

# Minutes of the Navy Hill Development Advisory Commission November 2<sup>nd</sup> Working Meeting

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Saturday, Nov. 2, 2019

9:00  
AM

Hickory Hill Community Center  
3000 East Belt Boulevard, Richmond, VA

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## **Members Present**

Pierce Homer (Chair), John Gerner (Vice Chair), Suzanne Long, Dr. Hakim Lucas, Mimi Sadler, Michael Schewel, and Dr. Corey Walker.

## **Call to Order**

Pierce Homer called the meeting to order and welcomed the attendees. These included Mayor Levar Stoney, as well as City Council members Kimberly Gray, Michael Jones, Cynthia Newbille, and Reva Trammell.

## **Introductions**

Individual commission members introduced themselves.

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

Minutes of the October 19<sup>th</sup> meeting were approved.

## **Disclosures**

There were no new disclosures by commission members.

## **Freedom of Information Act (FOIA)**

There were no FOIA requests since the previous meeting.

## **Presentation about the Draft Risk Matrix**

Chair Pierce Homer made this presentation. The key risk issues presented were: 1) Need for and synergistic value of arena; 2) Impact on City General Fund activities and capital program; 3) Impact on school funding; and 4) Management and oversight of Navy Hill projects and overall program. During the presentation, commission members suggested three additional risks. First, the opportunity cost of not proceeding with the proposed development. Second, the opportunity cost of not considering alternative development scenario(s). Third, the risk of a legitimization crisis. The presentation slides are available at:  
[http://www.navyhillcommission.org/Pierce\\_Homer\\_Nov\\_2\\_Risk\\_Matrix\\_Presentation.pdf](http://www.navyhillcommission.org/Pierce_Homer_Nov_2_Risk_Matrix_Presentation.pdf)

## **Commission Member Comments on Draft Risk Matrix Presentation**

Michael Schewel provided written comments on an earlier draft of the presentation. These are available at:  
[http://www.navyhillcommission.org/Michael\\_Schewel\\_Comments\\_on\\_Draft\\_Risk\\_Matrix\\_Presentation.pdf](http://www.navyhillcommission.org/Michael_Schewel_Comments_on_Draft_Risk_Matrix_Presentation.pdf)

## **Davenport & Company Presentation about the Navy Hill Project**

The purpose of this presentation by David Rose, Senior Vice President, was to clarify and/or add context to certain key points presented at the commission's October 19<sup>th</sup> meeting. Davenport's presentation discussed the role of Richmond's Economic Development Authority (EDA), cash flow impact as presented on October 19<sup>th</sup>, analysis of cash flow impact over the first 5 years, analysis of cash flow impact over life of bonds, the Navy Hill project, cannibalization, and recommended next steps. The presentation slides are available at:  
[http://www.navyhillcommission.org/Davenport\\_Presentation\\_11-02-2019.pdf](http://www.navyhillcommission.org/Davenport_Presentation_11-02-2019.pdf)

## **Commission Member Comments on Davenport Presentation**

John Gerner provided written comments to the Davenport presentation. These are available at:  
[http://www.navyhillcommission.org/John\\_Gerner\\_Comments\\_on\\_Davenport\\_Presentation.pdf](http://www.navyhillcommission.org/John_Gerner_Comments_on_Davenport_Presentation.pdf)

## **Public Comment Period**

Laura Wright, Jonathan Miller, Rev. Benjamin Campbell, John Moser and Allan Chipman spoke at the meeting and later provided details in the attached email messages. Buck Becker proposed the project be done in phases rather than all at once, starting with housing. Jack Berry, president and CEO of Richmond Region Tourism, said Richmond is not competitive for conventions because it does not have a convention hotel. Lawrence West said that only the Navy Hill project can provide the planned \$300 million in minority business participation. Omari Al-Qaddafi, housing organizer with Legal Aid Justice Center, said affordability should be based on Richmond city median income rather than the metro area amount and that there has been much more concern in Richmond about affordable housing than a new arena. Richard said building permitting can be difficult in Richmond and that there are many issues that can hinder development. Emma Clark, teacher and education advocate, was concerned about the money, time, and energy that has been spent for the Navy Hill project thus far. Joe Morrissey said that there are many financial aspects of the Navy Hill project that are troubling and that we need to listen to the people. Sandra Antoine said this project is a win for the City of Richmond because it provides opportunities for residents to be successful. Kenneth Sheldon would be one of the minority contractor on the project, which he said would give jobs to inner city kids. Dontrese Brown stressed the need to tell the history of Navy Hill and to come together and uplift the remainder of our community as our legacy. Former City Council member Michelle Mosby said she is working with this project because there is an intentionality to ensure that there is an minority business enterprise piece, as well as workforce training and increased opportunities for those that need assistance. City Council member Marty Jewell said the Navy Hill project has been oversold and should be reworked or rejected. Written public comments by some who did not attend the meeting are also attached. These comments are from Ross Catrow, Charles Ware, and Alice Decamps.

## **Elected Officials Comments**

City Council President Cynthia Newbille announced that she would recommend to City Council that it continue the Navy Hill ordinances and resolution until January so that council would have the commission report before deliberating on these papers. City Council members Kimberly Gray noted her objection to the Mayor's meet-and-greet session with the newly chosen operator of the proposed new arena that was scheduled after the commission meeting. Commission member Corey Walker agreed and expressed his concern about the process.

## **Adjournment**

### **Audio Recording**

Available at:

[http://www.navyhillcommission.org/2019-11-02\\_Navy\\_Hill\\_Commission\\_Meeting.mp3](http://www.navyhillcommission.org/2019-11-02_Navy_Hill_Commission_Meeting.mp3)

### **Press Coverage of Commission Efforts:**

Richmond Magazine ("Navy Hill Progress Check"):

<https://richmondmagazine.com/news/news/arena-operator-announced-navy-hill-risks-outlined/>

Richmond Free Press ("Company believes it can attract more than 600,000 patrons to new Coliseum"):

<http://m.richmondfreepress.com/news/2019/nov/08/company-believes-it-can-attract-more-600000-patron/>

WTVR ("Mayor Stoney announces operator for proposed Navy Hill arena: 'They have skin in the game'"):

<https://wtvr.com/2019/11/02/mayor-stoney-navy-hill-arena-operator-is-spectra/>

Richmond Free Press ("Navy Hill ship sinking?"):

<http://m.richmondfreepress.com/news/2019/oct/31/navy-hill-ship-sinking/>

## Public Comment for Navy Hill Advisory Commission

Laura Wright <Laura@vplc.org>

Sat 11/2/2019 10:52 AM

To: AllMembers <members@navyhillcommission.org>

Thank you for taking public comments.

My name is Laura Wright and I am a Housing Justice fellow with the Virginia Poverty Law Center and citizen of Richmond. I would like to raise attention to the details in the affordability provisions of the Navy Hill Redevelopment Plan. Please see the attached word document with my comments.

