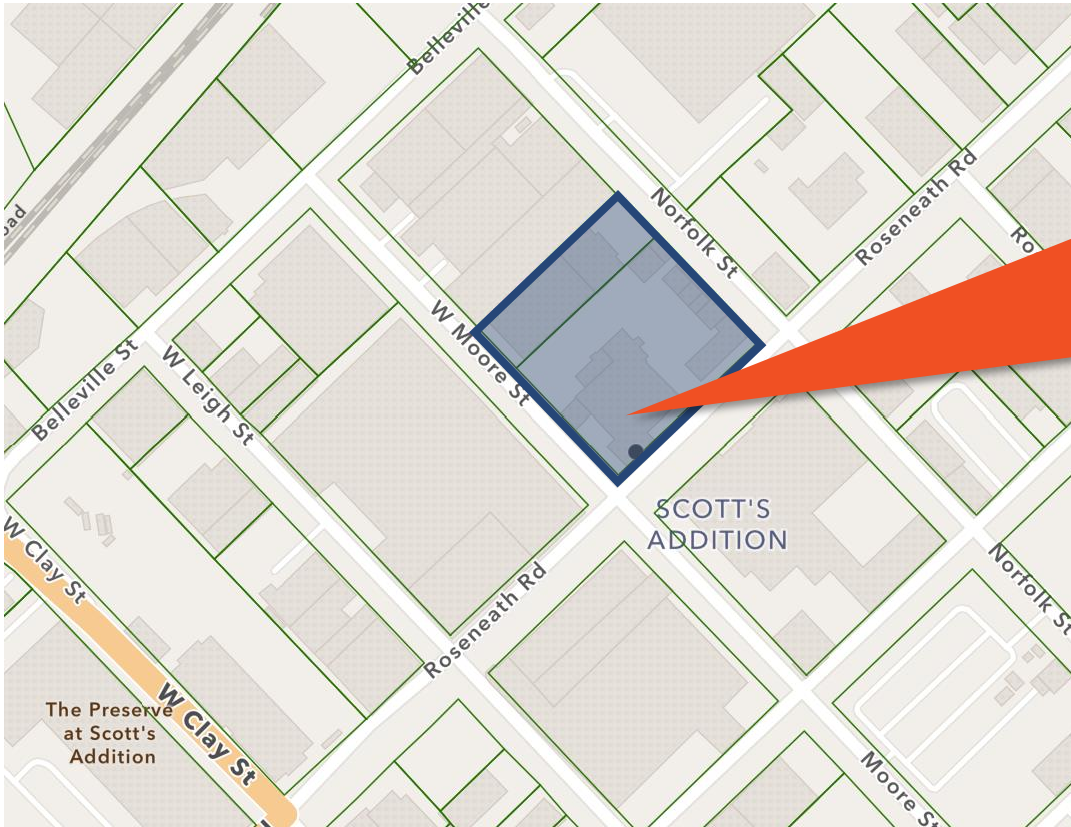


Market Demand Continued

- Over the past decade, the greater Scott's Addition area has rapidly changed from an industrial area to a vibrant mixed-use community, with more than 2,600 residential units delivered in that timeframe and another 1,000+ in the pipeline.
- In that same time, more than 14 new restaurants and 10 breweries have set up shop in Scott's Addition.
- The profound surge in commercial and residential demand in the area accompanied by neighboring diamond and museum districts, along with nearby major employer operations make the case for increased hospitality supply.
- Over the past decade, only one similar scale hotel project has been delivered in a 2-mile radius, The 128-room Courtyard by Marriott adjacent to The Ella.
- Both proposed projects add much needed hotel supply, while also diversifying product type (lifestyle and extended-stay) to attract different subsets of demand concurrently serving a pedestrian-oriented experience.
- Along with losing tax revenue because of this deficiency, it's possible the City of Richmond is also missing out on corporate headquarters opportunities in Scott's Addition because of the lack of hotel product.



1600 Roseneath Rd – Existing Site Conditions



- 2.17-acre site located in the Greater Scotts Addition Area
- Corner of Roseneath Road and W. Moore Street (Parcel ID Numbers N0001791004 & N0001791005)
- Formerly Dairy Bar and Tang & Biscuit establishments

1600 Roseneath Rd – Planned Development



Highlights

Capital Investment	\$40 M
Description	Fully furnished apartment hotel for nightly, weekly, and monthly stays within new mixed-use development
Amenities	• 7-story, mixed-use development • 8,000 sf retail space • Pool • Outdoor courtyard • Fitness center • Structured parking garage
Hotel Keys	95
Est. Local Revenue (after TDFP payment) over 20-yr term	\$20M* * Revenue from <u>hotel only</u> and does not include residential and retail components. Includes incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee

1600 Roseneath Rd – TDFP Gap Financing



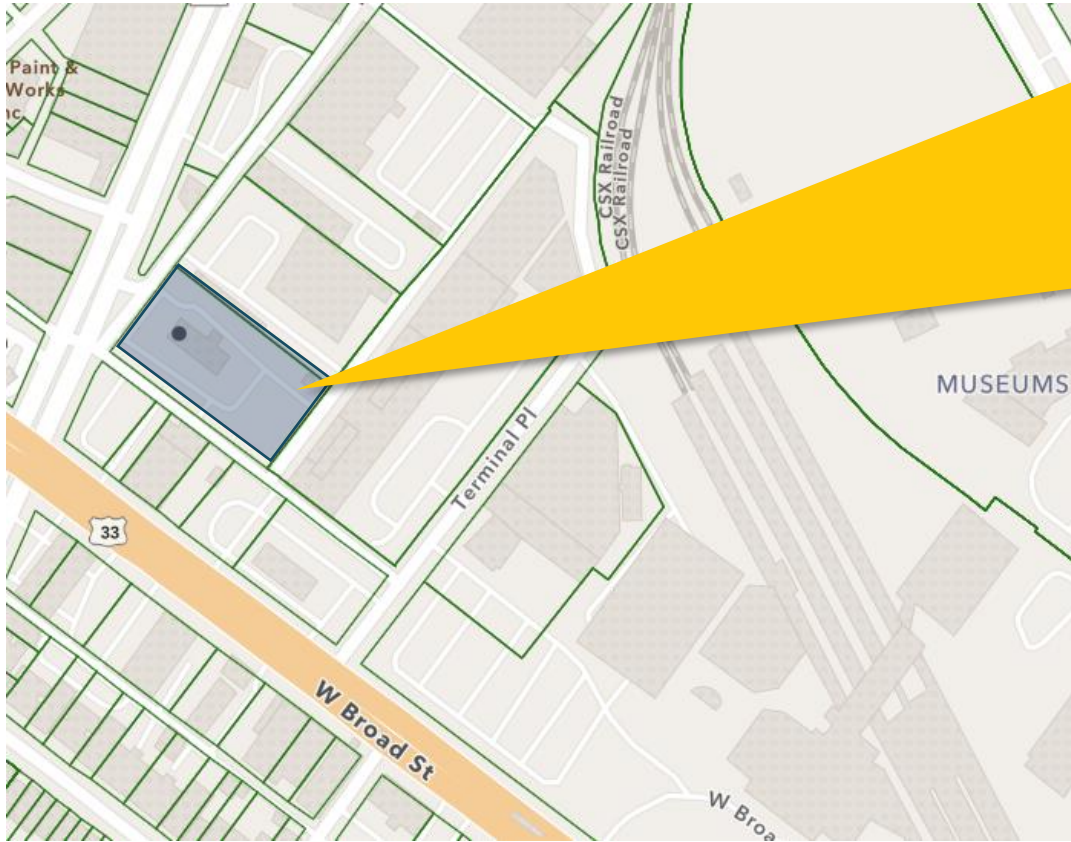
- 1600 Roseneath Rd qualifies as a Tier 1 TDFP Project
- Tier 1 projects require the developer to have at least 70% of financing secured; developer has surpassed this requirement with 85% secured
- Quarterly, each stakeholder pays an amount equal to 1% of the project’s quarterly revenue. The developer provides an additional negotiated developer contribution.

TDFP quarterly payments are an amount equal to **1 %** of the project’s quarterly revenue

State	1%
City	1%
Developer (Statutory)	1%
Developer (Additional)	1%

2%

921 Myers Street – Existing Site Conditions



- 1.25-acre site located in the Greater Scotts Addition Area
- Corner of W Broad St and N Arthur Ashe Blvd (Parcel ID Number N0001481031)
- Formerly a Hardee's establishment

921 Myers Street – Planned Development



Project Highlights	
Capital Investment	\$109 M
Description	Dual-branded Marriot (AC Hotel & Residents Inn)
Amenities	• Rooftop restaurant/bar • Ground-floor indoor/outdoor bar • 14,000 sf of ballroom meeting space • Pocket park • 253-space parking garage
Hotel Keys	253
Est. Local Revenue (after TDFP payments) over 20- yr term	\$60M* (*incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee)

921 Myers Street – TDFP Gap Financing



Quarterly payments are an amount equal to **1.5 %** of the project’s quarterly revenue

State	1.5%
City	1.5%
Developer (Statutory)	1.5%
Developer (Additional)	1.5%

3%

- 921 Myers Street qualifies as a Tier 2 TDFP Project
- Tier 2 projects require the developer to have at least 80% of financing secured; developer has surpassed this requirement with 87% secured
- Quarterly, each stakeholder pays an amount equal to 1.5% of the project’s quarterly revenue. The developer provides an additional negotiated developer contribution.

TDFP Net Tax Revenues to City Breakdown

- This table reflects annual tax revenue projections for both projects, respectively, including incremental real estate tax, occupancy tax, TID, meals and sales tax, with cumulative totals every 5 years.
- The assumptions used to calculate these figures were conservative, with a 2.5% annual escalation factor applied to all tax revenue categories.
- All numbers have been rounded for ease of seeing the net benefit to the City over the term of the program (20 years).

Year	1600 Roseneath Net City Revenues	921 Myers Net City Revenues
1	\$ 731,934	\$ 2,190,554
2	\$ 771,047	\$ 2,366,426
3	\$ 806,473	\$ 2,547,959
4	\$ 836,274	\$ 2,683,073
5	\$ 855,580	\$ 2,765,174
Years 1-5 Total	\$ 4,001,308	\$ 12,553,186
6	\$ 886,588	\$ 2,848,585
7	\$ 906,900	\$ 2,895,898
8	\$ 939,166	\$ 2,982,190
9	\$ 960,537	\$ 3,032,176
10	\$ 982,403	\$ 3,083,486
Years 6-10 Total	\$ 4,675,594	\$ 14,842,335
11	\$ 1,016,604	\$ 3,193,549
12	\$ 1,039,616	\$ 3,253,776
13	\$ 1,063,167	\$ 3,315,450
14	\$ 1,099,440	\$ 3,418,070
15	\$ 1,125,735	\$ 3,483,050
Years 11-15 Total	\$ 5,344,562	\$ 16,663,895
16	\$ 1,261,530	\$ 3,549,608
17	\$ 1,303,336	\$ 4,150,120
18	\$ 1,331,889	\$ 4,254,024
19	\$ 1,361,119	\$ 4,333,474
20	\$ 1,391,047	\$ 4,414,855
Years 16-20 Total	\$ 6,648,921	\$ 20,702,081
20 Year Total	\$ 20,670,385	\$ 64,761,497

Tourism Development Financing Program (TDFP) – Certified Examples



TOURISM DEVELOPMENT FINANCING PROGRAM



Year	Locality EDA	Certified Projects	Capital Investment	Gap Financed	% Gap Used	Local Tax Revenue	Jobs FTE (1 st yr.)
<i>* Annual</i>							
2012	Fredericksburg	Hyatt Place Hotel	\$14,940,000	\$1,150,000	7.7%	\$327,000	40
2012	Newport News	City Center at Oyster Point (4 Restaurants) 1. Historic Cavalier Hotel and Beach Club	\$22,000,000	\$4,300,000	19.5%	\$2,200,000	250
2014	Virginia Beach	2. Marriott Virginia Beach Oceanfront Resort 3. Embassy Suites Virginia Beach Oceanfront Resort	\$247,500,000	\$24,500,000	9.9%	\$612,000	350
2015	Norfolk	The MAIN Hilton Hotel	\$77,744,474	\$7,285,248	9.0%	\$2,000,000	250
2016	Farmville	Hotel Weyanoke	\$12,200,000	\$2,750,000	22.5%	\$516,280	76
2018	Hampton	Element Hotel	\$17,305,729	\$1,815,729	10.5%	\$2,340,246	22
2019	Manassas	Tru Hotel	\$13,948,300	\$1,500,000	10.8%	\$369,000	35
2019	Bristol	Sessions Hotel	\$23,000,000	\$4,021,000	19.8%	\$556,019	75
2022	Alexandria	Hotel Heron Old Town Alexandria	\$69,600,000	\$6,073,000	9.0%	\$395,537	111
2023	Spotsylvania County	Kalahari Resorts & Conventions	\$885,000,000	\$221,250,000	25.0%	\$6,840,000	805
2024	Shenandoah County	Simply Shenandoah Nature & Wellness Resort	\$201,500,000	\$15,000,000	7.5%	\$1,000,000	225
2024	Petersburg	Hotel Petersburg Hilton Tapestry Collection	\$23,138,000	\$2,200,000	9.5%	\$421,000	40
Results			\$1,607,876,503	\$291,844,977		\$17,577,082	2,279
			\$1.6 Billion	\$291 Million		\$17.5 Million	2,279

Letters of Support





Real Talent • Real Growth • Real Success

INTRODUCED: October 6, 2025

AN ORDINANCE No. 2025-233

To authorize a proposed tourism project at 921 Myers Street pursuant to the Virginia Tourism Authority’s Tourism Development Financing Program in accordance with state law.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 10 2025 AT 6 P.M.

WHEREAS, the General Assembly of Virginia has established a Tourism Development Financing Program under the purview of the Virginia Tourism Authority (the “VTA”), which entitles a tourism project of regional significance to receive certain state and local tax revenues as outlined in the Code of Virginia, Title 58.1, Subtitle III, Chapter 38, Article 10 of the Code of Virginia (1950), as amended (the “Act”), for the purpose of covering debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project of regional significance and the debt and equity capital provided by the developer of the project (“Gap Financing”); and

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

WHEREAS, the Act requires that a locality establish a tourism zone, establish a tourism plan, authorize a tourism project of regional significance to meet a deficiency identified in such plan, and designate certain local revenues to the project (the “Local Share”) in order for the project to be entitled to public funds in an amount equal to revenues generated by a one and a half percent (1.5%) state sales and use tax on transactions (the “State Share”) taking place on the premises of the project; and

WHEREAS, pursuant to Section 6-597 of the Code of the City of Richmond (2020), as amended, the Council established the Scott’s Addition Tourism Zone (the “Zone”); and

WHEREAS, the Economic Development Authority of the City of Richmond, Virginia (the “EDA”) has presented to the VTA for preliminary approval a tourism plan, a copy of which is attached hereto as Exhibit “A” (the “Plan”); and

WHEREAS, the Council believes that the Plan identifies a deficiency in that Scott’s Addition currently lacks any hotel entities in the luxury category to accommodate both business and tourism related travelers; and

WHEREAS, the developer, 921 Myers, LLC (the “Developer”), has proposed a tourism project of regional significance to meet a deficiency identified in the Plan (the “Project”), and has proposed spending approximately \$109,750,000 to construct a 253-key dual-branded hotel operated by Shamin Hotels, Inc., located at North Arthur Ashe Blvd and Myers Street in the city of Richmond; and

WHEREAS, the Developer has identified a plan of finance for the Project, which includes private debt and equity financing, along with other funds totaling at least 80 percent (80%) of the cost of the Project, leaving Gap Financing of no more than 20 percent (20%), as required by the Act; and

WHEREAS, upon information and belief of the Council, the Project will enhance the City's commercial tax base, increase employment, and fill the void of luxury hotel lodging to support the growing need for tourism and business-related lodging in the Zone; and

WHEREAS, under the Act, upon adoption of this ordinance, the Project will be entitled to receive the State Share and Local Share; and

WHEREAS, the Developer will contribute a one and a half percent (1.5%) additional fee for the purpose of paying the principal and interest on the Gap Financing (the "Access Fee"); and

WHEREAS, the State Share, the Local Share, and the Access Fee together will complete the plan of finance for the Project and provide the desired incentive for the full Project implementation; and

WHEREAS, to meet the requirements of the Act, the City, along with the EDA, will be required to enter into a performance agreement with the Developer;

NOW, THEREFORE,

THE CITY COUNCIL OF RICHMOND HEREBY ORDAINS:

§ 1. That the Plan, a copy of which is attached to this ordinance as Exhibit "A," is hereby adopted.

