Economic Development Authority (EDA) of the City of Richmond, Virgina
Meeting Notice – October 22, 2026

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

WHEN: Thursday, October 22, 2026, at 5:30 p.m.

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

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

Agenda

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Agenda
Main Street Station, 3rd Floor Conference Room
1500 E. Main St. Richmond, VA 23219
Thursday, October 22, 2026, 5:30 p.m.

I. Call to Order
   A. Public Meeting Disclosure

II. Comment (Maximum of Three Minutes Per Person)

III. Minutes
   A. September 24, 2026 Board Meeting Minutes

IV. New Business
   A. Diamond District PSDA – A. Rodgers
   B. FY26 Audit – C. Turner
   C. FY27 Stone/Sapporo Budget – S. Weir
   D. FY27 Leigh Street Budget – S. Weir

V. Old Business
   A. FOIA Review – C. Seiler

VI. Report of the Officers
   A. Report of the Chairman
   B. Report of the Secretary

VII. Adjournment

Upcoming Meetings
EDA Board Meeting – November 19, 2026 @ 5:30 p.m.

September Board Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Minutes
All-Virtual via Microsoft Teams (https://bit.ly/09242026EDABoard)
Thursday, September 24, 2026, 5:30 p.m.

Members present:

Nupa Agarwal, Chair
Cindi Cobbs
Evan Feinman
Jer'Mykeal McCoy
Jéron Crooks
Nathan Hughes

Others present:

Christopher Seiler – City of Richmond, City Attorney's Office
Angie Rodgers – Department of Economic Development
Matthew Welch – Department of Economic Development
Natalie Guilmeus – Department of Economic Development
Jacquelyn Teemer – Department of Economic Development
DJ Mulkey – Department of Economic Development
Bryonna Head – Department of Economic Development
Glenna Chung – Department of Economic Development
Stephen Weir – Trustward
Danielle Nikolaisen – Brown Edwards

A member of the public was in attendance.

Call to Order:

Ms. Rodgers called the meeting to order at 5:34 p.m. The meeting was conducted entirely by electronic communication means via Microsoft Teams. All members participated remotely, and a quorum was established. Public access was provided via Microsoft Teams platform as stated in the meeting notice. Due to technical difficulties, in absence of the Chair, Ms. Rodgers nominate Nathan Hughes to serve as chair pro tem for the September 24, 2026, meeting of the EDA Board. Ms. Cobbs made the motion. Mr. McCoy seconded the motion. Mr. Hughes abstained. The motion passed.

Public Comments:

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

Approval of Minutes of the Previous Meeting:

Mr. Hughes requested the Board to consider a motion to approve the August 27, 2026 EDA Board Meeting minutes as presented. Mr. Feinman moved to accept the minutes. Mr. McCoy seconded the motion. The motion passed unanimously.

DRAFT

New Business:

Sapporo Amended and Restated Deed of Lease Agreement – Mr. Matthew Welch

Mr. Hughes requested the Board to consider a motion to authorize the Board Chair, or her designee, to execute an Amended and Restated Deed of Lease Agreement between the EDA and Sapporo U.S.A., Inc., for the purpose of amending and restating the existing Deed of Lease Agreement dated March 11, 2015. Ms. Cobbs made the motion. Mr. Crooks. seconded the motion. The motion passed unanimously.

Approval of FY27 Slate of Officers and Committee Assignments – Mr. Jer'Mykeal McCoy

Mr. McCoy reported that the Nominating Committee met the previous day and presented the FY2027 slate of officers and committee assignments to the Board. The Committee discussed revising the committee structure to better align with the work of the EDA. For FY2027, the committees will be Audit & Finance, Operations, Incentives, Development, and Nominating. Mr. McCoy requested the Board to consider a motion to accept the FY27 Slate of Officers and Committee Assignments as stated. Mr. Crooks made the motion. Mr. Hughes seconded the motion. The motion passed unanimously.

Old Business:

EDA Financial Update – Ms. Danielle Nikolaisen

Ms. Nikolaisen provided an update on the EDA audit, noting that Brown Edwards requires additional time to review the information provided but is nearing completion of the audit. The audit is expected to enter the final review stages over the next couple of weeks, with the final audit anticipated to be available for review in mid to late October.

Closed Session:

Ms. Agarwal moved that the Board of Directors of the Economic Development Authority go into a closed meeting pursuant to section 2.2-3711(A)(8) of the Virginia Freedom of Information Act for the purpose of consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel. Ms. Cobbs seconded the motion. The motion passed unanimously. The Board entered closed session at 5:59 p.m.

Return to Open Session/Certification:

The Board reconvened in open session at 6:37 p.m. Mr. Hughes moved to certify, in accordance with section 2.2-3712 of the Code of Virginia, that to the best of each member's knowledge (i) only public matters lawfully exempt from open meeting requirements by Virginia law were discussed in the closed meeting to which this certifying resolution applies; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board. The certification was approved unanimously by roll call.

Report to the Officers:

Report of the Chairman – Ms. Nupa Agarwal

Ms. Agarwal congratulated the new slate of officers and stated that there were no new matters to report.

DRAFT

Report of the Secretary – Ms. Angie Rodgers

Ms. Rodgers requested that Mr. Mulkey share recent photos of the ongoing work in the Diamond District. She also noted that FOIA training for the Board is planned for an upcoming meeting.

Adjournment:

There being no further business, the meeting adjourned 6:42 p.m.

DRAFT

Diamond District PSDA

Diamond District Partners

October 22, 2026

DELIVERED PERSONALLY

Nathan Hughes
Chairman
Economic Development Authority
City of Richmond
1500 East Main Street, Suite 400
Richmond, Virginia 23219

Re: Request for Modifications to the Phase 1 Master Plan Requirements Pursuant to Section 4.8 of the PSDA dated May 15, 2024

Dear Mr. Hughes:

Diamond District Partners, LLC (the "Developer") submits this letter pursuant to Section 4.8 of the Diamond District Purchase and Sale and Development Agreement (the "PSDA") dated May 15, 2024, by and among the City of Richmond, Virginia (the "City"), the Economic Development Authority of the City of Richmond, Virginia (the "EDA"), and the Developer.

The Developer seeks to increase the total density in Phase 1A and provide a greater mix of uses to establish the Diamond District as Richmond's sports and entertainment destination.

Basis for Request

Section 4.8 of the PSDA provides that, if the Developer desires to make any Material Changes to the Phase 1 Master Plan Requirements, the Developer shall submit such proposed Material Changes to the EDA for approval. Per the PSDA, a Material Change includes any change from the Phase 1 Master Plan Requirements with respect to a Project Phase resulting in a five percent (5%) or greater reduction in Residential Units, as well as any other material change in the functional use, purpose or operation of a Project Phase.

Section 2.2(a) of the PSDA provides that the components of the Phase 1 Master Plan and each Project Phase may be modified or adjusted in accordance with the terms of the PSDA. In addition, Exhibit C provides that the required development milestones set forth in Schedule I may be modified by agreement of the EDA and the Developer in accordance with Section 4.8.

Request: Approve Modifications to the Phase 1 Master Plan Requirements

The Developer requests that EDA approve the Modified Phase 1A Program (the "Modified Program") summarized in Table 1 and approve to two modifications to Schedule I of Exhibit C (modify the percentage to "53%" in Row 3 for the hotel keys and add "and obtain site plan approval and executed franchise agreement for the 130 keys on Parcel E4" in Row 4 for the hotel keys). To implement these modifications, the EDA and the Developer will accordingly modify the following sections of the PSDA: the Phase 1 Hotel definition, Section 2.2 (a)(i), Exhibit A (Master Plan), Exhibit C (Minimum Development Milestone Requirements), Exhibit E (Phase 1 Project Components), and Exhibit H (Hotel Use Covenant), as shown in the mark-up in Attachment 1.