I would like the opportunity to provide the commission with a more formalized presentation with our concerns about the project and offer recommendations.

Thank you,

Laura Wright

Attorney, Equal Justice Works Housing Justice Legal Fellow

Virginia Poverty Law Center

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### **Navy Hill Project: Affordability Requirements**

This project promises “affordable” housing, but those “affordable” units will be unaffordable to those most in need of affordable housing; and the location of the “affordable” units threatens existing public housing at a moment when our city leads the nation in eviction rates.

- Eligibility for the plan’s “affordable” units is determined by a percentage of the Area Medium Income (“AMI”) for the entire Richmond Metropolitan Statistical Area, which covers 17 surrounding cities and counties, rather than the AMI for the City of Richmond itself. The AMI for the Richmond Metro Statistical Area is twice that of the City of Richmond: \$86,400 per year, as opposed to \$42,356 for Richmond.
- The “affordable” units N.H. Corp. proposes to develop in the plan are targeted only for those making 60%-80% AMI.
  - o 40% of the 480 affordable housing units will be income restricted to households earning 60% of the area median income, or about \$35,000 per year for an individual and \$50,000 per year for a family of four.
  - o 60% of the affordable units will be income restricted to households earning 80% of the area median income, or about \$46,000 per year for an individual and \$67,000 per year for a family of four.
  - o There are no units set aside for families making 60% AMI or less, the portion of the population most in need of affordable housing.
- The Navy Hill “affordable” units will not be much cheaper than units the market is already providing and cost only slightly less than the Navy Hill Market rate apartments.
  - o The average rent in Richmond is about \$1,060 per month regardless of size.
  - o The monthly rents on Navy Hill income-restricted apartments are: \$977-\$1,180 for a studio apartment, \$1,047-\$1,509 for a one-bedroom apartment, and \$1,256-\$1,811 for a two-bedroom apartment. No three bedroom or larger income restricted apartments are proposed.
  - o The average Navy Hill market rate rents are: \$1,180 for a studio, \$1,550 for a one-bedroom and \$2,100 for a two-bedroom.
- The U.S. Department of Housing and Urban Development defines an affordable rent as costing no more than 30% of household monthly income. Families living in the City of Richmond with incomes at 60% and 80% of the City’s AMI cannot afford monthly rents more than \$635 and \$847 respectively. The Navy Hill “affordable” units are unaffordable for those families.
  - o To afford one of the income restricted studio apartments, a person would need to make between \$39,080 and \$47,200 annually.
  - o To afford a one-bedroom unit, a person would need to make between \$41,880 and \$50,030.
  - o For a two-bedroom unit, that amount climbs to between \$50,240 and \$72,440.
- The “affordable” units are not meant for those households with the greatest need for affordable housing. According to the National Low-Income Housing Coalition, the City of Richmond has:
  - o only 33 available housing units for every 100 extremely low-income households (those making at or below 30% of the AMI);
  - o only 66 available housing units for every 100 very low-income households (those making at or below 50% of the AMI); and



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- 103 available housing units for every 100 low-income households (those with incomes at or above 80% AMI).
- The Navy Hill “affordable” units proposed in the plan are too little too late.
  - The City Council approved a new policy earlier this year that requires a developer to include a minimum 15% of affordable housing in any project that involves the use of city property, such as the Navy Hill project.
  - Under the current plan, the Navy Hill project does not meet this city mandate. Of the 2,300 new apartments, only 280 will be “affordable.” The plan would need 350 affordable units to meet the threshold required under Council resolution 2018-R018.
  - The plan requires a mere 80 “affordable” units be built in the first phase of development alongside a new coliseum by 2022.
  - The later phase, which will include an additional 200 units on-site, will be completed over the course of five to seven years.
  - The remaining 200 affordable units will be built by the Better Housing Coalition elsewhere downtown, not the Navy Hill site itself, contingent of the developer raising \$10 million in private donations.
  - The affordability period expires after 20 years.

In short, the Navy Hill Project will not solve or even make a dent in the City’s housing affordability crisis.

### **Recommendations for Affordable Housing in Richmond:**

We ask that you carefully consider whether this plan will truly benefit Richmond residents, particularly low-income residents who are in integral part of our city’s economy and deserve your dignity and respect.

- Use the City of Richmond Area Medium Income, rather than the Richmond Metro Statistical Area.
- Set aside for more units for low-income, very low-income, and extremely low-income residents.
- Build larger units that can accommodate families.
- Ensure that affordable units will be built in a timely manner.
- Add provisions that require that the “affordable” units cannot convert to market rate or for sale units.

I invite you all to open and ongoing discussions with the Virginia Poverty Law Center. Let us be a resource to you as you carefully consider the Navy Hill plan before you and make recommendations to the City Council. Thank you.

**Laura Wright**  
Housing Justice Project Fellow  
Virginia Poverty Law Center  
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804-955-0470

## Questions on the Navy Hill Project

Jonathan Miller <jonathanmillerfina@gmail.com>

Sun 11/3/2019 1:14 PM

To: John Gerner <johngerner@navyhillcommission.org>

Good Afternoon Mr Gerner,

My name is Jonathan Miller. I am a resident of the 5<sup>th</sup> district.

I've been reviewing the report that have been given to Richmond City Council in an attempt to validate the financial math and econometric forecasts being used to support the Navy Hill project. I have the following questions, some of which I shared at the Commission meeting on November 2nd. I would like these questions to become part of the minutes:

1. When Chmura Economics & Analytics forecasted the long run growth rate of properties in the Broad Street Corridor for the Bus Rapid Transit study (where the Bus Rapid Transit Line would be built), they used 20 years of data and estimated a 7.8% property value growth rate for properties around Broad Street. They reported that growth would be even higher after the Bus Rapid Transit Line was built and operating. That area passes through the area of the TIF. What data was used to estimate Hunden's 1.5% property growth rate for the area of the TIF that the Davenport representative mentioned at the Advisory Commission meeting on November 2nd? The Federal Reserve bank has an inflation target of 2 percent. This 1.5% nominal property growth rate estimate implies that in inflation-adjusted terms the properties in the TIF are decreasing in value (in inflation adjusted terms) over the next 30 years at a rate of 2.0-1.5% or .5% per year. Accumulated over 30 years, that is a significant drop in value. What years, what properties and what estimation methodology was used to estimate the Hunden Strategic Partners growth rate for the properties in the TIF?
2. The Davenport representative at the Advisory Commission meeting mentioned that over the last several years, the properties in the TIF had a 2% growth rate. This seems to suggest that only several years of data was used for the 2% property value growth estimate. Are we really using several years of data to forecast the next 30 years? What data was used to estimate Davenport's 2.0% property value growth rate for the properties in the TIF? If long-term inflation matches the Federal Reserve Banks target, this is a 0% real growth rate for 30 years in inflation adjusted terms. What years, what properties and what estimation methodology was used to produce this growth rate estimate? Who created the estimate?
3. On page 20 here:  
(<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>) the base case has no change in cash flows for "Sales Tax Revenue", "Meals Tax Revenue (6.0%)", "Lodging Tax Revenue" or "BPOL Tax Revenue" over the next 30 years. Inflation alone (at around 2%), should have shown significant changes in these lines. Why is the incremental tax flow 0 dollars for the base case?