§ 2. That the Project, as proposed by the Developer for the Zone, is hereby authorized for the purpose of meeting the deficiency identified in the Plan.

§ 3. That, subject to the approval and certification of the State Comptroller of the Commonwealth of Virginia and conditioned upon the execution of a performance agreement between the Developer, the EDA, and the City (the "Performance Agreement"), the Council hereby designates to the Project the Local Share in accordance with the Act. Subject to the

appropriation of such funds, the Council directs those funds to the EDA to be applied to the payment of principal and interest on the qualified Gap Financing for the Project for the duration and purposes set forth in the Act.

§ 4. That, upon remittance of the State Share by the Commonwealth and of the Access Fee by the Developer, as required by the Act, the City shall remit such amounts, together with the Local Share, to the EDA in accordance with the terms of the Performance Agreement.

§ 5. That, in the event that the total amount of the State Share, the Local Share, and the Access Fee exceeds any annual debt service on the Gap Financing, such excess shall be paid to the principal of the loan until the Gap Financing is paid in full.

§ 6. That Chief Administrative Officer is hereby authorized to execute, on behalf of the City, the Performance Agreement and such other documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the undertakings herein and is further authorized and directed to take actions consistent with the intent of this ordinance, without limitation, as required by the Act. The Performance Agreement shall be substantially in the form of the document attached to this ordinance as Exhibit “B.”

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

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: September 10, 2025
TO: The Honorable Members of City Council
THROUGH: The Honorable Dr. Danny Avula, Mayor
THROUGH: Odie Donald II, Chief Administrative Officer
THROUGH: Tanikia Jackson, DCAO, Finance and Administration
THROUGH: Letitia Shelton, Director of Finance
THROUGH: Meghan Brown, Director of Budget and Strategic Planning
THROUGH: Sharon L. Ebert, DCAO, Planning & Economic Development
THROUGH: Angie Rodgers, Director of Economic Development
FROM: DJ Mulkey – Sr. Development Manager, Economic Development
RE: 921 Myers St. – Tourism Finance Development Program Project Ordinance

ORD. OR RES. No. _____

PURPOSE: To authorize a proposed tourism project at 921 Myers Street pursuant to the Virginia Tourism Authority's Tourism Development Financing Program in accordance with State law.

RECOMMENDATION: Adoption of the ordinance.

BACKGROUND: Richmond has a documented market deficiency in hotels, which impacts its ability to attract business and leisure tourists, and the related positive fiscal and economic development benefits. In 2016, pursuant to the enabling authority set forth in Va. Code 58.1-3851 et. seq., City Council adopted Ord. No. 2016-144 to establish tourism zones within certain areas of Richmond to attract tourism-related businesses. Scott's Addition is one of the City's five tourism zones. Qualifying projects within a tourism zone are eligible to apply for the Commonwealth's

Tourism Development Financing Program (the "TDFP"), which provides gap financing for hospitality projects that address a market deficiency, such as a shortage of hotels.

The developer of a planned dual-branded AC Hotel by Marriott and Residence Inn by Marriott, located at 921 Myers Street (Parcel ID Number N0001481031), approached the City to partner on applying for TDFP. The development will feature approximately 253 rooms, a ballroom, conference space, a pocket park, and a bar and lounge.

The development has a planned capital investment of \$109.8M, which would be classified as a "Tier 2" TDFP project. By statute, TDFP can provide up to 20% of gap financing for a Tier 2 project. The development team is seeking approximately 13% of the project costs from the TDFP and has secured 87% of the total project budget from a combination of debt and equity sources.

Per the performance agreement, the gap financing would be paid through a partnership between the Developer, the City, and the Commonwealth. As a Tier 2 project, every quarter, Richmond and the Commonwealth will each contribute an amount equal to 1.5% of the hotel's quarterly revenue, and the developer will contribute an amount equal to 3% of the hotel's quarterly revenue, until the gap financing is repaid.

Adoption of the ordinance will enable the developer to pursue gap financing in accordance with the TDFP and authorize the CAO to execute a performance agreement between the Developer, the City, and the EDA.

FISCAL IMPACT: The 921 Myers project is projected to generate more than \$60M in net new City tax revenues over the first 20 years following completion.¹

¹ Sources of revenue = incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee.

REQUESTED INTRODUCTION DATE: October 6, 2025

CITY COUNCIL PUBLIC HEARING DATE: November 10, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: City Attorney's Office, Economic Development, Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2016-144

ATTACHMENTS:

Tourism Development Plan
Performance Agreement

STAFF: Angie Rodgers, Director of Economic Development; DJ Mulkey, DED; Matt Welch,
DED

TDFP | TOURISM DEVELOPMENT PLAN

Localities that are interested in pursuing the financing will need to submit a Tourism Development Plan which will be reviewed and certified by the Virginia Tourism Corporation (VTC). The Tourism Development Plan submitted can be an existing plan already adopted by a locality, or a plan can be created using VTC's Tourism Development Plan website.

The purpose of the plan is to (1) outline the specific void the proposed project will fill; (2) provide accurate representations of a locality's current tourism product and assets, infrastructure, marketing efforts and visitor profiles; and (3) show the return on investment the proposed project will have to the local tourism economy.

Name	Angie Rodgers	Date	September 12, 2025
Title	Director	Email	angie.rodgers@rva.gov
Organization	Department of Economic Development, City of Richmond, Virginia	Telephone #	804-646- 3792
Tourism Region	Central Virginia		
Locality	City of Richmond		
Project Name	921 Myers Street Marriott AC + Residence Inn Scott's Addition		

SECTION 1 PROPOSED DEFICIENCY

1-A What deficiency exists in your local tourism economy?

Over the last decade, the Scott's Addition neighborhood in Richmond, VA has experienced significant revitalization driven by substantial investments in redevelopment projects. The once industrial hub is now a lively hotspot of breweries, restaurants, small businesses, and multi-family mixed-use developments. Bound by Broad Street to the south, Interstate 195 to the west, railroad tracks to the north, and N. Arthur Ashe Boulevard to the east, the Scott's Addition Historic District is a walkable and vibrant neighborhood in the heart of Richmond.

Both locals and visitors are attracted to the burgeoning brewery scene in Scott's Addition, recently named Richmond's "craft beer capital" by CNN. The neighborhood, aptly dubbed the "Brewing District of Richmond" by Virginia Tourism, is home to nine alcohol producers. These establishments have become popular gathering places for friend groups, visiting guests, families, and workplace outings. Similarly, a restaurant scene bursting with casual cafes and upscale dining establishments caters to diverse tastes, preferences, and audiences.

In just 10 years, Scott's Addition has also emerged as a vibrant residential community. The neighborhood has added over 2,500 multi-family residential units, some of which are stylish lofts within converted historic buildings. The surge of residential development has ushered in young professionals and creatives seeking a vibrant urban lifestyle to this part of town.

The Scott's Addition neighborhood is proximally adjacent to the Museum District and the Fan District, both of which contain distinct tourist attractions including the Virginia Museum of Fine Arts, the Virginia Museum of History and Culture, Monument Avenue, and Virginia Commonwealth University. Additionally, there are two major attractions under construction nearby in the Diamond District. In the summer of 2024, the Richmond Flying Squirrels broke ground on a 9,000-seat stadium, which is a part of the larger Diamond District redevelopment initiative. VCU has also started construction on its Athletic Village, the future home to VCU's outdoor track facilities, tennis center, soccer stadium, and indoor field house.

Despite these positive and ongoing developments, Scott's Addition lacks a hotel to accommodate the growing number of visitors drawn to the neighborhood and surrounding Museum District, Fan District, Diamond District, and Carytown neighborhoods. This deficiency in lodging options presents several challenges for the local tourism market:

1. **Accommodation shortage** – Without a hotel, visitors are limited in their options for overnight stays. This can deter potential tourists who prefer the convenience and amenities offered by traditional hotels.
2. **Loss of tourism revenue** – Visitors who are unable to find suitable accommodation within Scott's Addition may choose to stay in neighboring areas instead. As a result, the City of Richmond misses out on potential tourism revenue from lodging, as well as ancillary spending on dining, shopping, and entertainment.
3. **Inconvenience for tourists** – For tourists interested in exploring Scott's Addition's breweries, restaurants, and cultural attractions, the lack of nearby lodging options can be inconvenient and detract from the overall experience. They may have to commute from other areas, limiting their time and willingness to fully engage with the neighborhood.
4. **Potential for limited growth** – The absence of a hotel may hinder the neighborhood's ability to fully capitalize on its revitalization efforts and reach its tourism potential. A hotel could attract larger events, conferences, and tour groups, stimulating further economic growth and investment in the area. An upscale hotel which caters to business travelers would also support and attract corporate headquarters to the Scott's Addition area.
5. **Lack of meeting space** – Not only does Scott's Addition lack lodging options, the neighborhood also lacks adequate meeting space for large events. With ample meeting and event space, the proposed Marriott will attract different types of visitors, including group events, conferences, business meetings, families, friend groups, and sports teams. Visitors will benefit from the amenities offered by the authentic neighborhood steps from the hotel. Historically, the area has not enjoyed the perks of contemporary amenities desired in today's economy.
6. **Richmond Region Tourism (RRT) TID addition** – The city of Richmond initiated the first Tourism Improvement District (TID) in the Commonwealth. Participating hotels in the City of Richmond, Ashland, Hanover County and Colonial Heights collect visitors' fees dedicated to increasing tourism marketing and capital improvements in the RRT area. Adding this property will contribute to this innovative and much-needed investment in regional tourism.

In summary, while Scott's Addition has experienced a remarkable transformation, the absence of lodging within and around the bustling neighborhood represents a significant deficiency in the local tourism market. Addressing this gap could unlock further opportunities for growth and solidify the neighborhood's position as a premier destination within the region.

1-B Provide the data supporting the deficiency in your Locality's comprehensive community plans and project-related market studies

In the last decade, both Richmond Region Tourism and the City of Richmond have invested heavily in local tourism development, particularly in Scott's Addition. In 2018, Richmond Region Tourism (RRT) created its first Tourism Master Plan in an effort to not only attract more visitors to Richmond, but also improve the quality of the visitor experience.

By 2030, the Richmond Region is expected to welcome more than 9 million visitors, the majority of whom are family-oriented travelers, experience enthusiasts, and sophisticated travelers who wish to immerse themselves in culture and experience Richmond as locals do. The Tourism Master Plan indicates there is work to be done to appeal to each of these audiences; however, the proposed Marriott hotel in the walkable, amenity-rich Scott's Addition neighborhood will serve this growing tourism sector.

In 2023, the City of Richmond initiated the first Tourism Improvement District (TID) in the Commonwealth. Participating hotels in the City of Richmond, Ashland, Hanover County, and Colonial Heights collect visitors fees

dedicated to increasing tourism marketing and capital improvements in the RRT area. The Marriott Project will contribute to the much-needed investment in regional tourism.

In 2016, the Richmond City Council designated Scott's Addition as one of five tourism zones in the City, allowing the opportunity for incentives to drive further development. In the Richmond 300 Master Plan, adopted by City Council in December 2020, Scott's Addition is identified as a Priority Growth Node, where the City is encouraging the most significant growth in population and development over the next 20 years. As part of the vision to create a diverse economy, Richmond 300's framework established developing the tourism sector of the economy as a central goal of the plan. It posits that the City should increase the availability and options for lodging in the city (Objective 12.3) by encouraging the development of hotel rooms in Nodes, like Scott's Addition.

Scott's Addition and the nearby Museum, Fan, and Diamond Districts, located adjacent the Project Site, are considered tourism destinations, yet none have hotel developments. In September 2024, ground was broken for a new stadium and multi-purpose entertainment venue, CarMax Park. The new stadium will be within walking distance of the Marriott Project. The Project Site's location is unique due to its proximity to walkable amenities, myriad tourism attractions, VCU, and the downtown urban core. By virtue of its location off West Broad Street, the Marriott Project is well connected to the system of roadways serving Metro Richmond. The Project is .5 mile from Interstates 195, 95, 64, and only 2.5 miles from downtown Richmond.

1-C Provide the data supporting the deficiency in your Developer's specific market study

- * For the above, please highlight the specific data proving the deficiency
- * The data should include an inventory of similar tourism product and visitor demand indicators
- * If lodging, include number, name, proximity, service level & pricing of existing, local lodging

The Market Study indicates that the Richmond hotel market has demonstrated a high-level of supply-induced demand evidenced by a 28% increase in hotel inventory coinciding with a 29% increase in occupied room nights between 2015 and 2019. The competitive market in Richmond has demonstrated success with the absorption of new hotel inventory, particularly from the 2014 and 2016 openings of two dual-branded hotels in downtown Richmond. The 28% increase in inventory from these rooms helped to generate a proportionate increase in occupied room nights between 2015 and 2019. Post-pandemic demand has steadily improved, growing 3.2% through July 2024. Moreover, the competitive set's RevPAR has grown 6.4% since July 2024.

The nearest existing hotel to Scott's Addition is the Courtyard by Marriott, which is situated across Interstate 195 from Scott's Addition. This inconvenient location poses fundamental psychological and logistical challenges for guests seeking a pedestrian-oriented experience of the Scott's Addition neighborhood. The Marriott Project will effectively function as the only high-quality, large-scale commercial hotel situated within Scott's Addition and the surrounding area.

Under construction is a 73-room boutique hotel located approximately one mile southeast of the subject property near VCU's Monroe Campus. The boutique hotel known as Shenandoah Mansions will be the first hotel in the Fan District and is primed to open in February 2025. The impact of this new hotel on the subject property will be limited by the significant difference in the two projects' profiles. The Marriott Project represents a large-scale hotel operating under two Marriott brands and equipped with extensive meeting space and other public amenities, which cater to a broad range of travelers.

1-D Provide information supporting the Developer's need for State and Local gap financing?

- * Include information citing the specific financial need for TDFP and potential project termination without TDFP

The total project cost is estimated at \$109.7 million. The current capital stack calls for approximately \$ 62.7 million, or 57.1% of the project's costs, to be provided as a first mortgage by United Bank. An additional \$33.1 million of the project's cost, representing 30.1% of the capital stack, will be funded by equity capital provided by the developer, and the remaining \$14.03 million of the project's cost, representing 12.8% of the capital stack will be provided by the Commonwealth of Virginia's TDFP Gap Financing Program.

The developer has, therefore, secured 87.2% of the total project budget from a combination of debt and equity sources, which exceeds the 80% threshold required by Section 58.1-3851.2 of the Code of Virginia.

Due to the quality, scale, and complexity of the project, existing environmental conditions on the site, and the numerous off-site public benefits incorporated into the project, the developer requires assistance in the form of gap financing from the TDFP program.

1-E Briefly describe the overall scope of your project and how it fills your proven deficiency.

The Project is a dual-branded AC by Marriott lifestyle hotel and an all-suite extended stay Residence Inn by Marriott, consisting of 133 hotel rooms and 120 suites. The development will transform a closed Hardee's restaurant site into a 11-story upscale high rise. The addition of approximately 253 hotel rooms in the area will fill a significant deficiency in hotel product in not only Scott's Addition, but also the adjacent Museum and Fan Districts.

In addition to providing much needed hotel product to the area, the Marriott AC + Residence Inn will also include an elegant ballroom and conference space that will attract both corporate and leisure events to Richmond. Today's meeting planners are searching for unique destinations to host meetings, and the growing vibrancy of Scott's Addition bundled with modern meeting space in a new hotel will address this need.

The Project itself will be a destination to travelers. A ground floor restaurant, outdoor dining, a rooftop restaurant and bar with views of Downtown Richmond will activate an otherwise stagnant part of the neighborhood. These project features will provide a rare space for visitors and residents to gather and socialize. The Project's pocket park along Arthur Ashe Boulevard, which will be served by the AC bar and lounge, will serve to activate the pedestrian walkway between Broad Street and the future developments within the Diamond District, including the newly broken ground CarMax Park.