Table 1: PSDA vs. Modified Phase 1A Program

	Parcel	Multifamily Units (Market Rate)	Multifamily Units (Affordable)	Two Over Two Condo Units (Market Rate)	Two Over Two Condo Units (Affordable)	Hotel Keys	Commercial GSF (Office, R&D, Restaurant, & Retail)
PSDA Phase 1A Program	E1	283					
	E2	247					
	E3		161				
	E4	200					10,000
	S2						20,000
	W1					180	
	Total	**730**	**161**			**180**	**30,000**
Modified Phase 1A Program	E1	283					
	E2	276					110,000
	E3		161				
	E4					130	50,000
	S2						20,000
	W1					146	
	Total	**559**	**161**			**276**	**180,000**
Change from PSDA to Modified Program		**-171 units** *-23.4%*	**No change**	**No change**	**No change**	**+96 keys** *+53%*	**+150,000 sf** *+500%*

Shaded cells indicate areas where the program has been modified as compared to the PSDA Phase 1A Program.

On a net basis, the Modified Program includes more total density. Although the Modified Program reduces the total market-rate units in Phase 1A from 730 to 559, the Modified Programs includes an additional 150,000 square feet of commercial space and 96 hotel keys. If each additional 1,000 square feet of commercial space and each additional hotel key is counted as one dwelling unit, Phase 1A would include 805 units of density under the Modified Program (559 + 150 + 96), 75 more than the 730 market-rate units in the Phase 1A program set forth in the PSDA (the "PSDA Program"). Furthermore, the fiscal benefit to the City is greater with the Modified Program because commercial space and hotel keys typically generate more tax revenue than residential units.

Response Period

Pursuant to Section 4.8 of the PSDA, the EDA has agreed to respond to this request within a reasonable period of time, not to exceed twenty (20) Business Days after its receipt of this request. If the EDA fails to respond within twenty (20) Business Days after its receipt of this request, the EDA shall be deemed to have approved the modifications requested herein.

We appreciate the EDA's continued partnership in fulfilling the City's vision for the Diamond District. Please direct any questions to me.

Sincerely,

Jason Guillot
General Manager
Diamond District Partners, LLC

Attachment 1 Contains:

- Phase 1 Hotel Definition
- Section 2.2(a)(i)
- Programmatic Plan in Exhibit A (Master Plan)
- Schedule I to Exhibit C (Minimum Development Milestones)
- Programmatic Plan in Exhibit E (Phase 1 Project Components)
- First page of the Exhibit H (Hotel Use Covenant)

cc: Matthew Welch, Senior Policy Advisor, City of Richmond, 900 East Broad Street, 16th Floor, Richmond, Virginia 23219

City Attorney, City of Richmond, Virginia, Attention: Christopher Seiler, 900 East Broad Street, Suite 400, Richmond, Virginia 23219

R. Joseph Noble, Esq., Williams Mullen, 200 South 10th Street, Suite 1600, Richmond, Virginia 23219

EDA Approval
If the EDA fails to respond by November 23, 2026, the EDA shall be deemed to have approved the modifications requested herein.

_____
Name

_____
Title

_____
Date

"***Outside Closing Date***" means each of the Phase 1A-1 Outside Closing Date, the Phase 1A-2 Outside Closing Date, the Phase 1B Outside Closing Date and the Phase 1C Outside Closing Date.

"***Owner's Affidavit***" is defined in Section 3.12(a) (*Closing Deliverables*).

"***Park Space and Public Areas***" means the areas of the Public Infrastructure accessible to the public for walking, outdoor gathering and other activities and includes streetscapes, plazas, pedestrian malls, linear parks and parklets, as identified in Exhibit G (*Public Infrastructure*).

"***Partial Restricted Transfer***" is defined in Section 12.1(d) (*Partial Restricted Transfers*).

"***Partner***" means (i) if the Lead Developer Party is a limited liability company, any member in such limited liability company; (ii) if the Lead Developer Party is a partnership, any partner in such partnership; (iii) if the Lead Developer Party is a corporation, any shareholder in such corporation; and (iv) if the Lead Developer Party is any other entity, any Person holding any equity or voting interest in such other entity.

"***Party***" or "***Parties***" is defined in the Preamble.

"***Permitted Exceptions***" is defined in Section 3.5(c) (*Permitted Exceptions*).

"***Permitted Transfer***" is defined in Section 12.1(b) (*Permitted Transfers*).

"***Person***" means any individual, corporation, partnership, association, cooperative, limited liability company, trust, business trust, joint venture, government, political subdivision or any other legal or commercial entity and any successor, representative, agent, agency or instrumentality thereof.

of 180 keys provided in hotel(s)

"***Phase 1 Hotel***" means a minimum ~~180-key hotel~~ of one the following hotel brands: (a) AC Hotels by Marriott, (b) Autograph Collection, (c) Canopy by Hilton, (d) Curio Collection, (e) Hilton, (f) Tempo by Hilton, (g) Hyatt, (h) Hyatt Centric, (i) Hyatt Regency, (j) JdV by Hyatt, (k) Kimpton, (l) Le Meridien, (m) Marriott, (n) Tapestry Collection, (o) Tribute Portfolio, (p) Westin and (q) any other comparable brand hotel proposed by the Developer and approved by the EDA, which approval shall not be unreasonably withheld, conditioned or delayed.

"***Phase 1 Master Plan***" means the master plan for the Phase 1 Project developed by the Developer and which has been approved by the City, as further described on Exhibit A (*Master Plan*) attached hereto.

"***Phase 1 Master Plan Requirements***" means, for each Project Phase, (a) the Concept Plan, (b) the Phase 1 Master Plan, (c) the Hotel Use Covenant (as applicable) and the Affordable Housing Covenants (as applicable), (d) any Regulatory Approvals and (e) Exhibit E (*Phase 1 Project Components*) (as applicable).

Figures in Blue Reflect the Modified Program

ARTICLE 2
DESCRIPTION OF PROJECT; BUDGET

2.1 **Project Site**. The Phase 1 Property consists of approximately 22.5 acres and is located within the Diamond District, which is generally bounded on the west by North Arthur Ashe Boulevard, on the north by Interstates 95 and 64, on the east by Hermitage Road and on the south by CSX Railroad right-of-way.

2.2 **Project**.