4. On page 20 here:  
(<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>) the total incremental taxes from the base case is \$308.4 million.
5. If I recall correctly, the Davenport representative at the November 2 meeting of the Advisory Commission said that the base case would yield incremental taxes of almost \$429 million. What is the difference between these two figures?
6. Davenport seemed to assume that the growth rate for the properties in the TIF is unchanged between the base case (of keeping a closed coliseum and taking no other action) and the case of adopting this project. Please see page 20 here:  
(<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>); the “Expanded Increment District” cash flow is the same in both scenarios. However, in another presentation (below), Davenport seems to assume that the rate of property value growth differs for those properties between the base case and the case in which the project is adopted for the properties in the TIF. You can see this on page 2 of the pdf here (1.5% without the project, 2.0% property value growth with it):  
(<http://www.richmondgov.com/Mayor/documents/DavenportCashFlowImpactAnalysis.pdf>. )  
You can’t have identical 30 year cash flows with two growth rates. Please explain this.
7. On page 20 here:  
(<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>) the assumed rate of the Meals Tax is 6%. However, in Chapter 9 – Page 9 table 9-8, of the Hunden study, Hunden assumes a Meals/Restaurant of 7.5%. Why don’t Hunden and Davenport tax rates agree with each other?
8. On the page labeled 25 in this PDF  
(<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>) “Given that special event revenues (typically in the evenings and on weekends) have declined dramatically with the closing of the Coliseum, the project will have a positive long term impact.” How large are these revenues? Did they all flow through the coliseum or could we be losing other taxes (including sales and meals taxes and induced economic impacts) by keeping the current coliseum closed?
9. How much of the taxable project components here would have happened if we sold these “taxable component properties” without building a new coliseum (page 36 in the pdf, marked as page 35 here:  
<http://www.richmondgov.com/Mayor/documents/NoBFiscalEconomicImpactStatement20190730withAdditionalSlides.pdf>)? Why is the base case a situation with no coliseum rather than an open or rebuilt coliseum (no renovation, no reopening, no other alternatives for location or size)? What analysis was done of the induced economic impacts of closing the current coliseum?

10. Was Davenport paid to find and hire Hunden for the City? Page 6  
<http://www.richmondgov.com/PressSecretaryMayor/robocopy/documents/HundenStrategicNoB.pdf>, includes this quote: "The Davenport & Company LLC, on behalf of the City of Richmond, engaged Hunden Strategic Partners, Inc". It seems clear that Davenport hired Hunden. Was Davenport ALSO paid to create and present the financial model? Could they have been paid for this financial model work if they didn't hire an econometric forecasting firm that found that this was a good project? In other words, was there a monetary incentive for Davenport to find an optimistic firm? Did the City Attorney review this arrangement for compliance with conflict of interest related laws or other legal or ethical risks?
11. When Davenport chose Hunden Strategic Partners, what instructions did they give them?
12. Was Davenport paid to find Hunden? If so, what analysis was done that said the city could not find its own econometric forecaster?
13. If Davenport was not paid to find Hunden Strategic Partners, why did they do so?
14. When the Hunden Analysis was originally published, I reviewed the Hunden website. I didn't find any evidence that any of their analysts had econometrics training at that time. You can click on their names to get information about their backgrounds here:  
(<https://hundenpartners.com/our-team/>) Why did Davenport choose Hunden?
15. There is a very large incremental tax figure, on a page marked page 1, attached to the study written by Hunden Strategic Partners (hereafter HSP:  
<http://www.richmondgov.com/PressSecretaryMayor/robocopy/documents/HundenStrategicNoB.pdf>). Here, the project is : "Projected to generate \$1.7 Billion of incremental tax revenues over 30 years." Where did this number come from? It doesn't seem to match any study or analysis I've seen.
16. I'm having trouble finding the RFP again, however, I believe it required a new hotel and that it also specified that the Coliseum would have to have 17,500 seats. How was this number of seats determined? What analysis was done? Who did that analysis? Where can I find it?
17. The RFP for Navy Hill required a plan for 20 properties and all questions had to be answered within 20 days of the RFP posting. If it took a firm 5 days to see this, they would have 15 days to ask any questions they had about 20 properties (including the rebuilding of the Coliseum). How many firms in the United States can do this without some foreknowledge of the project?
18. How was the new hotel requirement in the RFP created? What analysis was done? Who did that analysis?

Thank you so much for all of your hard work!

Regards,  
Jonathan Miller



**Statement by the Rev. Benjamin P. Campbell on the Navy Hill proposal. Nov. 2, 2019**

The proposal of NH inc. to the RFP is the only proposal which the city has received. It is, generally, about the best that could be done with the criteria which were proposed (and which, in fact, were offered by the same people before the city RFP.) The projections for economic activity are optimistic, predicting intense occupancies and activity for most of the uses. Unfortunately for the public debate, NH Corp has been in major sales mode for more than a year, which has all but overwhelmed the public decision making project. It is important to note that the expanded TIF district was not in the original RFP. Regardless of these difficulties, the fact that NH Corp. has done the best it can do enables us to examine its effect on the city and the city's priorities – the cost of the Arena – and to consider whether or not it should be done

Now we can clearly see the implications for city and its priorities;

The alternative to the NH Arena proposal is not “doing nothing” – as has, unfortunately, been the consistent suggestion by both the Corporation, the city, and the city's economic consultant. Rather, the alternative is significant development without the Arena. The city must explore this alternative..

Richmond city has very limited bonding capacity The debt per citizen in Richmond City is 3 times that of a citizen in Hanover, Chesterfield, or Henrico County. The priorities for the city's capital funding in the next decade are schools and low income housing. These expenditures have been deferred for four generations. \$800 million is needed.

We cannot afford to put off school funding for another generation, and therefore it needs to happen in the next 10-12 years. It is, we all agree, the top priority. And the need for decent housing is right there with it. [Incidentally, the turbo payment proposal may be harmful to a generation of students, delaying educational equity for another generation. Even though it may save some interest payments.]

The NH Proposal's language that the bonds are “non-recourse” to the city masks the fundamental reality: This proposal puts the construction of an Arena, at \$315 million, as the city's top priority for capital monies ahead of schools and housing. To build an arena, our top two priorities are delayed for at least another generation.