There are also many events that take place in the area, including the Richmond Marathon, the Iron Blossom music festival, and Shamrock the Block. Currently, there are no hotels that support and cater to visitors in this vibrant tourism area.

1-F What is the total capital investment of the development project? The expected capital investment is \$109,830,000.

1-G What is the estimated, total gap financing amount requested for the project? The gap financing is currently estimated to be 12.8% of the project costs, or roughly \$14,030,000; however, the gap financing will not exceed \$20,000,000 or approximately 18.2% of the capital stack, per the terms of the performance agreement.

1-H Will this proposed project fit into an existing Tourism Zone? Yes. Scott's Addition Tourism Zone.

1-I The proposed project will accomplish the following: *jobs, tax revenue, increased visitation

Annual, Total # of Full-time employees * (40 hrs./week)	100
Annual, Total # of Part-time employees * (less than 40 hrs./week)	60
Annual, Total # of <u>hours</u> for Full-time employees * (40 hrs./week)	208,000
Annual, Total # of <u>hours</u> for Part-time employees * (less than 40 hrs./week)	62,400
Projected FTE (Full Time Equivalent) Jobs	130

Projected, annual, <u>local</u> tax revenue from project expected to be (20-year annual average inclusive of: incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee)	3,637,720
Projected, annual, <u>state</u> tax revenue from project expected to be (20-year annual average state sales tax)	1,288,643
Projected, annual visitors to the new business (total) are expected to be	167,590
Projected, annual out-of-town visitors (50 miles or more) to the new business	127,990

SECTION 2 PRODUCT ANALYSIS

2-A What attributes best describe your area: (Check each box with your cursor, placing an "X" by all that apply)

Nature / Outdoor Recreation

- ☐ Mountains
- ☒ Scenic Drive
- ☐ State Parks
- ☒ Hiking
- ☐ Camping
- ☐ Caverns
- ☐ Lakes
- ☒ Rivers
- ☐ Beaches
- ☐ Chesapeake Bay
- ☒ Wildlife Watching
- ☐ Motorsports
- ☐ Road cycling
- ☐ Agricultural – Wineries
- ☒ Agricultural – Farmers Markets
- ☐ Agricultural – 'Pick your own'

History, Heritage & Culture

- ☒ Revolutionary
- ☒ Civil War
- ☒ Civil Rights
- ☒ African American / Black American
- ☒ Indigenous Virginian / Virginia Indian
- ☒ Women in Virginia
- ☒ Hispanic, Latino, LatinX
- ☐ Asian Pacific Islander Desi American (APIDA)
- ☒ LGBTQ+
- ☐ European American
- ☐ Other

Epicurean / Experiential

- ☒ Cities / Urban centers
- ☐ Small Towns & Main Street Communities
- ☒ Locally Owned Bistros and Restaurants
- ☒ Virginia Specialties / Southern Cuisine
- ☒ Ethnic foods
- ☐ Resorts-High-end
- ☐ All-Season Resorts / Outdoors (mountains, water)
- ☒ Fine Dining
- ☒ VA Finest / Locally Grown / Farm to Table

Do you offer seasonal or year-round experiences?

- ☐ Seasonal
- ☒ Year-round

Sports / Recreation

- ☒ Boating/Sailing
- ☒ Canoe/Raft/Kayak
- ☒ Fishing-Fresh Water
- ☐ Fishing-Salt Water
- ☒ Golf
- ☐ Horse Racing/Horse Shows
- ☐ Hunting
- ☒ Motor Sports/NASCAR/Indy
- ☒ Biking
- ☐ Road cycling
- ☐ Snow Sports
- ☒ Sports Event College/Professional
- ☒ Sports Tournament – Personal or Family
- ☐ Other

Arts & Culture

- ☒ Museum-Children's
- ☒ Museum-History
- ☒ Museum-Military
- ☒ Museum-Science
- ☒ Museum-Fine Art
- ☒ Historic Homes
- ☒ Creative / Art Districts
- ☒ Colleges/Universities

Entertainment / Amusement

- ☐ Amusement/Theme Parks
- ☒ Festivals-Food
- ☒ Festivals-Heritage
- ☒ Festivals-Music
- ☒ Festivals-Wine
- ☒ Live Performance & concerts
- ☒ Shopping-Antiques
- ☒ Shopping-Arts & Crafts
- ☐ Shopping-Malls
- ☐ Shopping-Outlets
- ☐ Shopping-Wineries

Do you have a peak season?

- ☒ Spring
- ☒ Fall
- ☐ Summer
- ☐ Winter

SECTION 2 PRODUCT ANALYSIS

2-B What are the major lures and drivers that attract tourists to your area?

What are the major attractions, activities and experiences that draw visitors to your area?

1. **Historic significance:** Richmond played a crucial role in American history, particularly during the Civil War. Tourists are drawn to the city's rich historical sites, including the Virginia State Capitol, which was designed by Thomas Jefferson, and the American Civil War Museum, which provides insight into Richmond's role as the capital of the Confederacy.
2. **Cultural attractions:** Richmond boasts a vibrant arts and cultural scene, with numerous museums, galleries, and theaters. The Virginia Museum of Fine Arts is a major draw, featuring an extensive collection of art spanning thousands of years and diverse cultures. Adjacent Museum of History and Culture, Children's Museum and the Science Museum of Virginia are also major draws. Additionally, the city hosts regular events and festivals celebrating music, food, and the performing arts.
3. **Outdoor recreation:** Nature enthusiasts are attracted to Richmond's abundance of outdoor recreational opportunities. The James River Park System offers miles of hiking and biking trails, as well as opportunities for kayaking, whitewater rafting, and fishing. Belle Isle, located in the James River, is a popular spot for picnics, sunbathing, and rock climbing.
4. **Culinary scene:** Richmond has gained recognition for its burgeoning culinary scene, with an array of restaurants, cafes, and food markets showcasing diverse cuisines and local flavors. From Southern comfort food to international fare, visitors can indulge in a variety of dining experiences across the city.
5. **Craft beverage industry:** The craft beverage industry has flourished in Richmond, with a growing number of breweries, cideries, distilleries, and wineries dotting the city's landscape. Tourists are drawn to brewery tours, tasting rooms, and special events that highlight the creativity and craftsmanship of local brewers and distillers.
6. **Shopping and entertainment:** Richmond offers ample opportunities for shopping and entertainment, with bustling shopping districts, eclectic boutiques, and antique shops. Visitors can also enjoy live music, theater performances, and nightlife venues throughout the city.
7. **Sports entertainment:** Located directly adjacent to Scott's Addition, the burgeoning Diamond District is the future home of not only Richmond's new minor league baseball stadium, CarMax Park, but also VCU's new Athletic Village. Players, coaches, families, and spectators will soon be flocking to the area

Overall, the combination of historical significance, cultural attractions, outdoor recreation, culinary delights, craft beverages, and shopping and entertainment options makes Richmond a compelling destination for tourists seeking a diverse and memorable travel experience.

2-C What is your **UNIQUE** factor? What sets you apart from the competition?

Unique by definition:

- The only one; without a like or equal; distinctively characteristic; atypical or unusual

What makes your destination truly different? Is it a particular attraction, historical location, cultural experience, social, ethnic or religious center or a geographical element different from that of a neighboring locale? Or is it a combination of the aforementioned.

Scott's Addition is Richmond's vibrant and rapidly evolving neighborhood known for its unique blend of historic charm and modern energy. Once an industrial hub, the area has transformed into a lively destination filled with breweries, distilleries, restaurants, and creative spaces. The architecture showcases a mix of renovated warehouses and contemporary buildings, contributing to its urban, eclectic atmosphere.

Scott's Addition also features a strong sense of community, with events, murals, and local businesses that celebrate the neighborhood's distinctive character and foster a dynamic, inclusive environment. This development will supply lodging and meeting space not currently offered in this neighborhood.

2-D Who is your major competition?

Is there a particular region, community, attraction or travel experience that is your primary competition?

How many other destinations have similar factors within 5-0 – 100 – 150+ miles?

The Richmond Region competes in the leisure travel market with several nearby cities, each offering distinct attractions that draw visitors for different reasons.

Charleston, SC, and Savannah, GA, are known for their well-preserved historic districts, charming cobblestone streets, and coastal beauty. Both cities emphasize Southern hospitality, antebellum architecture, and a strong culinary scene, making them top choices for travelers seeking a quintessential Southern experience.

Raleigh, NC, and the broader Research Triangle area, combine history with modernity, featuring vibrant arts scenes, top-notch museums, and proximity to universities. This area appeals to visitors looking for a blend of education, culture, and outdoor activities.

Baltimore, MD, and Washington, D.C., are major urban centers with significant cultural, historical, and political attractions. Washington, D.C. stands out with its iconic landmarks like the National Mall, museums, and government buildings, while Baltimore offers a mix of historical sites, a revitalized waterfront, and a strong arts scene.

Richmond distinguishes itself in this competitive landscape by offering a balance of rich history, a burgeoning arts and culinary scene, and outdoor activities. The Region's unique position at the crossroads of American history, along with its vibrant neighborhoods like Scott's Addition, makes it a compelling destination for those seeking a blend of cultural, historical, and modern experiences. Richmond's affordability, central location, and growing reputation as a cultural hub further enhance its appeal in the regional leisure travel market. The City's cultural attractions, dining and drink options, and intriguing neighborhoods have launched it to number 1 on CNN's list of America's Best Towns to Visit in 2024.

SECTION 3 S.W.O.T. ANALYSIS

3-A Gauge your tourism INFRASTRUCTURE (Check each box with your cursor, placing an "X" by all that apply)

How would you rate your **Transportation**?

	Strong	Average	Weak
Interstates	☒	☐	☐
Secondary roads	☒	☐	☐
Signage	☐	☐	☒
Bus travel	☐	☒	☐
Train travel	☒	☐	☐
Air travel	☐	☒	☐
Waterways	☐	☐	☒
Taxi service	☐	☐	☒
Biking paths	☒	☐	☐

How would you rate your **Public Services**?

	Strong	Average	Weak
Police force	☒	☐	☐
Healthcare	☒	☐	☐
Public Utilities	☒	☐	☐
Waste management	☒	☐	☐
Rescue support	☒	☐	☐
Communications	☒	☐	☐
Public parks/recreation	☒	☐	☐

How would you rate your **Environment**?

	Strong	Average	Weak
Air quality	☒	☐	☐
Noise levels	☐	☒	☐
Traffic	☒	☐	☐
Landfills	☒	☐	☐
Wetlands	☒	☐	☐
Public health	☐	☒	☐

3-B Gauge your tourism ECONOMY & BUSINESS COMMUNITY (Check each box with your cursor by all that apply)

How would you rate your **Accommodations**?

	Strong	Average	Weak
B&Bs	☐	☒	☐
Inns	☐	☐	☒
Hotels	☒	☐	☐
Resorts	☐	☐	☒
Rental property	☐	☒	☐
Cottages	☐	☐	☒
Cabins	☐	☐	☒
Campsites	☐	☐	☒

How would you rate your **Attractions**?

	Strong	Average	Weak
Shopping	☐	☒	☐
Dining	☒	☐	☐
Historic	☒	☐	☐
Museums	☒	☐	☐
Wineries	☐	☒	☐
Music festivals	☒	☐	☐
Zoos / animal parks	☐	☒	☐
Art galleries	☒	☐	☐
Nature trails & facilities	☒	☐	☐

How would you rate your **Facilities**?

	Strong	Average	Weak
Universities	☒	☐	☐
Performing arts	☒	☐	☐
Outdoor parks	☒	☒	☐
Convention facilities	☐	☒	☐
Sporting venues	☐	☐	☒
Event spaces	☐	☒	☐

3-C Gauge your LOCAL SOCIAL AND CULTURAL ASSETS (Check each box with your cursor by all that apply)

How would you describe your **Heritage & Culture?**

	Strong	Average	Weak
Multi-cultural diversity	☒	☐	☐
Geography	☒	☐	☐
Architecture	☒	☐	☐
Historical improvements	☒	☐	☐
Language	☒	☐	☐
Material culture	☒	☐	☐
Aesthetics	☒	☐	☐
Religious diversity	☒	☐	☐

How would you rate your **Integrity of the Area?**

	Strong	Average	Weak
Safety	☐	☒	☐
Cleanliness	☐	☒	☐
Friendliness	☒	☐	☐
Stability	☒	☐	☐
Quality of life	☒	☐	☐

How would you rate your **Facilities?**

	Strong	Average	Weak
Visitor friendly	☒	☐	☐
Civic mindedness	☒	☐	☐
Respect for diversity	☒	☐	☐
Political climate	☒	☐	☐
Unity among civic groups	☒	☐	☐
Local sports team support	☒	☐	☐
University/College town	☒	☐	☐

3-D Gauge your TOP 3 Strengths, Weakness, Opportunities and Threats

S.W.O.T. analysis is a process that identifies the strengths, weaknesses, opportunities and threats of an organization. Specifically, SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats. The method of SWOT analysis is to take the information from an environmental analysis and separate it into internal (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines what may assist the organization in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results.

Strength <u>Obvious natural priorities</u> ● Likely to produce greatest ROI (Return On Investment) ● Likely to be quickest and easiest to implement ● Probably justifying immediate action-planning or feasibility study	Weakness <u>Potentially attractive options</u> ● Likely to produce good returns if capability and implementation are viable ● Potentially more exciting and stimulating and rewarding than S/O due to change, challenge, surprise tactics, and benefits from addressing and achieving improvements
Threats <u>Easy to defend and counter</u> ● Only basic awareness, planning, and implementation required to meet these challenges ● Investment in these issues is generally safe and necessary	Opportunity <u>Potentially high risk</u> ● Assessment of risk crucial ● Where risk is low then we must ignore these issues and not be distracted by them ● Where risk is high, we must assess capability gaps and plan to defend/avert in very specific controlled ways

TOP 3 STRENGTHS - Characteristics of community or area that give it an advantage over others

#1 Location. The Richmond Region enjoys a highly convenient location on the East Coast, making it easily accessible for travelers from major metropolitan areas. Situated along the I-95 corridor, the city is within a short drive of Washington, D.C. and NOVA, our largest feeder markets. The Richmond Region is situated within a day's drive of half the U.S. population, easy to access via car, rail or air.

#2 Recent notoriety. CNN named Richmond the #1 town to visit in 2024. The accolade has elevated Richmond's reputation nationally and internationally, leading to increased media attention and solidifying its position as a must-visit destination. In addition, major publications such as Southern Living and many others are recognizing Richmond's dining, beverage and entertainment offerings, many of which are clustered in Scott's Addition.

#3 Vibrant Arts and Culture Scene: Richmond has a thriving arts and cultural scene that includes renowned museums like the Virginia Museum of Fine Arts, a dynamic street art culture, and a diverse array of theaters and galleries. The city is also known for its lively festivals, music, and culinary offerings, particularly in neighborhoods like Scott's Addition, which contribute to a rich, creative atmosphere that appeals to a broad range of visitors.

TOP 3 WEAKNESSES - Characteristics that place your community or area at a disadvantage relative to others

#1 Lack of a large headquarters hotel adjacent to the Greater Richmond Convention Center caused the following in lost business since 2019.

Total # of Events: 181

Total Estimated Room Nights: 307,560

Total Estimated Attendees: 200,652

Total Estimated Economic Impact: \$247,303,822

Hosting those events would have caused compression in the market to drive business to hotels outside of the downtown core.

#2 Outdated perceptions of Richmond as a city defined by its role in the slave trade and the Civil War can negatively impact travelers' opinions of the destination today. These historical associations sometimes overshadow the city's modern identity, leading potential visitors to view Richmond through a narrow and outdated lens. This can deter travelers who are unaware of the city's progress and its vibrant, inclusive community. Despite Richmond's significant efforts to confront its past and promote a more comprehensive narrative that includes its rich cultural diversity and thriving arts scene, lingering misconceptions can still influence visitor decisions and limit the city's appeal as a dynamic and forward-looking destination.

#3 Perception of Safety: Like many urban areas, Richmond has neighborhoods with higher crime rates, and this can sometimes affect the overall perception of safety among potential visitors. While the city has made strides in improving safety and revitalizing various neighborhoods, overcoming these perceptions can be a challenge when competing with destinations that are viewed as safer by tourists.