(a) **Phase 1 Master Plan**. The Phase 1 Master Plan, which is described in more detail in Exhibit A (*Master Plan*), includes:

(i) The Phase 1A Project, including: (A) the development, construction, financing, operation and maintenance of the Phase 1 Hotel; (B) the development, financing, construction, operation and maintenance of certain mixed-use development that would include a minimum of ~~891~~ 720 new Residential Units (including a minimum of 161 Affordable Housing Units – comprising all rental Residential Units) and a minimum of ~~30,000~~ 180,000 square feet of Commercial Use space; and (C) the construction of the necessary Horizontal Public Infrastructure and the planned Park Space and Public Areas as set forth in Exhibit E (*Phase 1 Project Components*) and Exhibit G (*Public Infrastructure*);

(ii) The Phase 1B Project, including: (A) the development, financing, construction, operation and maintenance of certain mixed-use development that would include a minimum of 335 new Residential Units (including a minimum of 123 Affordable Housing Units – comprising 121 rental Residential Units and 2 for sale Residential Units) and a minimum of 114,000 square feet of Commercial Use space; and (B) the construction of the necessary Horizontal Public Infrastructure and the planned Park Space and Public Areas as set forth in Exhibit E (*Phase 1 Project Components*) and Exhibit G (*Public Infrastructure*); and

(iii) The Phase 1C Project, including: (A) the development, financing, construction, operation and maintenance of certain mixed-use development that would include a minimum of 467 new Residential Units (including a minimum of 54 Affordable Housing Units – comprising 51 rental Residential Units and 3 for sale Residential Units) and a minimum of 12,000 square feet of Commercial Use space; and (B) the construction of the necessary Horizontal Public Infrastructure and the planned Park Space and Public Areas as set forth in Exhibit E (*Phase 1 Project Components*) and Exhibit G (*Public Infrastructure*).

Notwithstanding the foregoing, the components and schedule for completion of the development activities set forth in the Phase 1 Master Plan and each of the

Exhibit A – Master Plan

Figures in Blue Reflect the Modified Program

Programmatic Plan						
Parcel	Multifamily Units (Market Rate)	Multifamily Units (Affordable)	Two Over Two Condo Units (Market Rate)	Two Over Two Condo Units (Affordable)	Hotel Keys	Commercial GSF (Office, R&D, Restaurant, & Retail)
E1	283					
E2	276 ~~247~~					110,000
E3		161				
E4	~~200~~				130	50,000 ~~10,000~~
S2						20,000
W1					146 ~~180~~	-
Phase IA Program:	559 ~~730~~	161	-	-	276 ~~180~~	180,000 ~~30,000~~
W2 (Phase IB)	204	-	8	2		114,000
N2 (Phase IB)		121				
Phase IB Program:	204	121	8	2	-	114,000
E5 (Phase IC)	186		11	3		12,000
N1 (Phase IC)	216	51				
Phase IC Program:	402	51	11	3	-	12,000
Phase I Program Total:	1,165 ~~1,336~~	333	19	5	276 ~~180~~	306,000 ~~156,000~~
E6	209					12,500
E7	229		14	4		10,500
E8						
E9	229					
W3	202	-	14	4		-
W4						99,000
Master Plan Total:	2,034 ~~2,205~~	333	47	13	276 ~~180~~	428,000 ~~278,000~~
** Note: The master plan program is subject to change based on the provisions in the Development Agreement						

Schedule I

Minimum Development Milestone Deadlines

Phase 1A Minimum Development Milestone

Figures in Blue Reflect the Modified Program

	A	B	C	D	E	F
	DEVELOPMENT PROGRAM	TOTAL MARKET RATE RESIDENTIAL UNITS (RENTAL & FOR SALE)	TOTAL AFFORDABLE HOUSING UNITS (RENTAL & FOR SALE)	HOTEL KEYS	COMMERCIAL SQUARE FEET (OFFICE, RETAIL AND R&D)	PUBLIC INFRASTRUCTURE
1.	PHASE 1A PROJECT	~~730~~ 559	161	~~180~~ 276	~~30,000~~ 180,000	Must materially conform to the Phase 1 Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase 1A Project
2.	The Developer shall have until December 31, 2028, to achieve the minimum development progress for the components of Phase 1A and to acquire the Phase 1B Property.					
3.	Minimum Development Progress expressed as percentage of the Phase 1A Project components shown in the Master Plan[1]	65%	85%	~~100%~~ 53%	65%	100%
4.	Minimum Development Progress in actual units calculated applying the foregoing percentage to the Phase 1A Project components shown in the Phase 1 Master Plan	~~475~~ 363	137	~~180~~ 146 and obtain site plan approval and executed franchise agreement for the 130 keys on Parcel E4	~~19,500~~ 117,000	Must materially conform to the Phase 1 Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase 1A Project

[1] In the event the product of such percentage shown in row "3" and the applicable number of planned units or square footage of the applicable Project component is less than the number shown for such Project component in row "4," the actual number in row "4" shall control.

Minimum Development Milestone Deadlines

Phase 1B Minimum Development Milestone

	A	B	C	D	E	F
	DEVELOPMENT PROGRAM	TOTAL MARKET RATE RESIDENTIAL UNITS (RENTAL & FOR SALE)	TOTAL AFFORDABLE HOUSING UNITS (RENTAL & FOR SALE)	HOTEL KEYS	COMMERCIAL SQUARE FEET (OFFICE, RETAIL AND R&D)	PUBLIC INFRASTRUCTURE
5.	PHASE 1B PROJECT	212	123	0	114,000	Must materially conform to the Phase 1 Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase 1B Project
6.	The Developer shall have until December 31, 2031, to achieve the Minimum Development Progress for the components of the Phase I B Project and to acquire the Phase I C Property.					
7.	Minimum Development Progress expressed as percentage of the Phase 1A Project and Phase IB Project components shown in the Master Plan[2]	75%	85%	100%	75%	100%
8.	Minimum Development Progress in actual units calculated applying the foregoing percentage to the Phase 1A Project and Phase IB Project components shown in the Phase 1 Master Plan	~~707~~ 578	241	~~180~~ 276	~~108,000~~ 220,500	Must materially conform to the Phase 1 Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase 1A Project and the Phase 1B Project

[2] In the event the product of such percentage shown in row "7" and the applicable number of planned units or square footage of the applicable Project component is less than the number shown for such Project component in row "8," the actual number in row "8" shall control.

Minimum Development Milestone Deadlines

Phase 1C Minimum Development Milestone

	A	B	C	D	E	F
	DEVELOPMENT PROGRAM	TOTAL MARKET RATE RESIDENTIAL UNITS (RENTAL & FOR SALE)	TOTAL AFFORDABLE HOUSING UNITS (RENTAL & FOR SALE)	HOTEL KEYS	COMMERCIAL SQUARE FEET (OFFICE, RETAIL AND R&D)	PUBLIC INFRASTRUCTURE
9.	PHASE I C PROJECT	413	54	0	12,000	Must materially conform to the Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase I C Project
10.	The Developer shall have until December 31, 2034, to achieve the Minimum Development Progress for the Phase I C Project.					
11.	Minimum Development Progress expressed as percentage of the Phase 1A Project, Phase 1B Project and Phase 1C Project components shown in the Master Plan[3]	90%	100%	100%	90%	100%
12.	Minimum Development Progress in actual units calculated applying the foregoing percentage to the Phase 1A Project, Phase IB Project and Phase IC Project components shown in the Master Plan	~~1,220~~ 1,066	338	~~180~~ 276	~~140,000~~ 275,400	Must materially conform to the Master Plan and include all Horizontal Public Infrastructure and Open Spaces and Public Areas programmed as part of the Phase 1 A Project, the Phase 1 B Project and the Phase 1 C Project

[3] In the event the product of such percentage shown in row "11" and the applicable number of planned units or square footage of the applicable Project component is less than the number shown for such Project component in row "12," the actual number in row "12" shall control.