Not only is the new development not being used to support borrowing for schools and housing; the expanded TIF district, representing about 8% of the city's tax base, with the two Dominion towers, sequesters tax revenue of \$436 million as support for the Arena bonds. This revenue cannot be used as security for the city's regular Capital Program, which supports school bonds. It is also possible that the exclusion of the TIF zone may endanger even the current projections of the city's capital improvement program for the next decade.

If the predictions of NH Corp. of the impact of economic development are accurate, and if the development is pursued without the Arena, the city of Richmond would have \$550 million in capital bonding capacity available in 2024 to address its \$600 million in desperate school construction needs and \$200 million in housing needs. Success on our top priorities would genuinely be close at hand!

## Notes for the inclusion in the minutes of the meeting held on November 2nd, 2019

John Moser <jmoser@moser-productions.com>

Mon 11/4/2019 12:40 PM

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

Dear Navy Hill Commission members:

I am writing with a follow-up to the commission meeting on 11-2-19. During the meeting I used my 3 minutes to address the subject of real estate taxes. I will restate my concerns about real estate taxes at the end of this email, but first I have a few things I'd like to put into the commission's record.

When I make comments to the commission, I try my best to keep my comments limited to the scope of your work and the time allowed for public comment. As a result, my comments are mostly focused on the nuts and bolts of the ordinances and I try to be as brief as possible. "Brevity is rewarded" is a comment I heard several times from the chair on Saturday.

Please reward my brevity in person by considering some of the things I am NOT saying in the time allotted during the public meetings. I am not up there making political speeches, even though we all listened to several of them Saturday. With my time, I try to focus more on the quantitative, directly measurable aspects of the project ordinances rather than on the qualitative aspects of the project.

However, I think that qualitative analysis of the project - looking at the effect this project might have on the quality of life in the City - may in fact be the most important thing we can do and I am glad when the commission members openly engage in discussion of the democratic process and an analysis of the project on its merits (or lack thereof) to the citizens of the city.

Therefore, I'd like to make it clear that I am deeply opposed to this project and have been since 2014. You might be saying - "wait a minute, this project wasn't even on the table in 2014," but I hypothesize that it probably was already in process at that time.

In 2014, the development community failed in its effort to build a baseball stadium in Shockoe Bottom. I was among the thousands of Richmonders who fought hard to stop that project. But on the day that project died, I felt certain that the developers would turn their attention to the Coliseum next. Consider the deferred maintenance that has put the Coliseum in the dilapidated state that it is in today, and the way the Navy Hill promoters use that dilapidation as a selling point for their project. Was that deferred maintenance intentional? Consider the fact that we used to have a bus transfer station on Broad Street until it was intentionally terminated by the city in preparation for the UCI bike race. Now the development team is touting the deplorable condition of the current outdoor bus transfer station and selling the city on how they will resolve these conditions with their new project. Was that part of the plan all along? Consider that many of the players on the development team are the same people who were promoting the Shockoe Stadium project, and look at the cross-over of personnel between the city administration and the NHDC. Need help? Consider Grant Neely, who was a key member of the Dwight Jones administration when the decision was made to eliminate the bus transfer station before the UCI bike race. Mr. Neely then went on to work at Dominion Energy, where he took a leadership role in the development of the Navy Hill project that is now selling their contribution of a shiny new bus transfer station as part of this new project. Finally, consider the strange fact that the Navy Hill project plan was conceived by the developers of the project, then promoted to the new Mayor who issued an RFP tailor-made to the developers' concept and then - to no-one's surprise - the developer who conceived the project offered the only bid for the work. As someone who spent years working in state-level procurement, I can say with some certainty that this "sole source" procurement process does not pass muster.

Some may read the above paragraph and attempt to write it off as conspiracy theory, and that's their prerogative. Personally, I do not subscribe to the notion that the project principals are bad people who want to take advantage of city taxpayers. I think they probably sincerely think that building this project would be good for the city, but they also do stand to profit if the project moves forward and that is probably pre-disposing them to be unable to consider logical alternatives that could move the city forward without the need for the issuance of a huge bond or the dedication of 30 years of TIF revenues to the development of an arena that I do not think we need at all.

The alternative that the City of Richmond should be pursuing with urgency is the development of the 60-acre site on Arthur Ashe Boulevard where the Diamond currently occupies just 8 acres. That leaves net 52 acres available for development, NOW. In fact, as was mentioned at Saturday's meeting, shortly after the Shockoe Stadium project died, City Council approved a resolution to request proposals for development of the "Boulevard" site and several proposals were received. But for reasons that are unknown to me, about the time our new Mayor came on board, the City stopped pursuing development of the Arthur Ashe Boulevard site and began to push for a new Coliseum.

Developing the Boulevard site first is the the right thing to do. In 2013, the city's own financial advisor, Davenport, projected that the Boulevard site could generate about 13.6 million in new tax revenue if developed. Adjusted for inflation, that number might be more like 16.7 million in 2020. I think we should develop the Boulevard site now and when the tax revenue begins to accrue from that development,

then we can use it for general fund needs AND for development of infrastructure in the Navy Hill area to make that 10 block section suitable for organic development. If we did this, the city could put it's awesome marketing power and it's new head Economic Development to work marketing Navy Hill properties for development in an open and fair process. I'm betting that, if the city would just do this, we would see better return on investment more quickly than we will see if we go forward with the deeply flawed NHDC plan currently on the table.

In the above scenario, the City would not lose the effort or intention already invested in the idea of developing Navy Hill. All that would be required would a reset to the priorities of the City administration and a new plan (or a return to the previous plan).

Priorities are critical here, both in pragmatic terms and in terms of the quality of life in this city. On that subject, I encourage you to pay close attention to the statements about priorities made on Saturday by another public commenter who spoke against the project at the meeting.

Now, returning to the "nuts-and-bolts" issues I have just a couple of additional subjects and comments for consideration:

1. I concur with validity of the issues raised in Mr. Homer's risk factor assessment study presented at the meeting. From my seat in the back of the room, I could not see the slides well enough to read them, and so I am glad that they are online now for me to see. I would like to call special attention to one of the risks addressed on Saturday. This is very much in the realm of "nuts-and-bolts" analysis:

At the meeting, Mr. Homer discussed the "submissions deemed approved" after 7 days statement made in the Development agreement, section 4. As a person who has worked in project management on projects ranging from \$30,000 – 36 million dollars, I am certain that the 7 day review requirement, in practice, will mean that the city will have very little control over the project, and what control we will have will all probably be unseen by the tax payers until well after the fact. This 7 day review process will allow the developer to have nearly full control over the thousands of changes that will be proposed during the build out of the project. We should not allow this to happen as written in the ordinance. We

need much more time for review and a mechanism for the public to monitor and weigh in on changes in real time.