TOP 3 OPPORTUNITIES - External chances to achieve greater success and profits in your industry

#1 First Virginia destination to form a **Tourism Improvement District (TID)**. The TID provides a sustainable revenue stream that increases Richmond Region Tourism's resources to advertising to increase its visibility by expanding targeted marketing efforts beyond the region, promote and incentivize meetings, conventions and tournaments.

#2 Enhancing Accessibility and Infrastructure: Improving transportation options and infrastructure can make Richmond more accessible and appealing to visitors. Expanding direct flights to Richmond International Airport, enhancing public transportation within the city, and developing more pedestrian-friendly areas can improve the overall visitor experience. Additionally, investing in new hotels, conference centers, and other visitor amenities could attract more conventions, business travelers, and large events, further boosting tourism.

#3 Continue to Promote Culinary and Beverage Tourism: Richmond can continue to capitalize on its strengths by developing niche tourism segments, such as culinary tourism, craft beer and spirits tourism, and heritage tourism. The city's growing food scene, which includes a variety of local restaurants, breweries, and distilleries, can be leveraged to attract food and drink enthusiasts. Already the Richmond Beer Trail and Mimosa Trail are being leveraged this way.

TOP 3 THREATS - External elements in the environment that could cause trouble for business or community

#1 Competition from Nearby Destinations: Richmond competes with well-established and popular nearby cities like Washington, D.C., Raleigh and Charleston, which have strong brand recognition and a steady flow of tourists. These destinations offer similar historical and cultural experiences, often with more extensive marketing budgets and larger attractions, making it challenging for Richmond to stand out.

#2 Economic Downturns and Travel Trends: Economic downturns or shifts in travel trends could pose significant risks to Richmond's tourism industry. For example, a recession could lead to reduced travel spending, impacting the number of visitors to the region. Additionally, if travel trends shift away from mid-sized cities or historical destinations in favor of other types of experiences (e.g., eco-tourism, adventure tourism), Richmond may face challenges in adapting quickly enough to maintain its appeal.

#3 Insufficient Investment in Tourism Infrastructure: Without continued investment in tourism infrastructure, including hotels, transportation, and visitor services, the Richmond Region may struggle to accommodate increasing numbers of tourists or meet rising expectations. Competitors that continually upgrade their facilities may attract visitors who are seeking modern amenities and convenience, potentially drawing them away from Richmond.

4-A Please submit your current or existing marketing plan.

4-A Please submit your current or existing marketing plan.

City of Richmond partners with Richmond Region Tourism for tourism marketing. Submitted documents include the Richmond Region TID Plan, the Richmond Region Business Plan, and the Richmond Region 2030 Strategic Plan. The project will have a positive impact on marketing strategies by filling a gap in hotel rooms needed for nearby tourism assets and by providing additional meeting space to further the region's meeting attraction efforts, including group events, conferences, business meetings, family gatherings, friend groups, and sports teams.

Your marketing plan will have the following results:

Annual Marketing Budget	\$1.69 million for meeting and sports event incentives
* Not including salaries, benefits or fixed costs	
Visitation increased by	111,932 room nights across Richmond Region
Tourist expenditures increased by	\$93.2 million in economic impact
Visitor satisfaction increased by	
Number of partnership participants in your marketing plan	30+

Examples of different types of partners who may contribute and collaborate in some way:

- Chamber of Commerce
 - Main Street Organization
 - Local Community / Culture / History Organization
 - Main Attractions
 - Lodging Organization
- Restaurant Organization
 - Retail Organization
 - Local Parks & Recreation
 - State Parks & Recreation
 - Local and Regional Media

TOURISM DEVELOPMENT FINANCE PROGRAM PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) is made and entered into this _____ day of _____, 2025, but effective the Commencement Date, by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (“City”), **921 MYERS LLC**, a Virginia limited liability company (“Company”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“Authority”).

RECITALS

- A. Company plans to develop at 921 Myers Street, Richmond, Virginia an AC by Marriott lifestyle hotel and an all-suite Residence Inn by Marriott extended-stay hotel with approximately 253 rooms in aggregate, together with a conference space; a ground floor restaurant with pedestrian friendly outdoor dining along a pocket park; and a rooftop restaurant and bar with views of downtown and Scott’s Addition (the “Project”).
- B. The Project will promote tourism, economic development and industry, and will develop trade in the city, thereby benefitting the city’s inhabitants through the increase of their commerce and the promotion of their safety, health, welfare, convenience, and prosperity, including, but not limited to, the creation of new employment opportunities.
- C. Virginia Code Section 58.1-3851.2 (the “Code Section”) provides a mechanism by which a “tourism project of regional significance” such as the Project shall be entitled to certain sales and use tax revenues and shall use such tax revenues and an access fee to pay for “gap financing” as that term is defined in the Code Section (hereafter, the “Gap Financing”).
- D. Company plans to use D.A. Davidson & Co., Inc. as the source of its Gap Financing.
- E. The City has taken the following steps as required by the Code Section and as necessary in order for the Project to receive the state and local sales and use tax revenues authorized therein:
 - 1. Established the Scott’s Addition Tourism Zone by City Code Sec. 6-597, in which Tourism Zone the Project is located; and
 - 2. By Ordinance No. 2025-, adopted ,  (the “Project Ordinance”), adopted a tourism development plan with respect to the Project (the “Tourism Development Plan”) and endorsed the Project in order to address a deficiency identified in the Tourism Development Plan.

- F. As required by the Code Section, the Company has secured funding for the Project which includes private debt and/or equity financing totaling at least 80% of the cost of the Project, leaving a financing gap of no more than 20%.
- G. The City and the Authority have offered, and the Company has accepted, the incentives set forth in this Agreement in exchange for the performance promised within and required by this Agreement.
- H. The Company has agreed to pay the access fee required by the Code Section (the “Statutory Access Fee”), and additional access fee (the “Additional Access Fee”), each as hereafter further described, to be used, along with the tax entitlement revenues described in the Code Section, to service the Gap Financing.
- I. The City is authorized by Virginia Code Section 15.2-953 and other laws, and 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 respective activities contemplated in this Agreement.
- J. The development of the Project and the stimulation of the additional tax revenue and economic activity created by the Project constitute valid public purposes for the expenditure of public funds.

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.

1. Term of Agreement. The term of this Agreement shall run concurrently with the term of the Gap Financing obtained in connection with the Project (the “Term”) and shall end at the earliest of such date as the Gap Financing is: (i) paid in full at the expiration of the Term; (ii) repaid in full prior to the expiration of the Term; (iii) refinanced with replacement financing by agreement of the parties; or (iv) otherwise paid in full at any time. Notwithstanding the foregoing and expressly subject to the requirements of the Code Section, the Term of this Agreement shall in no event exceed twenty (20) years beyond the date of the issuance of the Certificate of Occupancy and the commencement of hotel operations. The City agrees to notify the Commonwealth Comptroller and the Commonwealth Tax Commissioner when the Gap Financing debt is retired and the Project is no longer eligible to receive the tax entitlement revenues and charge the access fee to repay such Gap Financing.
2. New Capital Investment. As required by the Code Section, the Project shall represent a new capital investment of at least \$100,000,000 by or on behalf of the Company in a tourism facility that supports increased hotel occupancy, new job creation, an increase in

the number of out-of-state visitors to the Commonwealth and other factors of significant fiscal and economic impact.

3. Gap Financing. The Company estimates that Gap Financing in an amount not to exceed \$20,000,000, representing not more than 20% of the cost of the Project, will be necessary to complete the Project. The parties agree that the Gap Financing shall be repaid by the Public Contribution, the Statutory Access Fee and Additional Access Fee, each as hereafter further described. In accordance with the Code Section, during the Term, the City, subject to annual appropriation, shall pay to the Authority quarterly (i) payments in an amount equal to the gross revenues generated by a one and one-half percent (1.5%) local sales and use tax on transactions occurring on the premises of the Project during each calendar quarter (the "Locality Contribution"), (ii) payments from the Commonwealth remitted on a quarterly basis to the City in an amount equal to the gross revenues generated by a one and one-half percent (1.5%) state sales and use tax on transactions occurring on the premises of the Project (the "Commonwealth Contribution" and, together with the Locality Contribution, the "Public Contribution") and (iii) payments from the Company remitted on a quarterly basis to the City in an amount equal to the gross revenues generated by a hypothetical one and one-half percent (1.5%) sales and use tax on transactions occurring on the premises of the Project (the "Statutory Access Fee"). During the Term, the Authority, at the direction of the City and the Company, shall remit the Public Contribution and the Statutory Access Fee on a quarterly basis to the lender providing the Gap Financing (or such lender's trustee or other designee) in order to pay principal and interest on the Gap Financing. In addition, during the Term, the Company shall impose, collect and remit to such lender, trustee or other designee on a quarterly basis an additional access fee in an amount equal to the gross revenues generated by a hypothetical up to one and one-half percent (1.5%) additional sales and use tax on transactions occurring on the premises of the Project (the "Additional Access Fee") in order to pay principal and interest on the Gap Financing. The parties acknowledge and agree that the Additional Access Fee is imposed by Company and does not affect in any way the Locality Contribution, the Commonwealth Contribution or the Statutory Access Fee described in this Agreement. None of the Commonwealth, the City, any other political subdivision of the Commonwealth or the Authority will have any duties, obligations, or responsibilities with respect to the collection, transfer, or any other aspect of the Additional Access Fee.
4. Statutory Access Fee. As provided in the Code Section, the Company will remit to the City for transmittal to the Authority the Statutory Access Fee on a quarterly basis. The calculation of the Statutory Access Fee will be provided to Company by the City upon receipt of the quarterly report of entitled sales tax revenues from the Commonwealth described in the Code Section. The City will forward the report to the Company, and the Company will remit the Statutory Access Fee to the City as soon as practical but not later than 30 days following receipt of the report. The City will forward the Statutory Access Fee to the Authority as provided in the Code Section concurrently with the Public Contribution; provided, however, that the City will not remit the Public Contribution until

the Statutory Access Fee has been received by the City from Company. Notwithstanding anything to the contrary stated herein, subject to the Code Section, the parties acknowledge and agree that the Statutory Access Fee will remain in place until the Gap Financing has been repaid in full.

5. Performance Incentive Payment. The Public Contribution and the Statutory Access Fee shall hereafter be referred to as the “Performance Incentive Payment.” The Performance Incentive Payment shall be paid by the Authority directly to the financial institution from which Company acquires its Gap Financing, or its trustee, designee, assignee or successor. The Authority shall in no event pay the Performance Incentive Payment directly to the Company. The Company shall ensure that the Performance Incentive Payment is used solely to pay principal, interest, fees and expenses due on the Gap Financing as provided in this Agreement and the Code Section and not directed to pay any other debt service, fees or charges of any kind. The Performance Incentive Payment will be subject to all restrictions and limitations set forth in the Code Section.
6. Incentive Management Fee. Additionally, the Company shall pay annually an amount equal 1% of the Statutory Access Fee for the previous four quarters, or such amount as the parties may mutually agree. The Company shall remit payment no later than March 31 of each year of the Term.
7. Non-Recourse to the Authority, the City and the Commonwealth. As provided by the Code Section, the Gap Financing is payable solely from the Public Contribution, the Statutory Access Fee and the Additional Access Fee, and there is no recourse for the Gap Financing against the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth. Nothing in this Agreement will be construed create any privity of contract between the Company’s Gap Financing Lender and any of the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth.
8. 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 of Directors approval and annual appropriation by the City Council and the Commonwealth, as applicable. 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 and the Commonwealth for the payments hereunder for the performance of this Agreement. The undertakings by the City and the Authority to make payments under this Agreement constitute neither a debt of the City or the Authority within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of either the City or the Authority beyond any fiscal year for which the City Council and the Commonwealth have appropriated moneys for purposes

of this Agreement. Any failure to appropriate by the City Council or the Commonwealth will not constitute a default under this Agreement.

9. Project Information Reporting. The Company shall provide such information as may be reasonably required or needed to assist in obtaining certification by the Commonwealth Comptroller (“Comptroller”) or any other appropriate officer of the Commonwealth or the City for entitlement to the tax revenues described in the Code Section. The Company shall file with the Authority an annual report no later than March 31 of each year (“Performance Report”), which Performance Report will contain documentation sufficient to establish compliance with all criteria of the Code Section and the Agreement. The Performance Report must be in form and substance as reasonably required by the Authority, the City, and the Commonwealth. The Authority will submit an annual certification of the Company’s performance under this Agreement to the Comptroller. The Authority will have the right to audit (the “Audit”) books and records, and any and all documents and other materials which support or inform those books and records, in whatever form they may be kept, whether written, electronic, or other, specifically pertaining to gross sales figures of the Project, as relevant to the Code Section and the Agreement and kept by or under the control of the Company, its employees, agents, assigns, successors, affiliates, contractors, and subcontractors. Any Audit will be at the expense of the Company and will be conducted after reasonable advance written notice to Company. The Company shall maintain all books and records, together with such supporting or underlying documents and materials, related to this Agreement and Company’s compliance with and performance under this Agreement, for the duration of the Term and for at least five years following the Term, including any and all renewals or extensions of such Term. This Section 9 will not be construed to limit, revoke, or abridge any other rights, powers or obligations relating to any audit rights which the Authority, the City or the Commonwealth may have under applicable federal, state or local laws, rules, regulations or agreements, whether those rights, powers or obligations are express or implied.
10. Default; Right to Cure. In the event of any default by the Company under this Agreement, the Authority or the City shall provide written notice of default and the Company will have a period of thirty (30) days from receipt of such notice to cure the default; provided, however, that if a non-monetary default cannot be cured within such thirty (30) day period and the Company in good faith and with due diligence has commenced efforts to cure within such thirty (30) day period, then the Authority in its reasonable discretion may extend the cure period for an additional period not to exceed sixty (60) days in order to permit the Company to continue to cure such default, provided further that the total time period to cure the default will not exceed ninety (90) days. If the default is not cured within such period, then the Authority or the City shall notify the Commonwealth Comptroller, and either the Authority or the City may thereafter terminate this Agreement and avail itself of any other remedies available at law or in equity; provided, however, that upon any termination of this Agreement, any Performance Incentive Payment earned to the date of termination will be provided in accordance with this Agreement.

11. Community Benefits.

11.1 **Generally.** The Company acknowledges and agrees that the performance by the Company of the requirements of this Section 11 (the “Community Benefits”) constitutes an important, material and substantial inducement to City and the Authority to enter into this Agreement.

11.2 **Assurances and Indemnity.** The Company acknowledges that it is voluntarily agreeing to provide the Community Benefits. The Company warrants that it, or its agents or contractors, will independently analyze the legal basis for its, or their, selected means and methods of performance and implementation of each Community Benefit to ensure that it, or they, do not engage in any conduct inconsistent with local, state or federal law in such means and methods of performance and implementation. The Company shall indemnify, hold harmless, and defend City and the Authority from and against any claims and liabilities arising out of, caused by, or resulting from the performance and implementation of the Community Benefits by the Company, its agents, or its contractors. The Company shall release the City and the Authority, their officers, employees, agents and volunteers from and against any and all losses, liabilities, claims, damages, costs, and expenses (including, but not limited to, court costs and attorneys’ fees) that the Company may suffer, pay, or incur caused by, resulting from or arising out of the performance and implementation of the Community Benefits. This Section 11.2 will survive expiration or earlier termination of this Agreement.

11.3 **Minority Business Enterprise and Emerging Small Business Participation.**

(a) **Goal.** The Company 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 Company 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 meanings ascribed to them in Chapter 21 of the City Code. The Company shall include this goal in its contracts with all assignees, contractors and subcontractors who will be providing any substantial portion of the Project.

(b) **Reporting.** To enable the City to measure the achievements of the Company 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 Company 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 Project spent with minority business enterprises and emerging small businesses. If the City chooses, the Company 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 Company and its assignees, contractors, and subcontractors that compete for City contracts.