Exhibit E – Phase 1 Project Components

Figures in Blue Reflect
the Modified Program

Programmatic Plan

Parcel	Multifamily Units (Market Rate)	Multifamily Units (Affordable)	Two Over Two Condo Units (Market Rate)	Two Over Two Condo Units (Affordable)	Hotel Keys	Commercial GSF (Office, R&D, Restaurant, & Retail)
E1	283					
E2	276 ~~247~~					110,000
E3		161				
E4	~~200~~				130	50,000 ~~10,000~~
S2						20,000
W1					146 ~~180~~	-
Phase IA Program:	559 ~~730~~	161	-	-	276 ~~180~~	180,000 ~~30,000~~
W2 (Phase IB)	204	-	8	2		114,000
N2 (Phase IB)		121				
Phase IB Program:	204	121	8	2	-	114,000
E5 (Phase IC)	186		11	3		12,000
N1 (Phase IC)	216	51				
Phase IC Program:	402	51	11	3	-	12,000
Phase I Program Total:	1,165 ~~1,336~~	333	19	5	276 ~~180~~	306,000 ~~156,000~~

Phase I A

Parcel	Net Usable Acreage
E1	2.48 ~~2.85~~
E2	3.34 ~~2.52~~
E3	2.45
E4	1.84 ~~2.08~~
W1	1.16 ~~1.17~~
S2	0.59 ~~0.60~~
Subtotal:	11.86 ~~11.67~~

The adjustments to the acreages above reflect the actual parcel sizes in the subdivision plats recorded on November 21, 2025, and June 18, 2026.

Phase I B

Parcel	Net Usable Acreage
W2	3.07
N2	2.64
Subtotal:	5.71

Phase I C

Parcel	Net Usable Acreage
E5	2.25
E4 (Corner)	0.03
N1	2.84
Subtotal:	5.12

Text in Blue Reflects the Modified Program

EXHIBIT H

<INSERT RECORDING INFORMATION>

<TAX MAP PARCEL NUMBER>

DECLARATION OF HOTEL USE COVENANTS

This DECLARATION OF HOTEL USE COVENANTS ("Covenant") is made as of the day of_____, 20__ (the "***Effective Date***"), by Diamond District Partners, LLC, a Virginia limited liability company ("***Declarant***"), identified for indexing purposes as Grantor and Grantee.

RECITALS

R-1. Declarant is the fee simple owner of certain real property, known as <INSERT PARCEL> and as further described in **Exhibit A** (the "***Property***").

R-2. The City of Richmond, Virginia (the "***City***") seeks to redevelop a portion of the Greater Scott's Addition area of the City that currently is home to The Diamond baseball stadium and that is not utilized to its full market potential, with the aim that such redevelopment results in additional taxable value in both the project area and in surrounding properties.

R-3. The City, the Economic Development Authority of the City of Richmond, Virginia (the "***EDA***"), and Diamond District Partners, LLC (the "***Developer***" and "***Declarant***" as the context dictates) entered into that certain Purchase and Sale and Development Agreement dated April ___, 2024 (the "***Development Agreement***"), whereby the City, the EDA, and the Developer agreed upon the terms under which the Developer agreed, among other things, to design, develop and construct a minimum ~~180 room guest hotel~~ as part of the Phase 1A Project(the "***Hotel***").

of 180 keys provided in hotel(s)

R-4. The Developer is the initial Declarant under this Covenant.

R-5. The Hotel shall be developed and constructed in accordance with the Development Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the Declarant hereby declares that the Property shall be subject to this Covenant, which shall be binding in accordance with the terms herein on the Declarant and on all tenants and purchasers of the Hotel and all Transferees (as defined herein) of the Property. Wherever "Declarant" is used in this Covenant, the term includes any Transferee.

ARTICLE I

DEFINITIONS AND MISCELLANEOUS PROVISIONS

1.1 DEFINITIONS. For the purposes of this Covenant, the following capitalized terms shall have the meanings ascribed to them below and, unless the context clearly indicates otherwise, shall include the plural as well as the singular:

DIAMOND DISTRICT

EDA Meeting | October 22, 2026



Aerial photo taken September 20, 2026 (Credit: SkyShots)

Diamond District Partners

Diamond District Overview

Public Private Partnership

The Diamond District is a 67-acre new mixed-use community anchored by a new crescent park and a minor league baseball stadium.

The vision for the Diamond District is realized via two agreements to create:

CARMAX PARK

Agreement between the Richmond Economic Development Authority (EDA), and the Navigators (Richmond Flying Squirrels Owners)



Credit: Richmond Flying Squirrels, LaBella Architecture

PUBLIC INFRASTRUCTURE & PRIVATE DEVELOPMENT

Agreement between the City of Richmond, the Richmond Economic Development Authority (EDA), and Diamond District Partners, LLC (DDP)



Credit: Diamond District Partners, LLC, Baskervill & Son PC

Community Benefits

Revenue, Jobs, Amenities & More

New Destination

Park Space

Baseball Stadium

Connectivity

Public Art

Affordable Housing

Sustainability

Ashe Legacy

Tax Revenue

Small Business

Jobs & Training

Public Art

Signature Sculpture

- **Artist:** Mickael Broth
- **Location:** Beside the entryway to the new ballpark, within the Park & Mews area
- **Selection Process:** 15 responses to the public Request for Qualifications from artists nationwide
- **Public Art Selection Panel:** Sir James Thornhill, Monica Kinsey, Jessica Bell Brown, Paul DiPasquale, Maritza Pechin, Philip Crosby, Jill Nolt, Grady Hart, Jordan Roeder, Silly Genius, Will Massie
- **Next Steps:** Mickael Broth will work with DDP, its design team and the community to develop the signature sculpture

Sample Works by Broth





Credit: Mickael Broth

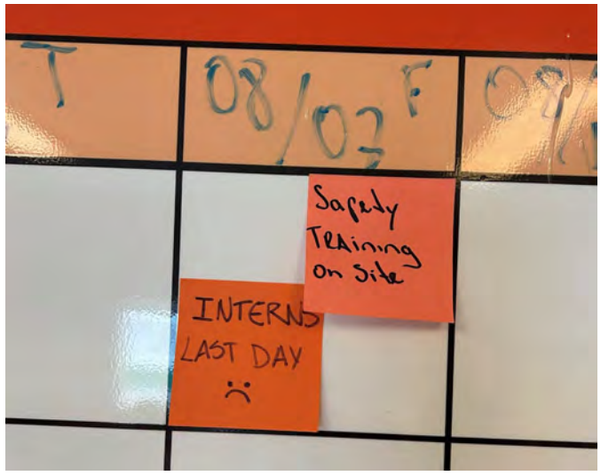


Park rendering (Credit: Diamond District Partners, Waterstreet Studio)

Workforce Development

- Workforce development coordinator is J&G Workforce Development Services
- On-site monthly OSHA training open to all
- Engaging with training partners: VCU, OCWB, RPS, RRHA, VA Dept of SBSD, CCWA, University of Richmond
- Intern engagement
- Student tours for Albert Hill MS, Cochrane Program (which includes rising HS seniors from 8-10 area high schools), Collegiate MS, and more
- Apprentice Program coming in summer 2027