2. Finally, let me return to the subject of real estate tax rates that I mentioned on Saturday. I am concerned about the fact that the ordinances and financial projections, as I understand them, are all based on our current real estate tax rate of \$1.20 per hundred. In fact, the tax rates are fluid and there have been at least 5 rate changes since I bought my house in Richmond in 1986.

Changes in the real estate tax rate affect property owners and renters alike. Owners pay these costs directly and renters pay indirectly as the costs are transferred in the form of monthly rental rates. In the 33 years I've owned my house, with rising assessments, the cost of my real estate taxes have increased, well outpacing the rate of inflation even though the current tax rate is significantly lower than it was when I bought my house. And, as any property owner in Richmond knows, our real estate tax rate is significantly higher than the rates paid by property owners in the adjacent counties. It, therefore, should be the mission of the city to make smart decisions that will allow us to reduce the real estate tax rate until our cost of living is equitable with the rest of the region in which we live.

However, I am quite concerned about recent attempts by the City administration to raise the real estate tax rate and I'm especially concerned that, going forward, the pressure to increase taxes will rise if the proposed Navy Hill development project goes forward.

Anyone who has ever borrowed money knows that the more revenue you have, the easier it is to borrow money. I strongly suspect that the real motive behind the Mayor's attempt to raise the real estate tax rate last year was not only about building schools or fixing roads. I think what was also at work was an attempt to improve the viability of the Navy Hill project to lenders and to provide additional cash for debt repayment for the arena bond by giving the city books a 20 million dollar annual boost. Note that the city waited until after the vote on the proposed tax increases to finalize the Navy Hill proposal and make the ordinances public.

I think it is important to consider the question of future pressure on real estate tax rates that I think we will see if the Navy Hill project moves forward:

- Suppose the project underperforms: In this scenario there will be annual pressure to raise taxes to support bond repayment.
- Suppose the project performs at a merely "adequate" level: In this scenario there will be little opportunity to reduce the tax rate because we will need to sustain income levels to support repayment of the arena bond.
- Suppose the project performs at the high level projected: This is the only scenario where we might see some tax relief in the next 30 years, however, given the inflated projections in the Navy Hill project, I do not expect that this rosy scenario will come to fruition.

We understand that real estate tax revenues are critical to this project to the point that the viability of the project hinges on whether or not a single building – Dominion tower number 2 – gets built (as discussed in a recent Navy Hill presentation to City Council). This, plus the expansion of the TIF district to its current 80 block size, make it easy to see how vital real estate tax revenues are to the project and how sensitive the project will be to any outcomes that are less than projected.

The net affect of the tax scenarios mentioned above could easily mean that our future opportunities to make the city an attractive place to live will be significantly diminished if the project goes forward.

In closing let me say thank you again for the work you have undertaken. I am doing my best to participate and add value to the discussion. I have attended every meeting to date, however, I will be unable to attend on November 16th due to an out-of-town work commitment. I look forward to rejoining you at a future meeting.

Best regards,

John Moser  
3rd district

## RVA Rapid Transit's position on GRTC Transit Center

Ross Catrow <[ross@rvarapidtransit.org](mailto:ross@rvarapidtransit.org)>

Fri 11/1/2019 4:21 PM

To: Pierce Homer <[piercehomer@navyhillcommission.org](mailto:piercehomer@navyhillcommission.org)>; John Gerner <[johngerner@navyhillcommission.org](mailto:johngerner@navyhillcommission.org)>; All Members <[members@navyhillcommission.org](mailto:members@navyhillcommission.org)>

Chair Homer, Vice Chair Gerner, and members of the Navy Hill Development Advisory Commission,

My name is Ross Catrow, and I am the Executive Director of RVA Rapid Transit. I am also a 3rd District resident. Thank you for allowing me to submit the following as a written public comment to the Navy Hill Development Advisory Commission:

I'd like to share with you RVA Rapid Transit's position on North of Broad Development's proposed GRTC Transit Center. While we are encouraged to see public transit feature so heavily in the North of Broad project, we do have serious concerns regarding its public transportation components—specifically the proposed location and design of the GRTC Transit Center.

You can read our full statement on our website (<https://www.rvarapidtransit.org/blog/rva-rapid-transits-statement-on-the-north-of-broad-developments-proposed-transit-center>), but, to summarize:

- In 2018, Richmond redesigned its old hub-and-spoke bus network to a more modern, grid-like system that does not require a central transfer point. Before the network redesign, almost every bus route ended up at the Transfer Plaza. Today, very few routes do. A large, centralized location to make transfers is no longer needed.
- Additionally, the proposed Transit Center is too far from the nearest Pulse station, requiring a two- to three-block walk to make transfers to local bus service. For those with mobility impairments—or any who are walking in extreme heat, cold, or precipitation—this distance is a deterrent to using transit. Any future Transit Center must be adjacent to a Pulse Station.
- The proposed 12-bay Transit Center is larger than the existing 10-bay Transfer Plaza. The size and scale of this investment does not align with GRTC's new streamlined bus network where fewer routes require a centralized transfer point. As such, a large capital investment in a Transit Center may be less valuable to increasing ridership and improving rider experience. A similar capital investment—one that would align with Richmond's new bus network—could be made by building a handful of smaller transfer stations at critical points throughout the city.

Should members of the commission have questions or concerns, please let me know.

RVA Rapid Transit is a local nonprofit that advocates for frequent and far-reaching transit in the Richmond region. We believe that transit provides opportunities for residents and visitors to thrive in the Richmond region. You can learn more about RVA Rapid Transit on our website:

<https://www.rvarapidtransit.org/mission>

Ross Catrow  
Executive Director  
RVA Rapid Transit

## Navy Hill Project Comments Regarding 10-23-19 St. Andrews Church Presentation

From: CHARLES WARE <[stclairware@comcast.net](mailto:stclairware@comcast.net)>

Date: October 30, 2019 at 9:21:09 PM EDT

To: [piercehomer@navyhillcommission.org](mailto:piercehomer@navyhillcommission.org)

Subject: Navy Hill Project Comments Regarding 10-23-19 St. Andrews Church Presentation

Reply-To: CHARLES WARE <[stclairware@comcast.net](mailto:stclairware@comcast.net)>

To Pierce R. Homer, Chairman, and Members of the Richmond City Council Navy Hill Development Advisory Commission

I attended a presentation by Mr. Mike Hallmark of the NH Corporation that was made to residents of the 5th Ward. I found the presentation to be short on detail, and had more questions following these remarks than I had in advance of it. Mr. Hallmark entertained only six questions, and would not agree to a full follow-up discussion of any of the questions posed {including my one question}.

I asked what the proposed coliseum facility would be used for, and whether the cost projection of \$220 million in initial construction costs was accurate. I was informed that the presenter had "thirty years of arena development experience," and had worked on Seattle, Washington and Washington, D.C. facilities. Those present were informed that the project would have "no financial recourse to the city," and that the "existing coliseum was losing \$500,000 per year" in operations costs. In response to my question, NH Corporation stated that the current coliseum saw 73 events in its last year of operation, and 7.1 million attendees, but that the new coliseum was expected to attract 15 million attendees at 121 events.