- 11.4 **Jobs and Training.** The Company shall work in good faith to create training and outreach programs within the city to identify opportunities to secure the job skills needed for both the construction and post-construction phases of the Project, and to employ individuals having such job skills. All opportunities for employment in connection with the development and operations of the Project shall be communicated to the City's Office of Community Wealth Building to coordinate recruitment efforts with such office.
- 11.5 **To the extent permitted by law, and regardless of the existence of a Labor Agreement, Company will require its construction contractors and subcontractors to pay each laborer, worker, and mechanic employed on the project a minimum of \$20 per hour; provided, however, that in such cases where the applicable prevailing wage rate for the city of Richmond as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C. § 276 et seq. is less than \$20 per hour, the minimum rate paid by Company must meet or exceed such applicable prevailing wage rate.**
- 11.6 **Conference Facilities.** Pursuant to a license agreement designed to such purpose, the Company will waive facility rental costs (but not and food, beverage or audio-visual services costs) for the Authority or the City for the use of the Project's conference facilities for economic development and civic programming for up to five days annually for the duration of the Term.
12. Miscellaneous Provisions.
- 12.1 **Assignment by the Company.** The Company may not assign this Agreement without the prior written consent of the City and the Authority, which consent will not be unreasonably withheld, conditioned, or delayed but which must be considered in conjunction with the Commonwealth as provider of the Commonwealth Contribution.
- 12.2 **Captions.** This Agreement includes the captions, headings and titles appearing herein for convenience only, and such captions, headings and titles do not affect the construal, interpretation or meaning of this Agreement or in any way define, limit, extend or describe the scope or intent of any provisions of this Agreement.
- 12.3 **Entire Agreement.** This Agreement, including any Exhibits attached hereto, contains the entire understanding between and among the parties and supersedes any prior

understandings and written or oral agreements between or among them respecting such subject matter.

- 12.4 **Governing Law and Forum Choice.** All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the City, the Authority or the Company in connection with this Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims and causes of action arising out of or in connection with this 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 Agreement.
- 12.5 **Modifications.** This Agreement may be amended, modified and supplemented only by the written consent of the City, the Authority and the Company preceded by all formalities required as prerequisites to the signature by each party of this Agreement.
- 12.6 **No Agency, Joint Venture, or Other Relationship.** Neither the execution of this Agreement nor the performance of any act or acts pursuant to the provisions of this Agreement shall be deemed to have the effect of creating among the City, the Authority, and the Company, or any of them, any relationship of principal and agent, partnership, or relationship other than the relationship established by this Agreement.
- 12.7 **No Individual Liability.** No director, officer, employee or agent of the City, the Authority, or the Company shall be personally liable to another party hereto or any successor in interest in the event of any default or breach under this Agreement or on any obligation incurred under the terms of this Agreement.
- 12.8 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Agreement, the City, the Authority, and the Company hereby 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, and the Company; (iii) no individual or entity shall obtain any right to make any claim against the City, the Authority, and the Company 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. For purposes of this Section 12.8, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, subvendors, assignees, licensors and sublicensors, regardless of whether such individual or entity is named in this Agreement.
- 12.9 **No Waiver.** The failure of the City, the Authority, or the Company to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon the strict performance of such provision or of any other provision of

this Agreement at any time. The waiver of any breach of this Agreement shall not constitute a waiver of a subsequent breach.

12.10 **Severability.** Each clause, paragraph and provision of this Agreement is entirely independent and severable from every other clause, paragraph and provision. If any judicial authority or state or federal regulatory agency or authority determines that any portion of this Agreement is invalid or unenforceable or unlawful, such determination will affect only the specific portion determined to be invalid or unenforceable or unlawful and will not affect any other portion of this Agreement which will remain and continue in full force and effect. In all other respects, all provisions of this Agreement will be interpreted in a manner which favors their validity and enforceability and which gives effect to the substantive intent of the parties.

12.11 **Notices.** All notices, offers, consents or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service or by registered or certified U.S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

To the City:

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

with a copy to:

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

To the Authority:

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

with copies 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
City of Richmond, Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

To the Company:

921 Myers LLC
c/o Shamin Hotels
1001 Boulders Parkway
Richmond, Virginia 23225
Attn: Neil Amin, CEO

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

12.12 Interpretation

(b) In this Agreement:

- (i) headings are for convenience only and do not affect interpretation;
- (ii) unless otherwise stated, a reference to any agreement, instrument or other document is to that agreement, instrument or other document as amended or supplemented from time to time;
- (iii) a reference to this Agreement or any other agreement includes all exhibits, schedules, forms, appendices, addenda, attachments or other documents attached to or otherwise expressly incorporated in this Agreement or any other agreement (as applicable);
- (iv) reference to an Article, Section, subsection, clause, Exhibit, schedule, form or appendix is to the Article, Section, subsection, clause, Exhibit, schedule, form or appendix in or attached to this Agreement, unless expressly provided otherwise;
- (v) a reference to a Person includes a Person's permitted successors and assigns;

- (vi) a reference to a singular word includes the plural and vice versa (as the context may require);
 - (vii) the words “including,” “includes” and “include” mean “including, without limitation,” “includes, without limitation” and “include, without limitation,” respectively;
 - (viii) an obligation to do something “promptly” means an obligation to do so as soon as the circumstances permit, avoiding any delay; and
 - (ix) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” mean “to and including.”
- (c) This Agreement is not to be interpreted or construed against the interests of a party merely because that party proposed this Agreement or some provision of it or because that party relies on a provision of this Agreement to protect itself.
- (d) The parties acknowledge and agree that:
- (i) each party is an experienced and sophisticated party and has been given the opportunity to independently review this Agreement with legal counsel;
 - (ii) each party has the requisite experience and sophistication to understand, interpret and agree to the language of the provisions of this Agreement; and
 - (iii) in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the party preparing it.

12.13 Signatures. 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.

12.14 Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof is authorized to act on behalf of the City under this Agreement and the Chairman of the Authority, or a designee thereof is authorized to act on behalf of the Authority under this Agreement.

SIGNATURES ON FOLLOWING PAGE

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 Officer
Date:
Authorized by Ordinance No. _____

Approved as to Form:

By: Bonnie M. Ashley
City Attorney's Office

**ECONMIC 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

921 MYERS LLC, a Virginia limited liability
company

By: _____
Title:
Date:

INTRODUCED: October 6, 2025

AN ORDINANCE No. 2025-234

To authorize a proposed tourism project at 1600 Roseneath Road pursuant to the Virginia Tourism Authority’s Tourism Development Financing Program in accordance with state law.

Patron – Mayor Avula

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: NOV 10 2025 AT 6 P.M.

WHEREAS, the General Assembly of Virginia has established a Tourism Development Financing Program under the purview of the Virginia Tourism Authority (the “VTA”), which entitles a tourism project of regional significance to receive certain state and local tax revenues as outlined in the Code of Virginia Title 58.1, Subtitle III, Chapter 38, Article 10 of the Code of Virginia (1950), as amended (the “Act”), for the purpose of covering debt financing to compensate for a shortfall in project funding between the expected development costs of an authorized tourism project of regional significance and the debt and equity capital provided by the developer of the project (“Gap Financing”); and

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

WHEREAS, the Act requires that a locality establish a tourism zone, establish a tourism plan, authorize a tourism project of regional significance to meet a deficiency identified in such plan, and designate certain local revenues to the project (the “Local Share”) in order for the project to be entitled to public funds in an amount equal to revenues generated by a one percent (1%) state sales and use tax on transactions (the “State Share”) taking place on the premises of the project; and

WHEREAS, pursuant to Section 6-597 of the Code of the City of Richmond (2020), as amended, the Council established the Scott’s Addition Tourism Zone; and

WHEREAS, the Economic Development Authority of the City of Richmond, Virginia (the “EDA”) has presented to VTA for preliminary approval a tourism plan, a copy of which is attached hereto as Exhibit “A” (the “Plan”); and

WHEREAS, the Council believes that the Plan identifies a deficiency in that Scott’s Addition currently lacks any hotel entities in the luxury category to accommodate both business and tourism related travelers; and

WHEREAS, the developer, CSRA Opportunity Zone Fund IX Owner, LLC (the “Developer”), has proposed a tourism project of regional significance to meet a deficiency identified in the Plan (the “Project”) and has proposed spending approximately \$39,095,000 to construct a 95-key boutique hotel operated by Capital Square Apartment REIT, Inc., located at the corner of Roseneath Road and West Moore Street in the city of Richmond; and

WHEREAS, the Developer has identified a plan of finance for the Project, which includes private debt and equity financing along with other funds totaling at least 70 percent (70%) of the cost of the Project, leaving Gap Financing of no more than 30 percent (30%), as required by the Act; and

WHEREAS, upon information and belief of the Council, the Project will enhance the City's commercial tax base, increase employment, and fill the void of luxury hotel lodging to support the growing need for tourism and business related lodging in the Zone; and

WHEREAS, under the Act, upon adoption of this ordinance, the Project will be entitled to receive the State Share and Local Share; and

WHEREAS, the Developer will contribute a one percent (1%) additional fee for the purpose of paying the principal and interest on the Gap Financing (the "Access Fee"); and

WHEREAS, the State Share, the Local Share, and the Access Fee together will complete the plan of finance for the Project and provide the desired incentive for the full Project implementation; and

WHEREAS, to meet the requirements of the Act, the City, along with the EDA, will be required to enter into a performance agreement with the Developer;

NOW, THEREFORE,

THE CITY COUNCIL OF RICHMOND HEREBY ORDAINS:

§ 1. That the Plan, a copy of which is attached to this ordinance as Exhibit "A," is hereby adopted.

§ 2. That the Project, as proposed by the Developer for the Zone, is hereby authorized for the purpose of meeting the deficiency identified in the Plan.

§ 3. That, subject to the approval and certification of the State Comptroller of the Commonwealth of Virginia and conditioned upon the execution of a performance agreement between the Developer, EDA, and the City (the "Performance Agreement"), the Council hereby designates to the Project the Local Share. Subject to the appropriation of such funds, Council

directs those funds to the EDA to be applied to the payment of principal and interest on the qualified Gap Financing for the Project for the duration and purposes set forth in the Act.

§ 4. That, upon remittance of the State Share by the Commonwealth and of the Access Fee by the Developer, as required by the Act, the City shall remit such amounts, together with the Local Share, to the EDA in accordance with the terms of the Performance Agreement.

§ 5. That, in the event that the total amount of the State Share, the Local Share, and the Access Fee exceeds any annual debt service on the Gap Financing, such excess shall be paid to the principal of the loan until the Gap Financing is paid in full.

§ 6. That the City's Chief Administrative Officer is hereby authorized to execute, on behalf of the City, the Performance Agreement and such other documents, all of which must first be approved as to form by the City Attorney, as may be necessary to consummate the undertakings herein and is further authorized and directed to take actions consistent with the intent of this ordinance, without limitation, as required by the Act. The Performance Agreement shall be substantially in the form of the document attached to this ordinance as Exhibit "B".

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

City of Richmond

Intracity Correspondence

O&R Transmittal

DATE: September 10, 2025

TO: The Honorable Members of City Council

THROUGH: The Honorable Dr. Danny Avula, Mayor

THROUGH: Odie Donald II, Chief Administrative Officer

THROUGH: Tanikia Jackson, DCAO, Finance and Administration

THROUGH: Letitia Shelton, Director of Finance

THROUGH: Meghan Brown, Director of Budget and Strategic Planning

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

THROUGH: Angie Rodgers, Director of Economic Development

FROM: DJ Mulkey – Sr. Development Manager, Economic Development

RE: 1600 Roseneath Road – Tourism Finance Development Program Project Ordinance

ORD. OR RES. No. _____

PURPOSE: To authorize a proposed tourism project at 1600 Roseneath Road pursuant to the Virginia Tourism Authority's Tourism Development Financing Program in accordance with State law.

RECOMMENDATION: Adoption of the ordinance.

BACKGROUND: Richmond has a documented market deficiency in hotels, which impacts its ability to attract business and leisure tourists, and the related positive fiscal and economic development benefits. In 2016, pursuant to the enabling authority set forth in Va. Code 58.1-3851 et. seq., City Council adopted Ord. No. 2016-144 to establish tourism zones within certain areas of

Richmond to attract tourism-related businesses. Scott's Addition is one of the City's five tourism zones. Qualifying projects within a tourism zone are eligible to apply for the Commonwealth's Tourism Development Financing Program (the "TDFP"), which provides gap financing for hospitality projects that address a hospitality market deficiency, such as a shortage of hotels.

The developer of 1600 Roseneath, the planned mixed-use project with a 95-room hotel and approximately 220 multi-family residential units at the corner of Roseneath Road and W. Moore Street in the Greater Scotts Addition Area (Parcel ID Number N0001791005), approached the City to partner on applying for TDFP. The hotel portion of the project has an expected capital investment of \$40,041,000, which would be classified as a "Tier 1" TDFP project. By statute, TDFP can provide up to 30% of gap financing for a Tier 1 project. The development team is seeking to finance no more than 15% of the hotel-portion costs from the TDFP and has secured 85% of project financing from other sources.

Per the performance agreement, the gap financing would be paid through a partnership between the Developer, the City, and the Commonwealth. As a Tier 1 project, every quarter, Richmond and the Commonwealth will each contribute an amount equal to 1% of the hotel's quarterly revenue, and the developer will contribute an amount equal to 2% of the hotel's quarterly revenue, until the gap financing is repaid.

Adoption of the ordinance will enable the developer to pursue gap financing in accordance with the TDFP and authorize the CAO to execute a performance agreement between the Developer, the City, and the EDA.

FISCAL IMPACT: The 1600 Roseneath project is projected to generate more than \$20M in net new City tax revenues over the first 20 years following completion.¹

¹ Sources of revenue = incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee. Fiscal Impact inclusive of hotel portion of project and does not include revenues to be generated by the residential component

REQUESTED INTRODUCTION DATE: October 6, 2025

CITY COUNCIL PUBLIC HEARING DATE: November 10, 2025

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

AFFECTED AGENCIES: City Attorney's Office, Economic Development, Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: Ord. No. 2016-144

ATTACHMENTS:

Tourism Development Plan
Performance Agreement

STAFF: Angie Rodgers, Director of Economic Development; DJ Mulkey, DED; Matt Welch,
DED

TDFP | TOURISM DEVELOPMENT PLAN

Localities that are interested in pursuing the financing will need to submit a Tourism Development Plan which will be reviewed and certified by the Virginia Tourism Corporation (VTC). The Tourism Development Plan submitted can be an existing plan already adopted by a locality, or a plan can be created using VTC’s Tourism Development Plan website.

The purpose of the plan is to (1) outline the specific void the proposed project will fill; (2) provide accurate representations of a locality’s current tourism product and assets, infrastructure, marketing efforts and visitor profiles; and (3) show the return on investment the proposed project will have to the local tourism economy.

Name	Angie Rodgers	Date	August 13, 2025
Title	Director	Email	Angie.Rodgers@rva.gov
Organization	Economic Development Authority	Telephone #	804.646.7576
Locality	City of Richmond		
Tourism Region	Central Virginia		
Project Name	1600 Roseneath 95 apartment-hotel rooms (connected to mixed-use multifamily)		

SECTION 1 PROPOSED DEFICIENCY

1-A What deficiency exists in your local tourism economy?

Over the last decade, the Scott’s Addition neighborhood in Richmond, VA has experienced significant revitalization driven by substantial investments in redevelopment projects. Registered as a national historic district, the once industrial hub is now a lively hotspot of breweries, restaurants, small businesses, and multi-family mixed-use developments. Bound by Broad Street to the south, Interstate 195 to the west, railroad tracks to the north, and N. Arthur Ashe Boulevard to the east, the Scott’s Addition Historic District is a walkable and vibrant neighborhood in the heart of Richmond.

Both locals and visitors are attracted to the burgeoning brewery scene in Scott’s Addition, recently named Richmond’s “craft beer capital” by CNN. The neighborhood, aptly dubbed the “Brewing District of Richmond” by Virginia Tourism, is home to nine alcohol producers, including breweries, cideries, a meadery, and a distillery. These establishments have become popular gathering places for friend groups, visiting guests, families, and workplace outings. Similarly, a restaurant scene bursting with casual cafes and upscale dining establishments caters to diverse tastes, preferences, and audiences.

Scott’s Addition has also emerged as a vibrant residential community. In just 10 years, the neighborhood has added over 2,500 multi-family residential units, some of which are stylish lofts within converted historic buildings. The surge of residential development has ushered in young professionals and creatives seeking a vibrant urban lifestyle to this part of town.

The Scott’s Addition neighborhood is proximally adjacent to the Museum District and the Fan District, both of which contain distinct tourist attractions including the Virginia Museum of Fine Arts, the Virginia Museum of History and Culture, Monument Avenue, and Virginia Commonwealth University. Additionally, there are two major attractions under construction nearby. In the summer of 2024, the Richmond Flying Squirrels broke ground on a 9,000-seat stadium, which is a part of the larger Diamond District redevelopment. VCU has also started construction on its Athletic Village, the future home to VCU’s outdoor track facilities, tennis center, soccer stadium, and indoor field house.