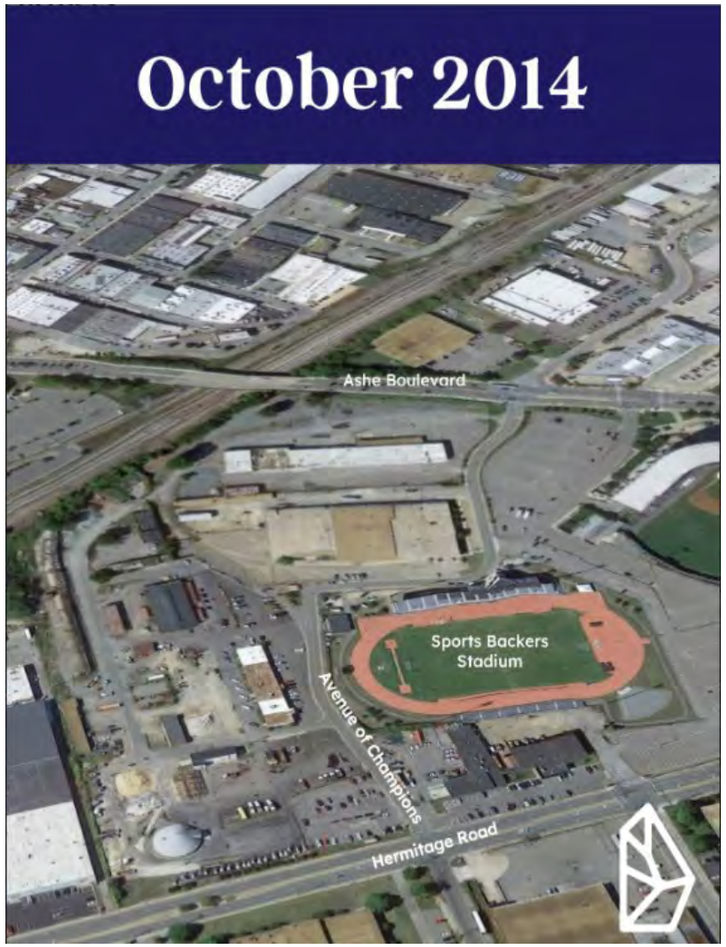


Top: Whiting-Turner and Prestige Construction review the project's workforce development goals during a pre-bid walk with J&G Workforce Development Services. (Credit: Diamond District Partners, LLC)
Bottom: DDP and Whiting-Turner hired collect summer interns for 10-weeks in 2026. (Credit: Diamond District Partners, LLC)



In summer 2025 and 2026, DDP toured rising high school students from 10 high schools in the region as part of the Cochrane Summer Economic Institute (Credit: Diamond District Partners, LLC)

Site Snapshots



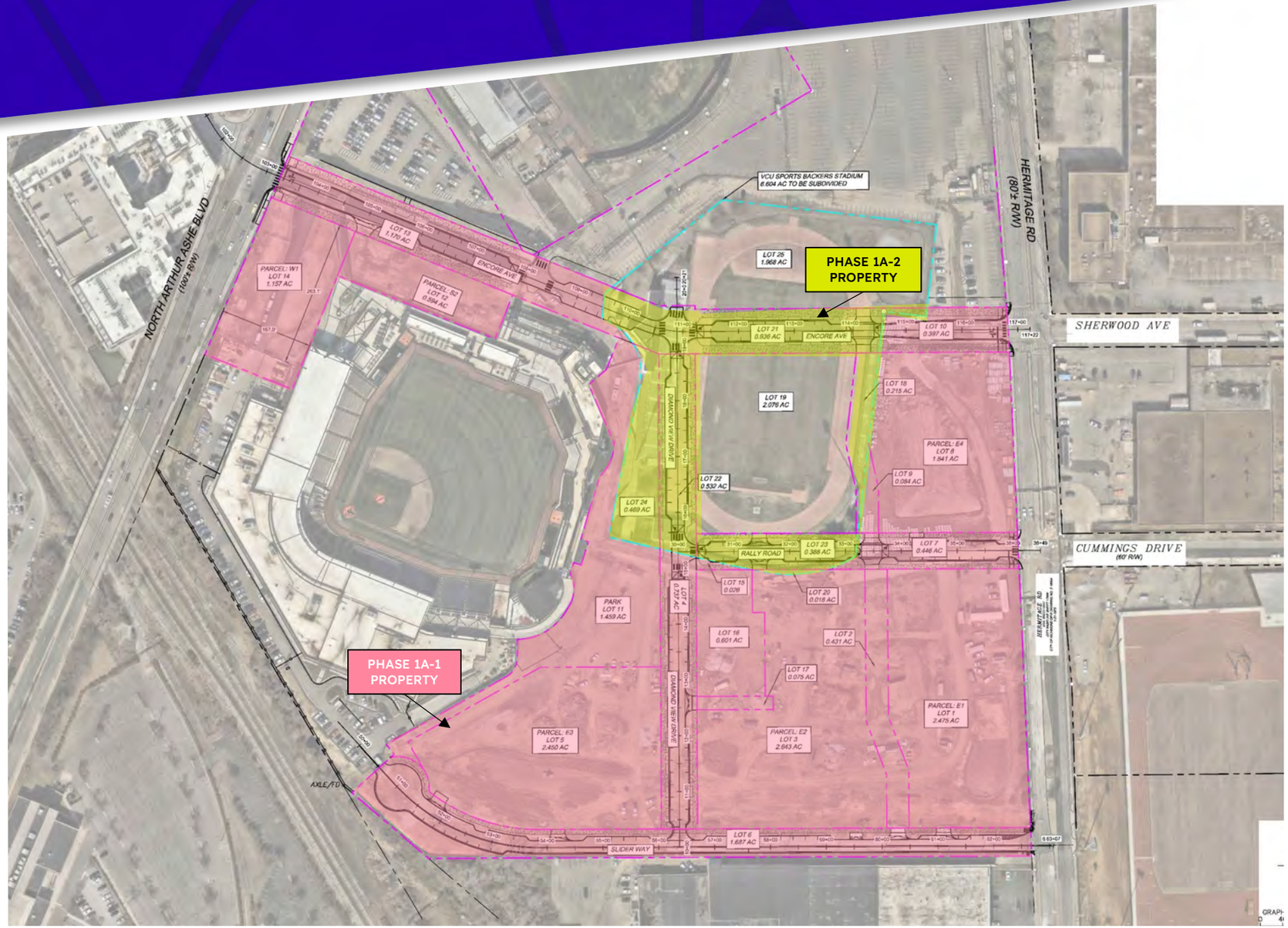




Site-Wide Efforts

Key Milestones

- March ’25 Phase 1A-1 Property Acquired
- Nov ’25 Phase 1A-1 Subdivision Plat Recorded
- March ’26 Hanover Water Main Relocation Complete
- April ’26 CarMax Park Opening
- June ’26 Phase 1A-2 Subdivision Plat Recorded
- June ’26 Phase 1A-2 Property Acquired



Public Infrastructure

By DDP

Program

- 4 new streets with underground utilities and pedestrian streetscapes
- 2 new signalized intersections
- 2 acres of park space

Key Milestones

- April ’25 Public Infrastructure groundbreaking
- April 26’ City Accepts a grant from the Central Virginia Transportation Authority to fund a portion of the public infrastructure
- July ’26 Mickael Broth selected as signature sculpture artist
- July 26’ Park & Mews building permit application submitted



Proximate location of the new roads overlaid on a site aerial photo taken on September 20, 2026. (Credit: Diamond District Partners, LLC, SkyShots)

Roadways & Infrastructure

Construction Progress



Encore Avenue under construction in front of the Center Field gates to CarMax Park on October 21, 2026. (Source: WT)



Demolition of Sports Backers Stadium on July 8, 2026. (Credit: Diamond District Partners, LLC(



Deep utility trenching to tie into utilities in Ashe Boulevard on October 25, 2025 (Credit: The Whiting-Turner Contracting Company)