A 07/19/19 Richmond Times-Dispatch article indicated that a \$220 million coliseum, and \$10 million in other related improvements, would cost the City Economic Development Authority \$350 million \$620 million over a 30-year bond repayment period.

I am writing as a taxpayer and resident of Richmond, and ask that the Commission provide assurance that:

1. Richmond IDA financing of the Navy Hill Plan would, in fact, not impose current or future liabilities on the city. Should the IDA default on bond payments, would any liability accrue to the city? I request that the Commission obtain a binding legal opinion on this point, and make this public before proceeding further.

2. A comprehensive comparative study of coliseum designs be made, and that it be determined that cost estimates for the proposed 17,500-seat building are realistic. I have examined a list of U.S. coliseum projects, and note that the 19,000-seat Barclay Center in Brooklyn cost \$1.09 billion. The 14,593-seat John Paul Jones Center cost \$178 million in 2018 dollars, but was funded in part through a charitable gift, and in part by the state as a university-related facility. It is evident that the actual costs are largely determined by the architectural features and amenities of any coliseum facility. It is also evident that many arenas and coliseums have been reconstructed several times to address changing needs, and also that these facilities are frequently deemed to be obsolete within a fairly short period of time.

3. A comprehensive comparative study of the current uses of all major coliseum facilities in the United States, in order to allow taxpayers to be able to evaluate the usefulness of any new facility to be built in Richmond. As Richmond appears unlikely to attract a major sports franchise that would contribute to the construction of a new facility, and given that sports stadiums have proved money-losing white elephants in many {if not most} cases, it is clear to me that a detail justification of the usefulness of a coliseum must be made.

4. Presenters claimed that the Navy Hill project would be funded by investors. If this is the case, why would tax increment financing be necessary?

Mayor Levar Stoney made an impassioned, but non-specific, statement in support of the NH project at the October 23 presentation. Stoney complained that the city has a relative disadvantage in comparison with surrounding suburban localities. The commission should consider whether the proposed coliseum project might better be constructed as a regional project. Richmond's economic development, school quality, and infrastructure issues might best be addressed through a forced merger of the city and Chesterfield and Henrico Counties. It is clear that Virginia's independent city system is badly flawed. In light of my unanswered doubts about the Navy Hill proposal, I ask that the Advisory Commission advance the idea of regional government and cooperation for the greater good.



## Navy Hill Project

AliceDecamps<missprissrain4@gmail.com>

Wed 10/30/2019 9:58 PM

To: AllMembers<members@navyhillcommission.org>

Hello: This is Alice DeCamps. I own 2 properties, one on Floyd Ave and one on Main street. I attended the meeting on October 19. I urge the commission to not recommend this entire project. It is too big and too far out planning. The City does not have a good track record with big projects. I also noted that in the meeting several members were skeptical of the entire plan, since we still do not know the entire details. I feel it would be feasible to try one important piece of the plan, perhaps the Coliseum or the Hotel. The economic conditions are somewhat unsettled, you cannot be sure of over costs or failure of the contractor to complete the project on time. The State had a horrible experience with Northrop Grumman and several state agencies were unable to have service for days at a time. We cannot afford this experience with this project. Smaller is better and more assured of success. As a taxpayer who is already paying big tax bills, I would appreciate a more cautious approach, certainly not jumping into a huge project with an uncertain future. Please consider carefully the downside risks of the project.

Alice DeCamps  
2513 Floyd Ave  
Richmond, Va. 23220

Public Comments and Concerns regarding Spectra's involvement with the Navy Hill Development Proposal  
Allan-Charles Chipman

Before I provide some of the excerpts from the 78 page court document I wanted to provide evidence that Global Spectrum, Spectra, and Comcast are all the same company

Spectra is part of Comcast Spectacor

<https://celebrityaccess.com/caarchive/global-spectrum-names-john-page-chief-operating-officer/>

Spectra is made up of Global Spectrum, Ovation Food Services, and Paciolan

<https://corporate.comcast.com/news-information/news-feed/comcast-spectacor-strengthens-and-broadens-management-team-2>

Comcast 100% owns Comcast Spectacor

<https://www.spglobal.com/marketintelligence/en/news-insights/blog/financial-plumbing-prone-to-clogging-amid-bank-liquidity-trap>

Please see attached November 19, 2018 United States Ninth Circuit Court of Appeals racial discrimination lawsuit against Comcast Corporation by the National Association of African American-Owned Media for failure to grant carriage contracts to African-American owned networks in violation of 42 U.S.C. 1981. The court found "that discriminatory intent played at least some role in Comcast's refusal to contract with the plaintiff, thus denying the latter the same right to contract as a white-owned company."

<https://cases.justia.com/federal/appellate-courts/ca9/16-56479/16-56479-2018-11-19.pdf?ts=1542661262>

Global Spectrum Comcast Spectacor was sued by former employee Judith Gayle Tegler for allegedly firing her for filing complaints of racial discrimination, sexual harassment, and a discriminatory work place environment due to an employee named Ryan Stouffer. **Ryan Stouffer also made statements such as his desire not to hire anymore black people. The court found that Global Spectrum fired Tegler and actually promoted Stouffer following the allegations. It is important to note that Caiola mentioned in these documents is still the Senior Director of Human Resources for Spectra today.** The case document also seems to show quite a fluid connection between SMG & Global Spectrum/Spectra. This gives great concern on the actual level of distance between these organizations that seem to contradict the city's presentation of Spectra as a "new" manager of the arena.

<https://www.govinfo.gov/content/pkg/USCOURTS-njd-15-cv-01730/pdf/USCOURTS-njd-15-cv-01730-0.pdf>

[Due to the length of the court documents (78 pages), I have compiled some concerning portions regarding Global Spectrum (now Spectra) mishandled the serious concerns of racial discrimination and sexual harassment. It is important to note that Caiola mentioned in these documents is still the Senior Director of Human Resources for Spectra. This is quite alarming to me.]

## Public Comments for November 2nd Navy Hill Commission Meeting.

Allan-Charles Chipman <allan-charles.chipman@iofc.org>

Tue 11/5/2019 3:02 PM

To: All Members <members@navyhillcommission.org>

Cc: John Gerner <johngerner@navyhillcommission.org>

Good Afternoon,

My name is Allan-Charles Chipman. I live in the 3<sup>rd</sup> district. I am writing to expand on the public comments I made at the November 2<sup>nd</sup> Navy Hill Independent Commission meeting at Hickory Hill Community Center.

I have a request and a series of concerns regarding the legal history of crucial members of this proposal, especially those regarding racial discrimination. I will also reference the city council resolution that Councilman Agelasto referenced concerning the 15% requirement of affordable housing in order for this proposal to be approved.

