

# **Minutes of the Navy Hill Development Advisory Commission Initial Organizational Meeting**

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**Friday, August 30, 2019**

**11:00  
AM**

**2nd Floor Conference Room  
City Hall - 900 E Broad Street**

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## **Members Present**

Pierce Homer (Chair), John Gerner (Vice Chair).

## **Call to Order**

Mr. Homer called the meeting to order at 11:00 AM and welcomed the attendees. These included City Council members Michael Jones and Chris Hilbert.

## **Public Comment Period**

John Moser commented on the proposed Navy Hill development project. He asked about the viability of the proposed arena compared to other regional markets, its sizing, the overall need for an arena, potential market support, other tax revenue scenarios based on alternative development of the incremental financing area, and arena ownership. He followed up these verbal comments with an email message, which is attached.

## **Approval of Minutes of the Previous Meeting**

This was the first meeting of commission members.

## **Nomination of Additional Members**

Mr. Homer and Mr. Gerner discussed the nomination process with Councilmember Jones and other attendees, based on the City Council ordinance creating the commission. The following individuals were nominated as additional commission members (in alphabetical order): Richard E. Crom; Mark M. Gordon; Grindly R. Johnson; Suzanne S. Long; Mary Harding (Mimi) Sadler; Michael J. Schewel; Corey D. B. Walker:

## **Declarations**

Mr. Homer and Mr. Gerner described their connections to the nominees. Mr. Homer worked in state government with Ms. Johnson during the Kaine administration and Mr. Schewel during the Warner administration. Mr. Gerner had no past or present connections to the nominees.

## **Report Content**

Mr. Homer and Mr. Gerner discussed aspects of the commission's future final report with Councilmember Hilbert, including the possibility of providing specific recommendations.

## **FOIA Officer Designation**

Mr. Homer appointed Mr. Gerner as the commission's FOIA Officer.

## **Email and Website**

Current members have commission email addresses and the website home page has contact information, City Council ordinance creating the commission. After the meeting, applications and resumes for the nominees were added, along with an audio recording of the meeting.

## **Adjournment**

The meeting was adjourned at 11:42 AM

## Navy Hill review process / input

John Moser <jmoser@moser-productions.com>

Tue 9/3/2019 3:35 PM

To: Pierce Homer <piercehomer@navyhillcommission.org>; John Gerner <johngerner@navyhillcommission.org>

Dear Mr. Gerner and Mr. Homer,

Thanks for the work you have taken on to review the Navy Hill project as directed by the recent Richmond City Council ordinance. I attended your meeting last Friday morning. I am a city resident (born here, been here 60+ years, homeowner in the north side since 1986), acting on my own, and I do not represent any group. I am keenly interested in the outcome of this proposed project and would like to provide some input into your inquiry now and in the future.

For now, I would like to request that you examine some issues that I have questions about. The following is an initial list of concerns. This list is not complete, and I will stay in touch as your process continues. To the extent your authorized scope-of-inquiry allows, I would appreciate it if you could be sure to look into the following:

- **Validity of the solicitation / Is this proposal legal?:** My understanding is that the project was originally proposed to the city by the development group, or by one or more principals / board members of the group, and that the city then issued an RFP to which the same development group was the only respondent. Is this a valid "deal," procured legally? (I understand if this question is beyond the scope of the commission).

- **Does the city need a new arena and, if so, is the one proposed sized and sited well for the market?:** The developers seem to be painting a picture of demand for a coliseum that is unrealistic. They like to talk in terms of "Build it and Beyonce will come" folklore. As recently as 8-29-19, at a 3rd district meeting, I heard our new economic development director talk about Beyonce coming if we build the new coliseum. But what is the real demand for an entertainment venue and is this the right one, in the right place at the right size? In terms of media markets, Richmond/Petersburg ranks fairly low regionally. We come in at 56th place with Washington DC at #6, Charlotte NC at #24, Norfolk/Portsmouth/Newport News at #44. So, it seems likely that if we build it, Beyonce will go to Charlotte or DC or even Norfolk.

- **Should the city take on all the cost of this project alone? Where is the "metro area" investment? Would an entertainment arena be better sited outside the city?** These 3 question are all related to a project which will serve the metro are but is financed by the city. As proposed, it looks like a free ride for the counties. Further, it would seem that a location like Short Pump or Hanover might be a better location for a new arena.

- **Are there other revenue scenarios to be considered in the proposed TIF district without the project?:** The developers' narrative says that without their development project, there will be no new revenue from the TIF district. As the NH District attorney put it at on 8-29-19, without this project, there is no revenue (paraphrased). I believe that the Davenport analysis indicates that increased tax revenues in the TIF district will be held to a modest 2% increase annually without this project. Pending further study, I think there is another scenario that is not yet being fully considered: What would tax revenue growth in the TIF district look like if another development project or multiple projects occurred in the Navy Hill area? Would a non TIF, more market-based development of the area produce a revenue stream that we are not considering and what would be the potential value of that revenue stream?

- **Future tax value of certain properties in the TIF district:** What is the projected value of two Dominion

Energy high-rise buildings that lie within the TIF district? What amount of revenue from these two properties would go towards the special TIF fund?

• **Transfer of property to the EDA:** I am concerned about another major city project being turned over to the EDA to run. I think it is fair to say that the public and the City Council have the right to expect a high level of transparency during this project's lifetime. But history has shown that the EDA is one of the least transparent organizations operating for the city. Why must the city use the EDA? Is it to by-pass procurement issues? Is it because the city can't bind future councils to long term financial agreements? Perhaps more to the point of your scope-of-work, is the use of the EDA necessary and/or recommended for this project and why?

• **Ownership of the Coliseum and other properties in the project that the city will continue to own:** As proposed, the city will retain ownership of the coliseum, the Blues Armory and perhaps other properties during the life of this project. My question is why? ...and does this make sense? I asked the developer this question on 8-29-19. They seemed a bit stumped to come up with an answer on the spot. After quite a bit of rambling, the best answer they could come up with was "because it is always done this way (paraphrased)." I suspect that the reason they want the city to own the coliseum is because they know it will not be as successful as their projections indicate and they doubt that anyone will invest or lend to the project if the coliseum property becomes part of the private development package.

For now, those are all the major questions and requests I have. Thank you so much for your work on behalf of the city. I realize you have been given a big task with a small budget. Don't feel alone! Consider all the folks like me who are expending their own time and money to try to follow this project! We need all the help we can get!

Thanks again,

John Moser  
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