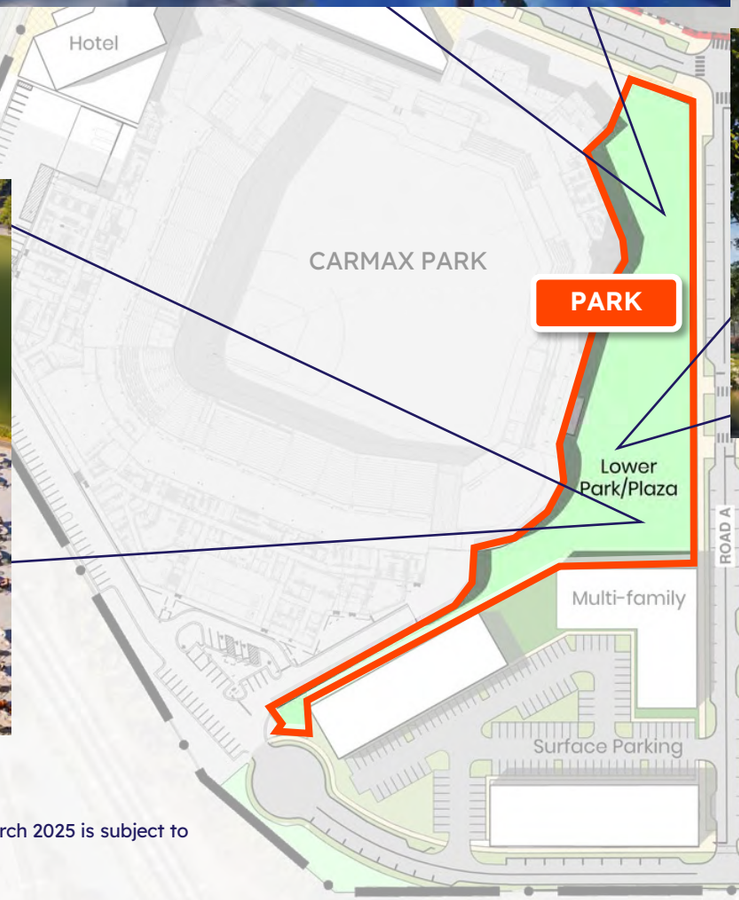
Park & Mews

Design Progress











Area plan showing the location of the park and mews with rendered images of the park design. (Credit: Baskerviill, Water Street Studio)

Site plan dated March 2025 is subject to further refinement.

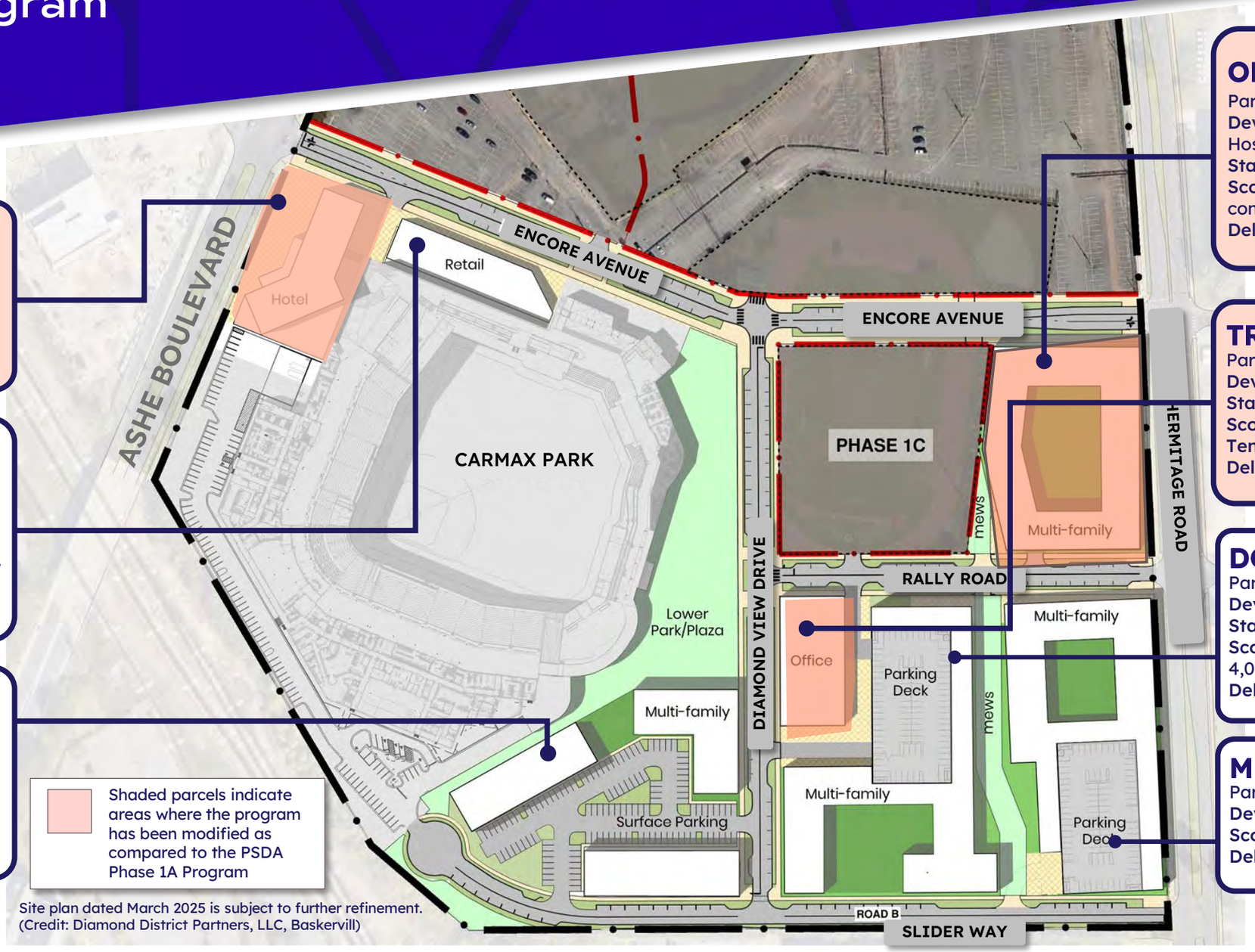
Phase 1A Private Development

Modified Program

TAPESTRY BY HILTON
Parcel W1
Developer: Kalyan Hospitality
Status: Schematic Design
Scope: 146-keys, 132 parking spaces
Delivery: 2028

GATEWAY RETAIL
Parcel S2
Developer: DDP
Status: Design Development
Scope: ~20,000sf retail SF
Tenants: Maker's Union, Sports Bar by EAT
Delivery: 2028

WORKFORCE HOUSING
Parcel E3
Developer: Pennrose/Nix
Status: Design Development
Scope: 161 units at 60% AMI
Delivery: 2028/2029



Site plan dated March 2025 is subject to further refinement.
(Credit: Diamond District Partners, LLC, Baskervill)

OFFICE & HOTEL
Parcel E4
Developer: DDP & Kalyan Hospitality
Status: Conceptual Design
Scope: ~130-keys, ~50,000sf commercial, ~342 parking spaces
Delivery: 2030

TROPHY OFFICE
Parcel E2
Developer: DDP
Status: Design Development
Scope: ~110,000sf commercial
Tenant: Hirschler Law Firm
Delivery: 2028