I begin with the request I presented concerning the lack of disclosure of the potential vested interests of Mr. Schewel. There is no doubt that Mr. Schewel brings a level of expertise that is helpful to the commission. However, I do believe that it is important during the times of disclosure that he disclose his relationships with McGuire Woods and Better Housing Coalition. In the documents released to Goldman due to his FOIA request, it is revealed that McGuire Woods is listed as expected advisors for JP Morgan Securities & Citigroup Global Markets Inc regarding this NH development. McGuire woods is also listed as legal/consulting to the Navy Hill District Corporation. McGuire Woods is also listed as legal representatives for Concord Eastridge and Future Cities, LLC (the companies of Susan Eastridge and Michael Hallmark that often make presentations on behalf of the project). Mr. Schewel has worked for McGuire Woods for 40 years and is still listed as a partner. Additionally, I believe it is important for Mr. Schewel to disclose that he is Immediate Past Chair of the Better Housing Coalition. BHC is slated to be responsible for receiving funds to build the additional 200 affordable housing units associated with the Navy Hill proposal. I am perfectly fine with lines of questioning that helps to “kick the tires” on this deal. However, I believe it is important for citizens to know whether or not the person tasked with “kicking the tires” is affiliated with organizations that would stand to benefit if the deal is approved. To be clear. This is not to accuse Mr. Schewel of any nefarious activity. I simply request that during the times of disclosure that he reveal those relationships.

The document I referenced that Councilman Parker Agelasto brought up in the October 28, 2019 City Council work session is the adopted City Council Resolution 2018-R083. It states “ To establish a policy of the Council that the Council will not consider any ordinance authorizing the execution of any agreement facilitating a development or project that includes a residential component and that involves the conveyance of an interest in City-owned real estate, the expenditure of City funds, in-kind donations from the City, or a tax credit or exemption without a contractual obligation that a minimum [percentage] of 15 percent of the development’s or project’s total residential units be reserved for affordable housing.”

This was adopted by City Council on 02/11/2019. I have attached it to my email.

Regarding the lawsuits, I am attaching 4 lawsuits that pertain to Concord Eastridge, C.T. Hill during his time at Suntrust, Spectra who was just hired to manage the new arena (if approved), and Comcast (the 100% owner of Spectra via Comcast-Spectacor). I am sharing this information due to a growing concern that there are not enough requirements, protections, levels of oversight, and processes of accountability to protect the residents of Richmond from the patterns that certain members of the NH development proposal have displayed in case law. The Concord Eastridge lawsuit pertains to Suzanne Long’s question around the make up of NH District Corp and the various newly formed companies. I spoke with Suzanne after the meeting and I can confirm that the lawsuit against Concord Eastridge was indeed an issue of “piercing the corporate veil” and not just a typical situation of risk diversification in creating holding companies.

1. Concord Eastridge- Baize vs Eastridge Companies (2006)  
<https://caselaw.findlaw.com/ca-court-of-appeal/1154800.html>

Defendant the East man Companies, LLC (“TEC”) is wholly owned by Susan Eastridge and her husband. TEC’s focus was on the development of so-called public/private projects, especially in the field of education. In July 2001, TEC hired Jeffrey Baize to work on some established TEC projects and also to develop new projects. TEC’s business model often involved creating new legal entities for each project for which it was awarded a contract. *(This is also true of the case with NH District Corp, NH District Foundation, Capital City Partners, and Capital City Developers for the current proposal in Richmond).* As part of his employment agreement, Baize was to be given an ownership interest in any of the entities created for projects he developed. Baize obtained for TEC a contract to develop a school (the “Natomas project”). Rather than create a new entity in which Baize had an ownership interest to handle the Natomas project, TEC assigned the project to an entity it had already created, TEC Natomas Development Corporation. Baize was ultimately terminated from TEC's employ. He brought suit against TEC, seeking the compensation he was denied by not having been granted an ownership interest in the TEC Natomas Development Corporation. In addition to TEC and TEC Natomas Development Corporation, **Baize also named as defendants three other TEC entities which Baize alleged were alter egos of TEC and responsible for any damages awarded to him:** Natomas Eastridge Public Facilities Corporation; The Eastridge Companies Educational Facilities Group, Inc.; and **Concord Eastridge, Inc**

1. In this lawsuit **Concord Eastridge, Inc. was a company found by the arbitrator to be a TEC (The Eastman company) alter ego,** The evidence also shows that, **within the TEC family of entities, accounting entries were made to shift revenue profits freely for the tax and corporate benefit of the entities and their owners.**
2. Baize's motion relied on the following evidence: (1) the fact that TECLA was owned by the same individuals who owned other TEC entities; (2) the fact that TECLA had the same attorney as other TEC entities; (3) the fact that TECLA had the same address as other TEC entities; (4) the fact that TECLA had the same employees as other TEC entities; (5) **deposition testimony (apparently admitted at the arbitration) demonstrating how money is funneled between TEC and its related entities;** and (6) **documents in which Concord Eastridge, Inc., a company found by the arbitrator to be a TEC alter ego, asserted that it was the company developing the four LAUSD schools**
3. The arbitrator concluded Baize was owed \$894,479 plus prejudgment interest and costs, and further concluded that all related TEC entities were liable for Baize's damages on an alter ego theory.
4. It is of the utmost importance to note that the term alter ego is an actual judicial doctrine applied to when corporations abuse the system. “The alter ego doctrine arises when a plaintiff comes into court claiming that an opposing party is using the corporate form unjustly and in derogation of the plaintiff's interests. [Citation.] In certain circumstances the court will disregard the corporate entity and will hold the individual shareholders liable

for the actions of the corporation: **'As the separate personality of the corporation is a statutory privilege, it must be used for legitimate business purposes and must not be perverted. When it is abused it will be disregarded and the corporation looked at as a collection or association of individuals,** so that the corporation will be liable for acts of the stockholders or the stockholders liable for acts done in the name of the corporation. "There is no litmus test to determine when **the corporate veil will be pierced**; rather the result will depend on the circumstances of each particular case. There are, nevertheless, **two general requirements: '(1) that there be such unity of interest and ownership that the separate personalities of the corporation and the individual no longer exist and (2) that, if the acts are treated as those of the corporation alone, an inequitable result will follow.**

5. The alter-ego doctrine is also known as "piercing the corporate veil. In regards to Concord Eastridge being found as an alter ego corporation the court stated "As set forth above, the trial court's finding of alter ego was based on much more than "common ownership, officers and/or directors." **The trial court expressly indicated its finding was also based on shared employees, the same offices, and the same attorneys. More importantly, the trial court adopted the arbitrator's finding that "within the TEC family of entities, accounting entries were made to shift revenue profits freely for the tax and corporate benefit of the entities and their owners."** This was not simply a "rubber stamping" of the arbitrator's finding, but was based on excerpts from depositions that were submitted to the trial court regarding TEC's accounting practices. Additionally, **the trial court had evidence before it that one of the TEC entities claimed that it was the developer on projects that TECLA was developing, further suggesting that TEC considered all of its related entities to be one and the same.**

Given the case history of Susan Eastridge and Concord Eastridge (and by extension Capital City Partners & Capital City Developers) there must be a great level of accountability on how money is moved from the general fund and handled. This is especially true since at least one of the newly formed companies are for-profit and cannot be held to FOIA requests for information. I would also encourage this since Davenport presented on Saturday that the EDA will only act as a "pass through" agent.