Despite the positive developments within Scott’s Addition and its proximity to tourist attractions, Scott’s Addition currently lacks hotel products to accommodate the increasing number of visitors to the area. Moreover, the adjacent Museum and Fan Districts also lack hotel products. There is not only a deficiency of full-service hotel products, but also apartment hotel products. The 1600 Roseneath Project is the only hospitality offering planned or existing within the Scott’s Addition Historic District proper. Planned and existing hospitality offerings are outside the Historic District and cannot offer the convenience and walkability provided by the Project’s central location.

Compared to a full-service or extended stay hotel, apartment hotel rooms target a currently unmet demand from visitors seeking nightly, weekly, or monthly furnished accommodations. Scott's Addition frequently attracts small friend groups traveling together, business travelers on extended assignments, people visiting Richmond to relocate, families on vacation, or visitors seeing local residents and students. These visitors are seeking home-away-from-home accommodations with separate bedrooms, fully equipped kitchens, in-unit laundry, and dining and entertainment options within walking distance. Not only are there no other existing or planned projects that will provide this type of hotel accommodation in Scott's Addition, but also the entire Richmond region.

The shortage of lodging options in Scott's Addition presents several challenges for the local tourism industry.

1. **Accommodation shortage** – Without hotel offerings in Scott's Addition, visitors are limited in their options for overnight stays. Visitors who require or prefer apartment hotel accommodations, options are nonexistent. The lack of lodging options in this vital and growing tourism corridor can deter potential tourists from visiting Richmond.
2. **Loss of tourism revenue** – Visitors who are unable to find suitable accommodation within Scott's Addition may choose to stay in neighboring counties instead. As a result, the City of Richmond misses out on potential tourism revenue from lodging, as well as ancillary spending on dining, shopping, and entertainment.
3. **Inconvenience for tourists** – For tourists interested in exploring Scott's Addition's breweries, restaurants, and cultural attractions, the lack of nearby lodging options can be inconvenient and detract from their overall experience visiting Richmond. They may have to commute from other areas, limiting their time and willingness to fully engage with the neighborhood.
4. **Potential for limited growth** – The absence of lodging options may hinder the neighborhood's ability to fully capitalize on its revitalization efforts and reach its tourism potential. More lodging, specifically that which offers nightly, weekly, or monthly options, could attract larger events, conferences, and tour groups, stimulating further economic growth and investment in the area.

1-B Provide the data supporting the deficiency in your Locality's comprehensive community plans and project-related market studies

In the last decade, both Richmond Region Tourism and the City of Richmond have invested heavily in local tourism development, particularly in Scott's Addition. In 2018, Richmond Region Tourism (RRT) created its first Tourism Master Plan in an effort to not only attract more visitors to Richmond, but also improve the quality of the visitor experience.

By 2030, the Richmond Region is expected to welcome more than 9 million visitors, the majority of whom are family-oriented travelers, experience enthusiasts, and sophisticated travelers who wish to immerse themselves in culture and experience Richmond as locals do. The Tourism Master Plan indicates there is work to be done to appeal to each of these audiences.

In 2023, the City of Richmond initiated the first Tourism Improvement District (TID) in the Commonwealth. Participating hotels in the City of Richmond, Ashland, Hanover County, and Colonial Heights collect visitors fees dedicated to increasing tourism marketing and capital improvements in the RRT area. The 1600 Roseneath Project will contribute to the much-needed investment in regional tourism.

In 2016, the Richmond City Council designated Scott's Addition as one of five tourism zones in the City, allowing the opportunity for incentives to drive further development. In the Richmond 300 Master Plan, adopted by City Council in December 2020, Scott's Addition is identified as a Priority Growth Node, where the City is encouraging the most significant growth in population and development over the next 20 years. As part of the vision to create a diverse economy, Richmond 300's framework established developing the tourism sector of the economy as a central goal of the plan. It posits that the City should increase the availability and options for lodging in the city (Objective 12.3) by encouraging the development of hotel rooms in Nodes, like Scott's Addition.

Scott's Addition does not yet contain hotel or apartment-hotel products. The hotel deficiency in Scott's Addition is further exacerbated by the lack of lodging in the adjacent Museum District and the Fan District, both of which are tourism and visitor hotspots in Richmond. The Museum District is home to the Virginia Museum of Fine Arts, the Science Museum of Virginia, the Museum of History & Culture, which saw over 1 million combined visitors in 2023. In addition to these attractions, the Market Study indicates other key lodging demand generators near the Project Site, including State and Local government, Virginia Commonwealth University, Dominion Energy, CoStar, and the Greater Richmond Convention Center.

1-C Provide the data supporting the deficiency in your Developer's specific market study

- * For the above, please highlight the specific data proving the deficiency
- * The data should include an inventory of similar tourism product and visitor demand indicators
- * If lodging, include number, name, proximity, service level & pricing of existing, local lodging

The Project's Market Study concluded that the Richmond hotel market has historically demonstrated a high-level of supply-induced demand, as evidenced by a 28% increase in hotel inventory coinciding with a 29% increase in occupied room nights between 2015 and 2019. Post-pandemic demand grew by 74% in 2021, 29.2% in 2022, 10.3% through October 2023, and continues to trend positive. In 2022, RevPAR results among the competitive set matched or exceeded 2019 levels for five months of the year. In 2023, results were superior in seven of the first 10 months of the year.

Currently, the only hotel in the Roseneath Project's immediate vicinity is the 128-room Courtyard by Marriott, which is factually situated across Interstate 95 from Scott's Addition. Further demonstrating the area's hotel deficiency, the hotel survey within the Market Study resorted to using boutique hotel products located Downtown and in the Capitol District as closest comparables. No apartment-hotel product currently exists in the Richmond market.

Please refer to the Market Study for a complete analysis of the current Richmond hotel market and available comparable hotel products.

1-D Provide information supporting the Developer's need for State and Local gap financing?

- * Include information citing the specific financial need for TDFP and potential project termination without TDFP

The estimated budget for the apartment-hotel portion of the project is \$39,095,000, which would include TDFP gap financing and fees. An estimated \$11,832,100 (29.5% of the budget) is planned to be funded by equity capital provided by the developer, CSRA Opportunity Zone Fund IX, LLC. Total bank debt financing in the amount of \$21,973,900 (55%) is under consideration by United Bank. The remaining amount, up to \$6,235,000, is considered "gap financing". The Developer has in place a total of at least 70% of the project budget from a combination of debt and equity financing.

1-E Briefly describe the overall scope of your project and how it fills your proven deficiency?

The Project will include 95 apartment-hotel rooms that are a part of a mixed-use building containing approximately 220 multifamily units, up to 15,000 SF of retail space, and on-site structure parking. The apartment-hotel rooms will offer a product that serves Richmond visitors seeking furnished apartments for stays ranging from nightly, daily, and monthly. Inventory will be rented in the manner of a typical hotel room, based on a nightly rate, without a lease. Building amenities will include a fully equipped fitness center, pool, and outdoor space, all of which are available to hotel guests. The average apartment-hotel room is over 600 square feet and includes fully equipped kitchens and in-unit washer and dryers.

The apartment-hotels will fill a currently unmet demand from visitors to Richmond looking for furnished accommodations, including friend groups traveling together, families, especially those traveling for sports tourism, looking for separate bedrooms and full kitchens, and business travelers on extended assignments seeking accommodations with laundry amenities and within walking distance to dining and entertainment. Providing home-like comfortability and unparalleled convenience, the apartment hotel rooms at 1600 Roseneath will provide a much-needed lodging option for visitors to Richmond.

1-F What is the total capital investment of the development project?

\$40,041,000

1-G What is the estimated, total gap financing amount requested for the project?

Up to \$6,235,000

1-H Will this proposed project fit into an existing Tourism Zone? Yes, the Scott's Addition Tourism Zone.

1-I The proposed project will accomplish the following: *jobs, tax revenue, increased visitation

Annual, Total # of Full-time employees * (40 hrs./week)	12
Annual, Total # of Part-time employees * (less than 40 hrs./week)	19
Annual, Total # of <u>hours</u> for Full-time employees * (40 hrs./week)	24,960
Annual, Total # of <u>hours</u> for Part-time employees * (less than 40 hrs./week)	19,760
Projected FTE (Full Time Equivalent) Jobs	21.5
Projected, annual, local tax revenue from project expected to be *20-year annual average inclusive of: incremental real estate tax; local sales tax; meals tax; transient occupancy tax; tourism improvement district fee – all generated by hotel portion of the project only (i.e., exclusive of revenues generated by residential portion)	\$1.2M*
Projected, annual, state tax revenue from project expected to be *includes room and payroll tax estimates for the hotel and estimates of meals, payroll, and sales taxes for third-party leased retail space in the project at stabilization	\$1.05M*
Projected, annual visitors to the new business (total) are expected to be <i>Calculation: 95 rooms x 75% occupancy x 365 / 9-night avg stay x 2 guests</i> *at stabilization	5,770
Projected, annual out-of-town visitors (50 miles or more) to the new business <i>Calculation: 95 rooms x 75% occupancy x 365 / 9-night avg stay x 2 guests</i> *at stabilization	5,770

SECTION 2 PRODUCT ANALYSIS

2-A What attributes best describe your area: (Check each box with your cursor, placing an "X" by all that apply)

Nature / Outdoor Recreation

- ☐ Mountains
- ☒ Scenic Drive
- ☐ State Parks
- ☒ Hiking
- ☐ Camping
- ☐ Caverns
- ☐ Lakes
- ☒ Rivers
- ☐ Beaches
- ☐ Chesapeake Bay
- ☒ Wildlife Watching
- ☐ Motorsports
- ☐ Road cycling
- ☐ Agricultural – Wineries
- ☒ Agricultural – Farmers Markets
- ☐ Agricultural – 'Pick your own'

History, Heritage & Culture

- ☒ Revolutionary
- ☒ Civil War
- ☒ Civil Rights
- ☒ African American / Black American
- ☒ Indigenous Virginian / Virginia Indian
- ☒ Women in Virginia
- ☒ Hispanic, Latino, LatinX
- ☐ Asian Pacific Islander Desi American (APIDA)
- ☒ LGBTQ+
- ☐ European American
- ☐ Other

Epicurean / Experiential

- ☒ Cities / Urban centers
- ☐ Small Towns & Main Street Communities
- ☒ Locally Owned Bistros and Restaurants
- ☒ Virginia Specialties / Southern Cuisine
- ☒ Ethnic foods
- ☐ Resorts-High-end
- ☐ All-Season Resorts / Outdoors (mountains, water)
- ☒ Fine Dining
- ☒ VA Finest / Locally Grown / Farm to Table

Do you offer seasonal or year-round experiences?

- ☐ Seasonal
- ☒ Year-round

Sports / Recreation

- ☒ Boating/Sailing
- ☒ Canoe/Raft/Kayak
- ☒ Fishing-Fresh Water
- ☐ Fishing-Salt Water
- ☒ Golf
- ☐ Horse Racing/Horse Shows
- ☐ Hunting
- ☒ Motor Sports/NASCAR/Indy
- ☒ Biking
- ☐ Road cycling
- ☐ Snow Sports
- ☒ Sports Event College/Professional
- ☒ Sports Tournament – Personal or Family
- ☐ Other

Arts & Culture

- ☒ Museum-Children's
- ☒ Museum-History
- ☒ Museum-Military
- ☒ Museum-Science
- ☒ Museum-Fine Art
- ☒ Historic Homes
- ☒ Creative / Art Districts
- ☒ Colleges/Universities

Entertainment / Amusement

- ☐ Amusement/Theme Parks
- ☒ Festivals-Food
- ☒ Festivals-Heritage
- ☒ Festivals-Music
- ☒ Festivals-Wine
- ☒ Live Performance & concerts
- ☒ Shopping-Antiques
- ☒ Shopping-Arts & Crafts
- ☐ Shopping-Malls
- ☐ Shopping-Outlets
- ☐ Shopping-Wineries

Do you have a peak season?

- ☒ Spring
- ☒ Fall
- ☐ Summer
- ☐ Winter

2-B What are the major lures and drivers that attract tourists to your area?

What are the major attractions, activities and experiences that draw visitors to your area?

1. **Historic significance:** Richmond played a crucial role in American history, particularly during the Civil War. Tourists are drawn to the city's rich historical sites, including the Virginia State Capitol, which was designed by Thomas Jefferson, and the American Civil War Museum, which provides insight into Richmond's role as the capital of the Confederacy.
2. **Cultural attractions:** Richmond boasts a vibrant arts and cultural scene, with numerous museums, galleries, and theaters. The Virginia Museum of Fine Arts is a major draw, featuring an extensive collection of art spanning thousands of years and diverse cultures. Adjacent Museum of History and Culture, Children's Museum and the Science Museum of Virginia are also major draws. Additionally, the city hosts regular events and festivals celebrating music, food, and the performing arts.
3. **Outdoor recreation:** Nature enthusiasts are attracted to Richmond's abundance of outdoor recreational opportunities. The James River Park System offers miles of hiking and biking trails, as well as opportunities for kayaking, whitewater rafting, and fishing. Belle Isle, located in the James River, is a popular spot for picnics, sunbathing, and rock climbing.
4. **Culinary scene:** Richmond has gained recognition for its burgeoning culinary scene, with an array of restaurants, cafes, and food markets showcasing diverse cuisines and local flavors. From Southern comfort food to international fare, visitors can indulge in a variety of dining experiences across the city.
5. **Craft beverage industry:** The craft beverage industry has flourished in Richmond, with a growing number of breweries, cideries, distilleries, and wineries dotting the city's landscape. Tourists are drawn to brewery tours, tasting rooms, and special events that highlight the creativity and craftsmanship of local brewers and distillers.
6. **Shopping and entertainment:** Richmond offers ample opportunities for shopping and entertainment, with bustling shopping districts, eclectic boutiques, and antique shops. Visitors can also enjoy live music, theater performances, and nightlife venues throughout the city.
7. **Sports entertainment:** Located directly adjacent to Scott's Addition, the burgeoning Diamond District is the future home of not only Richmond's new minor league baseball stadium, CarMax Park, but also VCU's new Athletic Village. Players, coaches, families, and spectators will soon be flocking to the area.

Overall, the combination of historical significance, cultural attractions, outdoor recreation, culinary delights, craft beverages, and shopping and entertainment options makes Richmond a compelling destination for tourists seeking a diverse and memorable travel experience.

2-C What is your UNIQUE factor? What sets you apart from the competition?

Unique by definition:

- The only one; without a like or equal; distinctively characteristic; atypical or unusual

What makes your destination truly different? Is it a particular attraction, historical location, cultural experience, social, ethnic or religious center or a geographical element different than that of a neighboring locale? Or is it a combination of the aforementioned

Scott's Addition is Richmond's vibrant and rapidly evolving neighborhood known for its unique blend of historic charm and modern energy. Once an industrial hub, the area has transformed into a lively destination filled with breweries, distilleries, restaurants, and creative spaces. The architecture showcases a mix of renovated warehouses and contemporary buildings, contributing to its urban, eclectic atmosphere.

Scott's Addition also features a strong sense of community, with events, murals, and local businesses that celebrate the neighborhood's distinctive character and foster a dynamic, inclusive environment. This development will supply lodging not currently offered in this neighborhood.

2-D Who is your major competition?

*Is there a particular region, community, attraction or travel experience that is your primary competition?
How many other destinations have similar factors within 5-0 – 100 – 150+ miles?*

The Richmond Region competes in the leisure travel market with several nearby cities, each offering distinct attractions that draw visitors for different reasons.

Charleston, SC, and Savannah, GA, are known for their well-preserved historic districts, charming cobblestone streets, and coastal beauty. Both cities emphasize Southern hospitality, antebellum architecture, and a strong culinary scene, making them top choices for travelers seeking a quintessential Southern experience. Raleigh, NC, and the broader Research Triangle area, combine history with modernity, featuring vibrant arts scenes, top-notch museums, and proximity to universities. This area appeals to visitors looking for a blend of education, culture, and outdoor activities.