DŌMA
Parcel E2
Developer: DDP
Status: Under construction
Scope: 276 market-rate units, 4,000sf retail
Delivery: 2028

MIXED-USE
Parcel E1
Developer: DDP
Scope: ~220 units, parking, retail
Delivery: 2030

Dōma

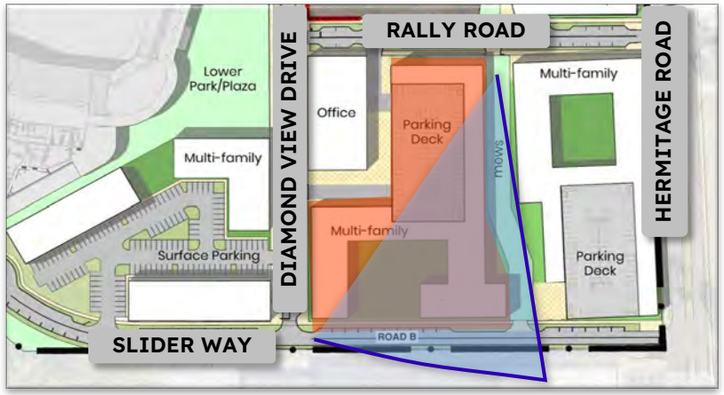
By DDP on Parcel E2

Program

- 276 market-rate units
- 453-space parking garage (to be shared with the Trophy Office building)

Key Milestones

- Sept ’25: Site plan approved
- Dec ’25: Building permit application submitted
- July ’26: Foundations and footings permit issued
- July ’26: Groundbreaking





Rendered image of Dōma, the multifamily building and parking deck on Parcel E2. (Credit: Diamond District Partners, LLC, Baskervill)

Dōma
Conceptual Renderings



Dōma includes 4,000sf of commercial space along Rally Road. (Credit: DDP, Baskervill)



Conceptual rendering of the Dōma lobby. (Credit: DDP, Baskervill)



Birdseye view of Dōma with the Trophy Office building and CarMax Park in the background and the mews in the foreground. (Credit: DDP, LLC)

Dōma
Construction Progress



Parking deck under construction on October 22, 2026. (Credit: KBS, LLC)



Dōma groundbreaking on July 29, 2026 with Mayor Avula and Councilmember Jordan. (Credit: Diamond District Partners, LLC)



Parking deck under construction on October 21, 2026. (Credit: Diamond District Partners, LLC)

Trophy Office Building

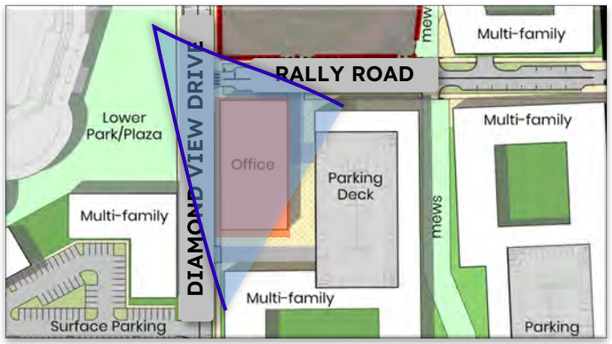
By DDP on Parcel E2

Program

- 110,000 square feet of commercial space

Key Milestones

- March ’26 Lease Signed with Hirschler Law Firm (50,000sf)
- April ’26 Added a Floor to the Building
- Sept ’26 Site Plan Approved
- Sept ’26 Building Permit Application Submitted

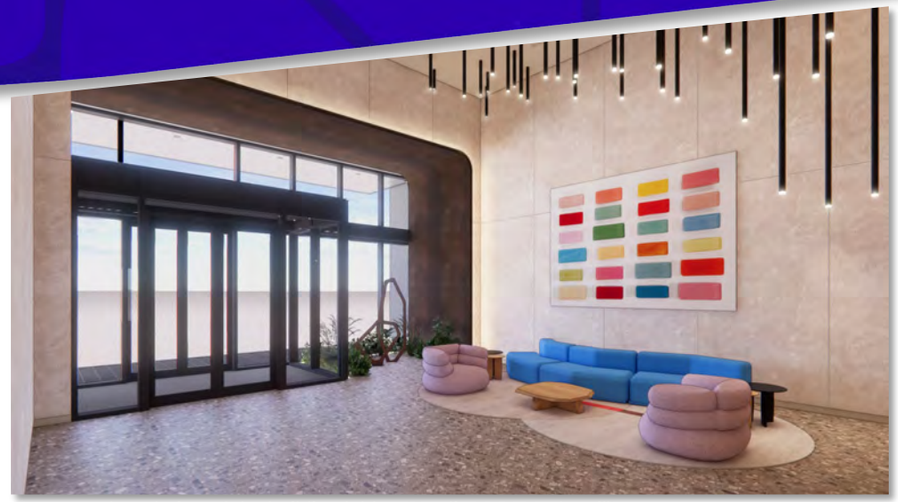




Rendered image of the office building on Parcel E2. (Credit: Diamond District Partners, LLC, Baskervill)

Trophy Office Building

Conceptual Renderings



Conceptual rendering of the building lobby. (Credit: DDP, Baskervill)



Conceptual rendering of the penthouse conference room and lounge. (Credit: DDP, Baskervill)



Birdseye conceptual rendering of the Trophy Office building overlooking the park. (Credit: DDP, Baskervill)

Gateway Retail

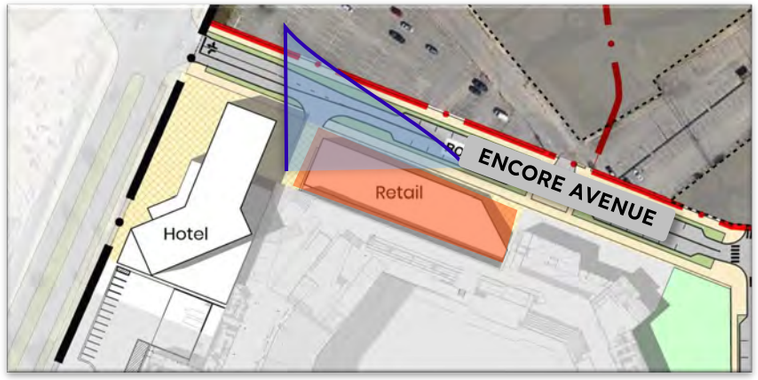
By DDP on Parcel S2

Program

- 20,000 square feet of commercial

Key Milestones

- Mar ’26 Preliminary site plan approved
- May 26’ Lease executed with EAT Restaurant Partners (5,150sf) for a sports bar
- Sept 26’ Lease executed with Thompson Restaurants (4,116sf) for Makers Union





Rendered image the gateway retail building on Parcel S2. (Credit: Diamond District Partners, LLC, Fultz & Singh Architects)

Workforce Multifamily Building

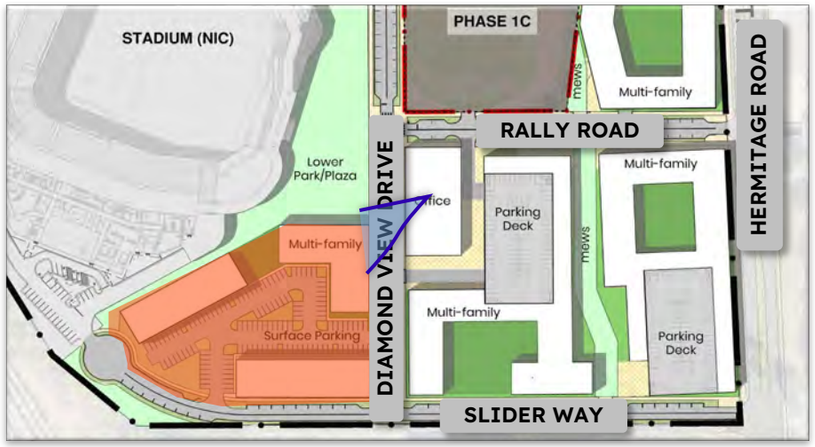
By Pennrose/Nix on Parcel E3

Program

- 161 units affordable to households at or below 60% of the area median income
- 123 parking spaces on a surface lot