## 2. United States of America v Suntrust Mortgage, Inc (2012)

<https://www.justice.gov/opa/pr/justice-department-reaches-21-million-settlement-resolve-allegations-lending-discrimination>

<https://www.justice.gov/iso/opa/resources/656201261104918372098.pdf>

<https://www.justice.gov/opa/speech/assistant-attorney-general-civil-rights-division-thomas-e-perez-speaks-fair-lending>

- The Obama Department of Justice 2012 Lawsuit brought against the Suntrust Mortgage Mid-Atlantic department (headed by C.T. Hill) for discriminating against more than 20,000 African American and Hispanic borrowers in its residential mortgage lending. The violated the Fair Housing Act U.S.C. 3601-3619 and the Equal Opportunity Act, 15 U.S.C. 1691-1691f at least from 2005 to 2009 under the leadership of C.T. Hill

The DOJ Assistant Attorney General Thomas E Perez described the action of the (C.T. Hill led) department as follows:

"SunTrust set prices – as often as every day – based on objective credit related criteria, but allowed its loan officers and brokers to alter those prices without regard to borrower risk. This subjective and unguided discretion resulted in African-American and Latino borrowers paying more than similar qualified white borrowers. **SunTrust incentivized discrimination by sharing its discriminatory charges with any retail mortgage loan officer or wholesale mortgage broker who could obtain inflated prices from African-American and Hispanic borrowers.** Furthermore, SunTrust did not require its employees to justify or document the reasons for many of the pricing adjustments not based on borrower risk and failed to

adequately monitor for and fully remedy the effect of racial disparities in those pricing adjustments. **Our complaint alleges that these policies had a disparate impact on African-American and Latino borrowers.** SunTrust's African American and Latino borrowers had no idea they could have gotten a better deal. No idea that white borrowers with similar credit would pay less. **That is discrimination with a smile.**

The Consent Order- which includes "Corrective action shall include, as warranted, financial remediation for borrowers, modifications to the Defendant's pricing policies and/or monitoring programs as appropriate, and education, **discipline or termination of employee(s)** or mortgage broker relationship(s).  
<https://www.justice.gov/iso/opa/resources/313201253116253830420.pdf>

It is important to note that C.T. Hill retired in the midst of this investigation and retired only 3 months prior to when the consent process became public. We must take protections to ensure the C.T. Hill led Navy Hill Development proposal doesn't continue a practice of disparate impact on the basis of race and "discrimination with a smile."

3. Judith Gayle Tegler v Global Spectrum and Comcast Spectacor (2018)  
[https://www.govinfo.gov/content/pkg/USCOURTS-njd-1\\_15-cv-01730/pdf/USCOURTS-njd-1\\_15-cv-01730-0.pdf](https://www.govinfo.gov/content/pkg/USCOURTS-njd-1_15-cv-01730/pdf/USCOURTS-njd-1_15-cv-01730-0.pdf) (Due to the length of the court documents (78 pages), I have compiled some concerning portions regarding Global Spectrum (now Spectra) mishandled the serious concerns of racial discrimination and sexual harassment. It is important to note that Caiola mentioned in these documents is still the Senior Director of Human Resources for Spectra. Mayor Stoney was announcing Spectra formerly Global Spectrum as the new manager of the arena who would replace SMG. Global Spectrum /Comcast Spectacor was sued by former employee Judith Gayle Tegler for allegedly firing her for filing complaints of racial discrimination, sexual harassment, and a discriminatory work place environment due to an employee named Ryan Stouffer. **Ryan Stouffer also made statements such as his desire not to hire anymore black people. The court found that Global Spectrum fired Tegler and actually promoted Stouffer following the allegations. It is important to note that Caiola mentioned in these documents is still the Senior Director of Human Resources for Spectra today.** The case document also seems to show quite a fluid connection between SMG & Global Spectrum/Spectra. This gives great concern on the actual level of distance between these organizations that seem to contradict the city's presentation of Spectra as a "new" manager of the arena.
4. National Association of African American-Owned Media & Entertainment Studios Networks, Inc v. Comcast Corporation (2018)

<https://cases.justia.com/federal/appellate-courts/ca9/16-56479/16-56479-2018-11-19.pdf?ts=1542661262>

1. November 19, 2018 United States Ninth Circuit Court of Appeals racial discrimination lawsuit against Comcast Corporation by the National Association of African American-Owned Media for failure to grant carriage contracts to African-American owned networks in violation of 42 U.S.C. 1981. The court found "that discriminatory intent played at least some role in Comcast's refusal to contract with the plaintiff, thus denying the latter the same right to contract as a white-owned company."

I am concerned that there has been hesitancy to add protections such as community labor agreements or community benefits agreements that would legally require a certain percentage of hiring in impacted communities. The Port Covington project in Baltimore, MD added a protection such as community benefits and labor agreements later on into the process. However, I do not see a willingness here. Some speakers Saturday stated that they support this project due to the jobs they believe this project will bring to their communities. It is very important that we do our due diligence to make sure there is a legal requirement behind the promises they have been told. Also, we must make sure we are not simply ushering them into a racially discriminatory environment once they are hired given the troubling case law of organizations such as Spectra. The case law around racial discrimination of some of the core partners of this proposal is very alarming to me. I know Dr. Corey Walker and Dr. Hakim Lucas have brought up at each meeting what is the social benefit to the city of Richmond and not just bondholders. I echo their concern and state that protections for African American Minority Businesses Enterprises and Employees would need further legal guarantees and protections due to the legal history of racial discrimination against African Americans by two core partners of this deal. What protections are there for the African Americans of Richmond seeking employment through this process that the MBE goal is not just for other protected classes under the legal scope of "minority" Also, will there be a yearly report or audit of monies removed from the general fund to the TIF fund given the history of Concord Eastridge and a very similar naming of the companies as in their alter ego lawsuit from 2006?

Finally, until the affordable housing in this proposal hits the 15% threshold, city council is not able to hold a vote on this project until it is resolved per resolution 2018-R083.

Thank you for your time and consideration,

Allan-Charles Chipman  
Initiatives of Change USA

2201 West Broad Street, Suite 200, Richmond, VA 23220

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