Baltimore, MD, and Washington, D.C., are major urban centers with significant cultural, historical, and political attractions. Washington, D.C. stands out with its iconic landmarks like the National Mall, museums, and government buildings, while Baltimore offers a mix of historical sites, a revitalized waterfront, and a strong arts scene.

Richmond distinguishes itself in this competitive landscape by offering a balance of rich history, a burgeoning arts and culinary scene, and outdoor activities. The Region's unique position at the crossroads of American history, along with its vibrant neighborhoods like Scott's Addition, makes it a compelling destination for those seeking a blend of cultural, historical, and modern experiences. Richmond's affordability, central location, and growing reputation as a cultural hub further enhance its appeal in the regional leisure travel market. The City's cultural attractions, dining and drink options, and intriguing neighborhoods have launched it to number 1 on CNN's list of America's Best Towns to Visit in 2024.

SECTION 3 S.W.O.T. ANALYSIS

3-A Gauge your tourism INFRASTRUCTURE (Check each box with your cursor, placing an "X" by all that apply)

How would you rate your **Transportation**?

	Strong	Average	Weak
Interstates	☒	☐	☐
Secondary roads	☒	☐	☐
Signage	☐	☐	☒
Bus travel	☐	☒	☐
Train travel	☒	☐	☐
Air travel	☐	☒	☐
Waterways	☐	☐	☒
Taxi service	☐	☐	☒
Biking paths	☒	☐	☐

How would you rate your **Public Services**?

	Strong	Average	Weak
Police force	☒	☐	☐
Healthcare	☒	☐	☐
Public Utilities	☒	☐	☐
Waste management	☒	☐	☐
Rescue support	☒	☐	☐
Communications	☒	☐	☐
Public parks/recreation	☒	☐	☐

How would you rate your **Environment**?

	Strong	Average	Weak
Air quality	☒	☐	☐
Noise levels	☐	☒	☐
Traffic	☒	☐	☐
Landfills	☒	☐	☐
Wetlands	☒	☐	☐
Public health	☐	☒	☐

3-B Gauge your tourism ECONOMY & BUSINESS COMMUNITY (Check each box with your cursor by all that apply)

How would you rate your **Accommodations**?

	Strong	Average	Weak
B&Bs	☐	☒	☐
Inns	☐	☐	☒
Hotels	☒	☐	☐
Resorts	☐	☐	☒
Rental property	☐	☒	☐
Cottages	☐	☐	☒
Cabins	☐	☐	☒
Campsites	☐	☐	☒

How would you rate your **Attractions**?

	Strong	Average	Weak
Shopping	☐	☒	☐
Dining	☒	☐	☐
Historic	☒	☐	☐
Museums	☒	☐	☐
Wineries	☐	☒	☐
Music festivals	☒	☐	☐
Zoos / animal parks	☐	☒	☐
Art galleries	☒	☐	☐
Nature trails & facilities	☒	☐	☐

How would you rate your **Facilities**?

	Strong	Average	Weak
Universities	☒	☐	☐
Performing arts	☒	☐	☐
Outdoor parks	☒	☒	☐
Convention facilities	☐	☒	☐
Sporting venues	☐	☐	☒
Event spaces	☐	☒	☐

3-C Gauge your LOCAL SOCIAL AND CULTURAL ASSETS (Check each box with your cursor by all that apply)

How would you describe your **Heritage & Culture**?

	Strong	Average	Weak
Multi-cultural diversity	☒	☐	☐
Geography	☒	☐	☐
Architecture	☒	☐	☐
Historical improvements	☒	☐	☐
Language	☒	☐	☐
Material culture	☒	☐	☐
Aesthetics	☒	☐	☐
Religious diversity	☒	☐	☐

How would you rate your **Integrity of the Area**?

	Strong	Average	Weak
Safety	☐	☒	☐
Cleanliness	☐	☒	☐
Friendliness	☒	☐	☐
Stability	☒	☐	☐
Quality of life	☒	☐	☐

How would you rate your **Facilities**?

	Strong	Average	Weak
Visitor friendly	☒	☐	☐
Civic mindedness	☒	☐	☐
Respect for diversity	☒	☐	☐
Political climate	☒	☐	☐
Unity among civic groups	☒	☐	☐
Local sports team support	☒	☐	☐
University/College town	☒	☐	☐

3-D Gauge your TOP 3 Strengths, Weakness, Opportunities and Threats

S.W.O.T. analysis is a process that identifies the strengths, weaknesses, opportunities and threats of an organization. Specifically, SWOT is a basic, straightforward model that assesses what an organization can and cannot do as well as its potential opportunities and threats. The method of SWOT analysis is to take the information from an environmental analysis and separate it into internal (strengths and weaknesses) and external issues (opportunities and threats). Once this is completed, SWOT analysis determines what may assist the organization in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results.

Strength <u>Obvious natural priorities</u> ● Likely to produce greatest ROI (Return On Investment) ● Likely to be quickest and easiest to implement ● Probably justifying immediate action-planning or feasibility study	Weakness <u>Potentially attractive options</u> ● Likely to produce good returns if capability and implementation are viable ● Potentially more exciting and stimulating and rewarding than S/O due to change, challenge, surprise tactics, and benefits from addressing and achieving improvements
Threats <u>Easy to defend and counter</u> ● Only basic awareness, planning, and implementation required to meet these challenges ● Investment in these issues is generally safe and necessary	Opportunity <u>Potentially high risk</u> ● Assessment of risk crucial ● Where risk is low then we must ignore these issues and not be distracted by them ● Where risk is high, we must assess capability gaps and plan to defend/avert in very specific controlled ways

TOP 3 STRENGTHS - Characteristics of community or area that give it an advantage over others

- #1 Location.** The Richmond Region enjoys a highly convenient location on the East Coast, making it easily accessible for travelers from major metropolitan areas. Situated along the I-95 corridor, the city is within a short drive of Washington, D.C. and NOVA, our largest feeder markets. The Richmond Region is situated within a day’s drive of half the U.S. population, easy to access via car, rail or air.
- #2 Recent notoriety.** CNN named Richmond the #1 town to visit in 2024. The accolade has elevated Richmond’s reputation nationally and internationally, leading to increased media attention and solidifying its position as a must-visit destination. In addition, major publications such as Southern Living and many others are recognizing Richmond’s dining, beverage and entertainment offerings, many of which are clustered in Scott’s Addition.
- #3 Vibrant Arts and Culture Scene:** Richmond has a thriving arts and cultural scene that includes renowned museums like the Virginia Museum of Fine Arts, a dynamic street art culture, and a diverse array of theaters and galleries. The city is also known for its lively festivals, music, and culinary offerings, particularly in neighborhoods like Scott's Addition, which contribute to a rich, creative atmosphere that appeals to a broad range of visitors.

TOP 3 WEAKNESSES - Characteristics that place your community or area at a disadvantage relative to others

- #1 Lack of a large headquarters hotel** adjacent to the Greater Richmond Convention Center caused the following in lost business since 2019:
- Total # Events: 181 | Total Est. Room Nights: 307,560 | Total Est. Attendees: 200,652
 - Total Est. Econ. Impact: \$247,303,822
 - Hosting those events would have caused compression in the market to drive business to hotels outside of the downtown core. * This project would add nearby unique room nights to help with this challenge

#2 Outdated perceptions of Richmond as a city defined by its role in the slave trade and the Civil War can negatively impact travelers' opinions of the destination today. These historical associations sometimes overshadow the city's modern identity, leading potential visitors to view Richmond through a narrow and outdated lens. This can deter travelers who are unaware of the city's progress and its vibrant, inclusive community. Despite Richmond's significant efforts to confront its past and promote a more comprehensive narrative that includes its rich cultural diversity and thriving arts scene, lingering misconceptions can still influence visitor decisions and limit the city's appeal as a dynamic and forward-looking destination.

#3 Perception of Safety: Like many urban areas, Richmond has neighborhoods with higher crime rates, and this can sometimes affect the overall perception of safety among potential visitors. While the city has made strides in improving safety and revitalizing various neighborhoods, overcoming these perceptions can be a challenge when competing with destinations that are viewed as safer by tourists.

TOP 3 OPPORTUNITIES - External chances to achieve greater success and profits in your industry

#1 First Virginia destination to form a **Tourism Improvement District (TID)**. The TID provides a sustainable revenue stream that increases Richmond Region Tourism's resources to advertising to increase its visibility by expanding targeted marketing efforts beyond the region, promote and incentivize meetings, conventions and tournaments.

#2 Enhancing Accessibility and Infrastructure: Improving transportation options and infrastructure can make Richmond more accessible and appealing to visitors. Expanding direct flights to Richmond International Airport, enhancing public transportation within the city, and developing more pedestrian-friendly areas can improve the overall visitor experience. Additionally, investing in new hotels, conference centers, and other visitor amenities could attract more conventions, business travelers, and large events, further boosting tourism.

#3 Continue to Promote Culinary and Beverage Tourism: Richmond can continue to capitalize on its strengths by developing niche tourism segments, such as culinary tourism, craft beer and spirits tourism, and heritage tourism. The city's growing food scene, which includes a variety of local restaurants, breweries, and distilleries, can be leveraged to attract food and drink enthusiasts. Already the Richmond Beer Trail and Mimosa Trail are being leveraged this way.

TOP 3 THREATS - External elements in the environment that could cause trouble for business or community

#1 Competition from Nearby Destinations: Richmond competes with well-established and popular nearby cities like Washington, D.C., Raleigh and Charleston, which have strong brand recognition and a steady flow of tourists. These destinations offer similar historical and cultural experiences, often with more extensive marketing budgets and larger attractions, making it challenging for Richmond to stand out.

#2 Economic Downturns and Travel Trends: Economic downturns or shifts in travel trends could pose significant risks to Richmond's tourism industry. For example, a recession could lead to reduced travel spending, impacting the number of visitors to the region. Additionally, if travel trends shift away from mid-sized cities or historical destinations in favor of other types of experiences (e.g., eco-tourism, adventure tourism), Richmond may face challenges in adapting quickly enough to maintain its appeal.

#3 Insufficient Investment in Tourism Infrastructure: Without continued investment in tourism infrastructure, including hotels, transportation, and visitor services, the Richmond Region may struggle to accommodate increasing numbers of tourists or meet rising expectations. Competitors that continually upgrade their facilities may attract visitors who are seeking modern amenities and convenience, potentially drawing them away from Richmond.

SECTION 4 MARKETING PLAN

4-A Please submit your current or existing marketing plan.

What is a Marketing Plan?

A marketing plan is an official, adopted plan by which an organization or community can maximize its tourism potential. It answers key questions which provide direction for a community's tourism marketing activities. A marketing plan brings together an organization's research, particular goals, measurable objectives, brand ideals and other important considerations in one concise, executable directive.

Key questions a marketing plan can include are:

- | | |
|--|--|
| • Summary and Introduction
Who are we? | • Target Markets
Who is our audience or customer? |
| • Marketing Objectives
What are we trying to accomplish?
What measurable outcome do we want? | • Strategies and Tactics
What vehicles will we use?
What messages will we use? |
| • Situation Analysis
What are we trying to achieve? | • Tracking and Evaluation
How will we measure our success? |

**** IMPORTANT ****

In your *Marketing Plan*, please include a statement or brief description on how the aspects of your new development project will be included with, but also enhance your current marketing plan. Mention how the new product you are developing {i.e., guest rooms, meeting space, dining, sports venues, etc.} will enhance the visitor experience, amenities for locals, have a positive impact on surrounding tourism businesses and support regional tourism efforts.

4-A Please submit current or existing marketing plan.

City of Richmond partners with Richmond Region Tourism for tourism marketing. Submitted documents include the Richmond Region TID Plan, the Richmond Region Business Plan, and the Richmond Region 2030 Plan. The project will have a positive impact on marketing by filling a gap in hotel rooms needed for nearby tourism assets, generating new revenue for Richmond and the Commonwealth.

Your marketing plan will have the following results:

Annual Marketing Budget <i>* Not including salaries, benefits or fixed costs</i>	\$ 1.69 million
Visitation increased by	111,932 room nights across Richmond Region
Tourist expenditures increased by	\$93.2 million in economic impact
Visitor Satisfaction increased by	
Number of partnership participants in your marketing plan	30+

Examples of different types of partners who may contribute and collaborate in some way:

- | | |
|--|----------------------------|
| • Chamber of Commerce | • Restaurant Organization |
| • Main Street Organization | • Retail Organization |
| • Local Community / Culture / History Organization | • Local Parks & Recreation |
| • Main Attractions | • State Parks & Recreation |
| • Lodging Organization | • Local and Regional Media |

TOURISM DEVELOPMENT FINANCE PROGRAM PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) is made and entered into this ____ day of _____, 2025, but effective the Commencement Date, by and among the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (“City”), **CSRA OPPORTUNITY ZONE FUND IX OWNER, LLC** a Delaware limited liability company (“Company”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“Authority”).

RECITALS

- A. **WHEREAS**, The Company plans to develop 1600 Roseneath Road in the city with approximately 95 apartment hotel rooms under a national franchise in the heart of the Scott’s Addition Historic District, a burgeoning dining and entertainment district in Richmond, Virginia. Approximately 95 apartment hotel rooms will be a part of a mixed-use building also containing approximately 225 multifamily units and up to 15,000 SF of retail space (the “Project”), the relevant specifics of which are provided on “**Exhibit A**” attached hereto; and
- B. **WHEREAS**, The Project will promote tourism, economic development and industry, and will develop trade in the city, thereby benefitting the city’s inhabitants through the increase of their commerce and the promotion of their safety, health, welfare, convenience, and prosperity, including, but not limited to, the creation of new employment opportunities.
- C. **WHEREAS**, Virginia Code Section 58.1-3851.1 (the “Code Section”) provides a mechanism by which an authorized tourism project such as the Project shall be entitled to certain sales and use tax revenues and shall use such tax revenues and an access fee to pay for “gap financing” as that term is defined in the Code Section (hereafter, the “Gap Financing”).
- D. **WHEREAS**, Company plans to use a financial institution as the source of its Gap Financing.
- E. **WHEREAS**, The City has taken the following steps as required by the Code Section and as necessary in order for the Project to receive the state and local sales and use tax revenues authorized therein:
 - 1. Established the Scott’s Addition Tourism Zone by City Code Sec. 6-597, in which Tourism Zone the Project is located; and

2. By Ordinance No. 2025-, adopted ,  (the “Project Ordinance”), adopted a tourism development plan with respect to the Project (the “Tourism Development Plan”) and endorsed the Project in order to address a deficiency identified in the Tourism Development Plan.

- F. **WHEREAS**, As required by the Code Section, the Company has secured funding for the Project which includes private debt and/or equity financing totaling at least 70% of the cost of the Project, leaving a financing gap of no more than 30%.
- G. **WHEREAS**, The City and the Authority have offered, and the Company has accepted, the incentives set forth in this Agreement in exchange for the performance promised within and required by this Agreement.
- H. **WHEREAS**, The Company has agreed to pay the access fee required by the Code Section (the “Statutory Access Fee”), and the additional access fee (the “Additional Access Fee”), each as hereafter further described, to be used, along with the tax entitlement revenues described in the Code Section, to service the Gap Financing.
- I. **WHEREAS**, The City is authorized by Virginia Code Section 15.2-953 and other laws, and 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 respective activities contemplated in this Agreement.
- J. **WHEREAS**, The development of the Project and the stimulation of the additional tax revenue and economic activity created by the Project constitute valid public purposes for the expenditure of public funds.

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.

- 1. Term of Agreement. The term of this Agreement shall run concurrently with the term of the Gap Financing obtained in connection with the Project (the “Term”) and shall end at the earliest of such date as the Gap Financing is: (i) paid in full at the expiration of the Term; (ii) repaid in full prior to the expiration of the Term; (iii) refinanced with replacement financing by agreement of the parties; or (iv) otherwise paid in full at any time. Notwithstanding the foregoing and expressly subject to the requirements of the Code Section, the Term of this Agreement shall in no event exceed twenty (20) years beyond the date the Certificate of Occupancy for the Project and the date of commencement of hotel operations-. The City agrees to notify the Commonwealth Comptroller and the Commonwealth Tax Commissioner when the Gap Financing debt is retired, and the Project

is no longer eligible to receive the tax entitlement revenues and charge the access fee to repay such Gap Financing.

2. New Capital Investment. As required by the Code Section, the Project shall represent a new capital investment of no greater than \$100,000,000 by or on behalf of the Company in a tourism facility that supports increased hotel occupancy, new job creation, an increase in the number of out-of-state visitors to the Commonwealth and other factors of significant fiscal and economic impact. The Company has an obligation to provide seventy percent (70%) of the funding for the Project through other debt or equity (the “**Minimum Funding**”). The Company shall maintain in place the Minimum Funding through the delivery of the Project and receipt of the Certificate of Occupancy, at a minimum.
3. Gap Financing. The Company represents and warrants that Gap Financing will be necessary to complete the Project in an amount not to exceed \$6,235,000, representing an estimated 16% of the cost of the Project. The parties agree that the Gap Financing shall be repaid by the Public Contribution, the Statutory Access Fee and Additional Access Fee, each as hereafter further described. In accordance with the Code Section, during the Term, the City, subject to annual appropriation, shall pay to the Authority quarterly (i) payments in an amount equal to the gross revenues generated by a one percent (1%) local sales and use tax on transactions occurring on the premises of the Project during each calendar quarter (the “Locality Contribution”), (ii) payments from the Commonwealth remitted on a quarterly basis to the City in an amount equal to the gross revenues generated by a one percent (1%) state sales and use tax on transactions occurring on the premises of the Project (the “Commonwealth Contribution” and, together with the Locality Contribution, the “Public Contribution”) and (iii) payments from the Company remitted on a quarterly basis to the City in an amount equal to the Locality Contribution (the “Statutory Access Fee”). During the Term, the Authority, at the direction of the City and the Company, shall remit the Public Contribution and the Statutory Access Fee on a quarterly basis to the lender providing the Gap Financing (or such lender’s trustee or other designee) in order to pay principal and interest on the Gap Financing. In addition, during the Term, the Company shall impose, collect and remit to such lender, trustee or other designee on a quarterly basis an additional access fee in an amount equal to the gross revenues generated by a hypothetical one percent (1%) additional sales and use tax on transactions occurring on the premises of the Project (the “Additional Access Fee”) in order to pay principal and interest on the Gap Financing. The parties acknowledge and agree that the Additional Access Fee is imposed by Company and does not affect in any way the Locality Contribution, the Commonwealth Contribution or the Statutory Access Fee described in this Agreement. None of the Commonwealth, the City, any other political subdivision of the Commonwealth or the Authority will have any duties, obligations, or responsibilities with respect to the collection, transfer, or any other aspect of the Additional Access Fee.
4. Statutory Access Fee. As provided in the Code Section, the Company will remit to the City for transmittal to the Authority the Statutory Access Fee on a quarterly basis. The

calculation of the Statutory Access Fee will be provided to Company by the City upon receipt of the quarterly report of entitled sales tax revenues from the Commonwealth described in the Code Section. The City will forward the report to the Company, and the Company will remit the Statutory Access Fee to the City as soon as practical but not later than 30 days following receipt of the report. The City will forward the Statutory Access Fee to the Authority as provided in the Code Section concurrently with the Public Contribution; provided, however, that the City will not remit the Public Contribution until the Statutory Access Fee has been received by the City from Company. Notwithstanding anything to the contrary stated herein, subject to the Code Section, the parties acknowledge and agree that the Statutory Access Fee will remain in place until the Gap Financing has been repaid in full.

5. Performance Incentive Payment. The Public Contribution and the Statutory Access Fee shall hereafter be referred to as the “Performance Incentive Payment.” The Performance Incentive Payment shall be paid by the Authority directly to the financial institution from which Company acquires its Gap Financing, or its trustee, designee, assignee or successor. The Authority shall in no event pay the Performance Incentive Payment directly to the Company. The Company shall ensure that the Performance Incentive Payment is used solely to pay principal and interest due on the Gap Financing as provided in this Agreement and the Code Section and not directed to pay any other debt service, fees or charges of any kind. The Performance Incentive Payment will be subject to all restrictions and limitations set forth in the Code Section.
6. Incentive Management Fee. Additionally, the Company shall pay annually an amount equal 1% of the Statutory Access Fee for the previous four quarters, or such amount as the parties may mutually agree. The Company shall remit payment no later than March 1 of each year of the Term.
7. Non-Recourse to the Authority, the City and the Commonwealth. As provided by the Code Section, the Gap Financing is payable solely from the Public Contribution, the Statutory Access Fee and the Additional Access Fee, and there is no recourse for the Gap Financing against the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth. Nothing in this Agreement will be construed create any privity of contract between the Company’s Gap Financing Lender and any of the Authority, the City, the Commonwealth, or any other political subdivision of the Commonwealth.
8. 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 of Directors approval and annual appropriation by the City Council and the Commonwealth, as applicable. 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 and the Commonwealth for the payments hereunder for the performance of this Agreement. The undertakings by the City and the Authority to make payments under this Agreement constitute neither a debt of the City or the Authority within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of either the City or the Authority beyond any fiscal year for which the City Council and the Commonwealth have appropriated moneys for purposes of this Agreement. Any failure to appropriate by the City Council or the Commonwealth will not constitute a default under this Agreement.

9. Project Information Reporting. The Company shall provide such information as may be reasonably required or needed to assist in obtaining certification by the Commonwealth Comptroller ("Comptroller") or any other appropriate officer of the Commonwealth or the City for entitlement to the tax revenues described in the Code Section. The Company shall file with the Authority an annual report no later than March 1 of each year ("Performance Report"), which Performance Report will contain documentation sufficient to establish compliance with all criteria of the Code Section and the Agreement. The Performance Report must be in form and substance as reasonably required by the Authority, the City, and the Commonwealth. The Authority will submit an annual certification of the Company's performance under this Agreement to the Comptroller. The Authority will have the right to audit (the "Audit") books and records, and any and all documents and other materials which support or inform those books and records, in whatever form they may be kept, whether written, electronic, or other, specifically pertaining to gross sales figures of the Project, as relevant to the Code Section and the Agreement and kept by or under the control of the Company, its employees, agents, assigns, successors, affiliates, contractors, and subcontractors. Any Audit will be at the expense of the Company and will be conducted after reasonable advance written notice to Company. The Company shall maintain all books and records, together with such supporting or underlying documents and materials, related to this Agreement and Company's compliance with and performance under this Agreement, for the duration of the Term and for at least five years following the Term, including any and all renewals or extensions of such Term. This Section 9 will not be construed to limit, revoke, or abridge any other rights, powers or obligations relating to any audit rights which the Authority, the City or the Commonwealth may have under applicable federal, state or local laws, rules, regulations or agreements, whether those rights, powers or obligations are express or implied.
10. Default; Right to Cure. In the event of any default by the Company under this Agreement, the Authority or the City shall provide written notice of default and the Company will have a period of thirty (30) days from receipt of such notice to cure the default; provided, however, that if a non-monetary default cannot be cured within such thirty (30) day period and the Company in good faith and with due diligence has commenced efforts to cure within such thirty (30) day period, then the Authority in its reasonable discretion may

extend the cure period for an additional period not to exceed sixty (60) days in order to permit the Company to continue to cure such default, provided further that the total time period to cure the default will not exceed ninety (90) days. If the default is not cured within such period, then the Authority or the City shall notify the Commonwealth Comptroller, and either the Authority or the City may thereafter terminate this Agreement and avail itself of any other remedies available at law or in equity; provided, however, that upon any termination of this Agreement, any Performance Incentive Payment earned to the date of termination will be provided in accordance with this Agreement.

11. Community Benefits.

11.1 **Generally.** The Company acknowledges and agrees that the performance by the Company of the requirements of this Section 11 (the “Community Benefits”) constitutes an important, material and substantial inducement to City and the Authority to enter into this Agreement.

11.2 **Assurances and Indemnity.** The Company acknowledges that it is voluntarily agreeing to provide the Community Benefits. The Company warrants that it, or its agents or contractors, will independently analyze the legal basis for its, or their, selected means and methods of performance and implementation of each Community Benefit to ensure that it, or they, do not engage in any conduct inconsistent with local, state or federal law in such means and methods of performance and implementation. The Company shall indemnify, hold harmless, and defend City and the Authority from and against any claims and liabilities arising out of, caused by, or resulting from the performance and implementation of the Community Benefits by the Company, its agents, or its contractors. The Company shall release the City and the Authority, their officers, employees, agents and volunteers from and against any and all losses, liabilities, claims, damages, costs, and expenses (including, but not limited to, court costs and attorneys’ fees) that the Company may suffer, pay, or incur caused by, resulting from or arising out of the performance and implementation of the Community Benefits. This Section 11.2 will survive expiration or earlier termination of this Agreement.

11.3 **Minority Business Enterprise and Emerging Small Business Participation.**

(a) **Goal.** The Company 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 Company 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 meanings ascribed to them in Chapter 21 of the City Code. The Company shall include this goal in its contracts with all assignees,

contractors and subcontractors who will be providing any substantial portion of the Project.

(b) Reporting. To enable the City to measure the achievements of the Company 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 Company shall submit a report upon request, which request shall be no more frequently than quarterly, 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 Project spent with minority business enterprises and emerging small businesses. If the City chooses, the Company 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 Company and its assignees, contractors, and subcontractors that compete for City contracts Company's progress under Section 11.3(a) above.

11.4 **Jobs.** The Company shall work in good faith to create training and outreach programs within the city to identify opportunities to secure the job skills needed for both the construction and post-construction phases of the Project, and to employ individuals having such job skills. All opportunities for employment in connection with the development and operations of the Project shall be communicated to the City's Office of Community Wealth Building to coordinate recruitment efforts with such office.

11.5 **Prevailing Wage.** To the extent permitted by law, and regardless of the existence of a Labor Agreement, Company will require its Contractors and Subcontractors to pay to each worker employed on the Project, at a minimum, the prevailing wage rate for the city of Richmond as determined by the U.S. Secretary of Labor under the provisions of the Davis-Bacon Act, 40 U.S.C.S. § 276a, as amended.

12. Miscellaneous Provisions.

12.1 **Assignment by the Company.** The Company may not assign this Agreement without the prior written consent of the City and the Authority, which consent will not be unreasonably withheld, conditioned, or delayed but which must be considered in conjunction with the Commonwealth. In the event of such approved assignment, the Company will not be relieved of any of its duties, obligations or liabilities hereunder, instead the Company, as assignor, and the Company's assignee shall therefore be jointly and severally liable hereunder.

- 12.2 **Captions.** This Agreement includes the captions, headings and titles appearing herein for convenience only, and such captions, headings and titles do not affect the construal, interpretation or meaning of this Agreement or in any way define, limit, extend or describe the scope or intent of any provisions of this Agreement.
- 12.3 **Entire Agreement.** This Agreement, including any Exhibits attached hereto, contains the entire understanding between and among the parties and supersedes any prior understandings and written or oral agreements between or among them respecting such subject matter.
- 12.4 **Governing Law and Forum Choice.** All issues and questions concerning the construction, enforcement, interpretation and validity of this Agreement, or the rights and obligations of the City, the Authority or the Company in connection with this Agreement, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia. Any and all disputes, claims and causes of action arising out of or in connection with this 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 Agreement.
- 12.5 **Modifications.** This Agreement may be amended, modified and supplemented only by the written consent of the City, the Authority and the Company preceded by all formalities required as prerequisites to the signature by each party of this Agreement.
- 12.6 **No Agency, Joint Venture, or Other Relationship.** Neither the execution of this Agreement nor the performance of any act or acts pursuant to the provisions of this Agreement shall be deemed to have the effect of creating among the City, the Authority, and the Company, or any of them, any relationship of principal and agent, partnership, or relationship other than the relationship established by this Agreement.
- 12.7 **No Individual Liability.** No director, officer, employee or agent of the City, the Authority, or the Company shall be personally liable to another party hereto or any successor in interest in the event of any default or breach under this Agreement or on any obligation incurred under the terms of this Agreement.
- 12.8 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Agreement, the City, the Authority, and the Company hereby 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, and the Company; (iii) no individual or entity shall obtain any right to make any claim against the City, the Authority, and the Company 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. For purposes of this Section 12.8, the phrase "individual or entity"

means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, subvendors, assignees, licensors and sublicensors, regardless of whether such individual or entity is named in this Agreement.

- 12.9 **No Waiver.** The failure of the City, the Authority, or the Company to insist upon the strict performance of any provision of this Agreement shall not be deemed to be a waiver of the right to insist upon the strict performance of such provision or of any other provision of this Agreement at any time. The waiver of any breach of this Agreement shall not constitute a waiver of a subsequent breach.
- 12.10 **Severability.** Each clause, paragraph and provision of this Agreement is entirely independent and severable from every other clause, paragraph and provision. If any judicial authority or state or federal regulatory agency or authority determines that any portion of this Agreement is invalid or unenforceable or unlawful, such determination will affect only the specific portion determined to be invalid or unenforceable or unlawful and will not affect any other portion of this Agreement which will remain and continue in full force and effect. In all other respects, all provisions of this Agreement will be interpreted in a manner which favors their validity and enforceability, and which gives effect to the substantive intent of the parties.
- 12.11 **Notices.** All notices, offers, consents or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be considered as properly given or made if delivered personally, by messenger, by recognized overnight courier service or by registered or certified U.S. mail with return receipt requested, and addressed to the address of the intended recipient at the following addresses:

To the City:

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

with a copy to:

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

To the Authority:

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

with copies 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
City of Richmond, Virginia
900 East Broad Street, Suite 400
Richmond, Virginia 23219

To the Company:

CSRA OPPORTUNITY ZONE FUND IX OWNER, LLC
4851 Lake Brook Drive,
Glen Allen, VA 23060
Attn: Natalie Mason

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

12.12 Interpretation

- (b) In this Agreement:
 - (i) headings are for convenience only and do not affect interpretation;
 - (ii) unless otherwise stated, a reference to any agreement, instrument or other document is to that agreement, instrument or other document as amended or supplemented from time to time;
 - (iii) a reference to this Agreement or any other agreement includes all exhibits, schedules, forms, appendices, addenda, attachments or other documents attached to or otherwise expressly incorporated in this Agreement or any other agreement (as applicable);
 - (iv) reference to an Article, Section, subsection, clause, Exhibit, schedule, form or appendix is to the Article, Section, subsection, clause, Exhibit, schedule,

form or appendix in or attached to this Agreement, unless expressly provided otherwise;

- (v) a reference to a Person includes a Person's permitted successors and assigns;
 - (vi) a reference to a singular word includes the plural and vice versa (as the context may require);
 - (vii) the words "including," "includes" and "include" mean "including, without limitation," "includes, without limitation" and "include, without limitation," respectively;
 - (viii) an obligation to do something "promptly" means an obligation to do so as soon as the circumstances permit, avoiding any delay; and
 - (ix) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" mean "to and including."
- (c) This Agreement is not to be interpreted or construed against the interests of a party merely because that party proposed this Agreement or some provision of it or because that party relies on a provision of this Agreement to protect itself.
- (d) The parties acknowledge and agree that:
- (i) each party is an experienced and sophisticated party and has been given the opportunity to independently review this Agreement with legal counsel;
 - (ii) each party has the requisite experience and sophistication to understand, interpret and agree to the language of the provisions of this Agreement; and
 - (iii) in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the party preparing it.

12.13 Signatures. 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.

12.14 Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof is authorized to act on behalf of the City under this Agreement and the Chairman of the Authority, or a designee thereof is authorized to act on behalf of the Authority under this Agreement.

SIGNATURES ON FOLLOWING PAGE

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 Officer
Date:
Authorized by Ordinance No. _____

Approved as to Form:

By: Bonnie M. Ashley
City Attorney's Office

**ECONMIC 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

**CSRA OPPORTUNITY ZONE FUND IX
OWNER, LLC**, a Delaware limited liability
company

By: CSRA Opportunity Zone Fund IX Manager,
LLC, a Virginia limited liability company, its
Manager

By: Capital Square Development, LLC, a Virginia
limited liability company, its Manager

By: _____
Title: Louis J. Rogers
Date: Principal

EXHIBIT A

The Company intends to demolish the existing structures and commence ground-up construction of approximately 95 apartment hotel rooms, 220 apartment units and up to 15,000 square feet of retail space and onsite structured parking across a single building.

The Company will provide a minimum investment in the Apartment Hotel rooms of approximately \$40 million.

The Company will sponsor a combination of debt and equity for the Project that exceeds the 70% threshold required by Section 58.1-3851.1 of the Code of Virginia.