Key Milestones

- Mar ’26 Site plan approved
- May ’26 9% Low Income Housing Tax Credits secured





Rendered image of the workforce multifamily building on Parcel E3. (Credit: Pennrose/Nix, Poole & Poole)

Tapestry by Hilton

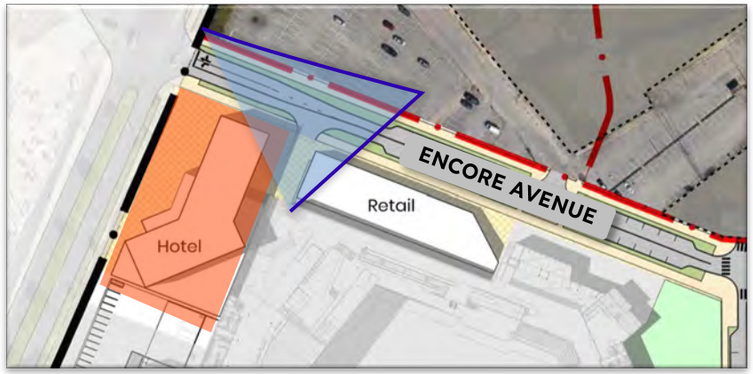
By Kalyan Hospitality on Parcel W1

Program

- 146 keys
- Rooftop bar & restaurant
- 132 parking spaces

Key Milestones

- Sept ’26 Tapestry by Hilton franchise secured
- Oct ’26 Preliminary site plan application submitted





Conceptual rendered image of the Tapestry Hotel. (Credit: Kalyan Hospitality)

Key Milestones

MAR 2025
- Phase 1A-1 Property Acquired

APR 2025
- Public Infrastructure Ground Breaking

SEP 2025
- Dōma (E2) Site Plan Approval

NOV 2025
- Phase 1A-1 Subdivision Plat Recorded

MAR 2026
- Hanover Water Main Relocation Complete
- Gateway Retail (S2) Preliminary Site Plan Approval
- Workforce Housing (E3) Site Plan Approval
- Lease Executed with Hirschler

APR 2026
- CarMax Park Opening

MAY 2026
- Lease Executed with EAT Restaurant Partners (S2)

JUN 2026
- Phase 1A-2 Subdivision Plat Recorded
- Phase 1A-2 Property Acquired

JUL 2026
- Dōma (E2) Footings and Foundation Permit Issued
- Dōma (E2) Groundbreaking
- Workforce Housing (E3) Secures 9% LIHTC
- Sports Backers Stadium Demolition Complete

SEP 2026
- Trophy Office (E2) Building Permit Application Submitted
- Trophy Office (E2) Site Plan Approved
- Franchise Agreement Executed for a Tapestry by Hilton (W1)

OCT 2026
- Hotel (W1) Preliminary Site Plan Application Submitted

Request

Request: Approve Modifications to the Phase 1 Master Plan Requirements

- Approve the Modified Phase 1A Program (the "Modified Program") summarized in Table 1
- Approve to two modifications to Schedule I of Exhibit C (modify the percentage to 53% in Row 3 for the hotel keys and add "and obtain site plan approval and executed franchise agreement for the 130 keys on Parcel E4" in Row 4 for the hotel keys)

Table 1: PSDA vs. Modified Phase 1A Program

	Parcel	Multifamily Units (Market Rate)	Multifamily Units (Affordable)	Two Over Two Condo Units (Market Rate)	Two Over Two Condo Units (Affordable)	Hotel Keys	Commercial GSF (Office, R&D, Restaurant, & Retail)
PSDA Phase 1A Program	E1	283					
	E2	247					
	E3		161				
	E4	200					10,000
	S2						20,000
	W1					180	
	Total	**730**	**161**			**180**	**30,000**
Modified Phase 1A Program	E1	283					
	E2	276					110,000
	E3		161				
	E4					130	50,000
	S2						20,000
	W1					146	
	Total	**559**	**161**			**276**	**180,000**
Change from PSDA to Modified Program		**-171 units** *-23.4%*	**No change**	**No change**	**No change**	**+96 keys** *+53%*	**+150,000 sf** *+500%*

Shaded cells indicate areas where the program has been modified as compared to the PSDA Phase 1A Program.

Appendix

Diamond District Context



Aerial photograph taken June 22, 2026

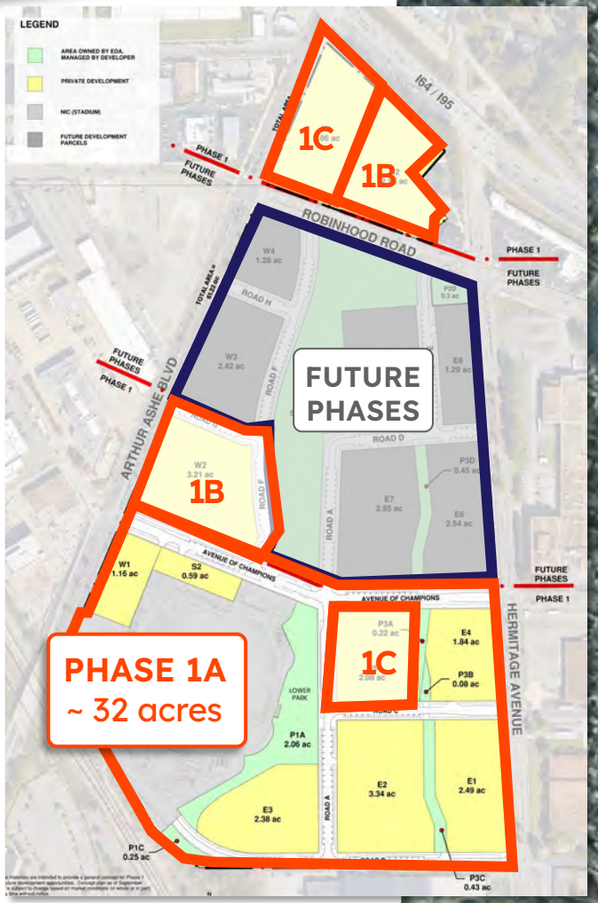
Full Build Out & Phase 1

Long-Term Vision

Full Build Out (~15 yrs)

- CarMax Park
- Crescent park and mews
- 9 new streets with utilities
- 2,538 rental units
  (20% at 60% AMI)
- 60 for-sale units
  (20% at 80% AMI)
- 288,000sf commercial space
- 180-key Hotel

Based on a conservative projections. Actual counts may be higher depending on market conditions.



Diamond District Phasing Plan
(Credit: Diamond District Partners, LLC)



Diamond District size overlaid on adjacent areas to depict the scale of the redevelopment project. (Credit: Diamond District Partners, LLC)

Public Private Partnership

Lease & Tax Revenue Fund Public Investment

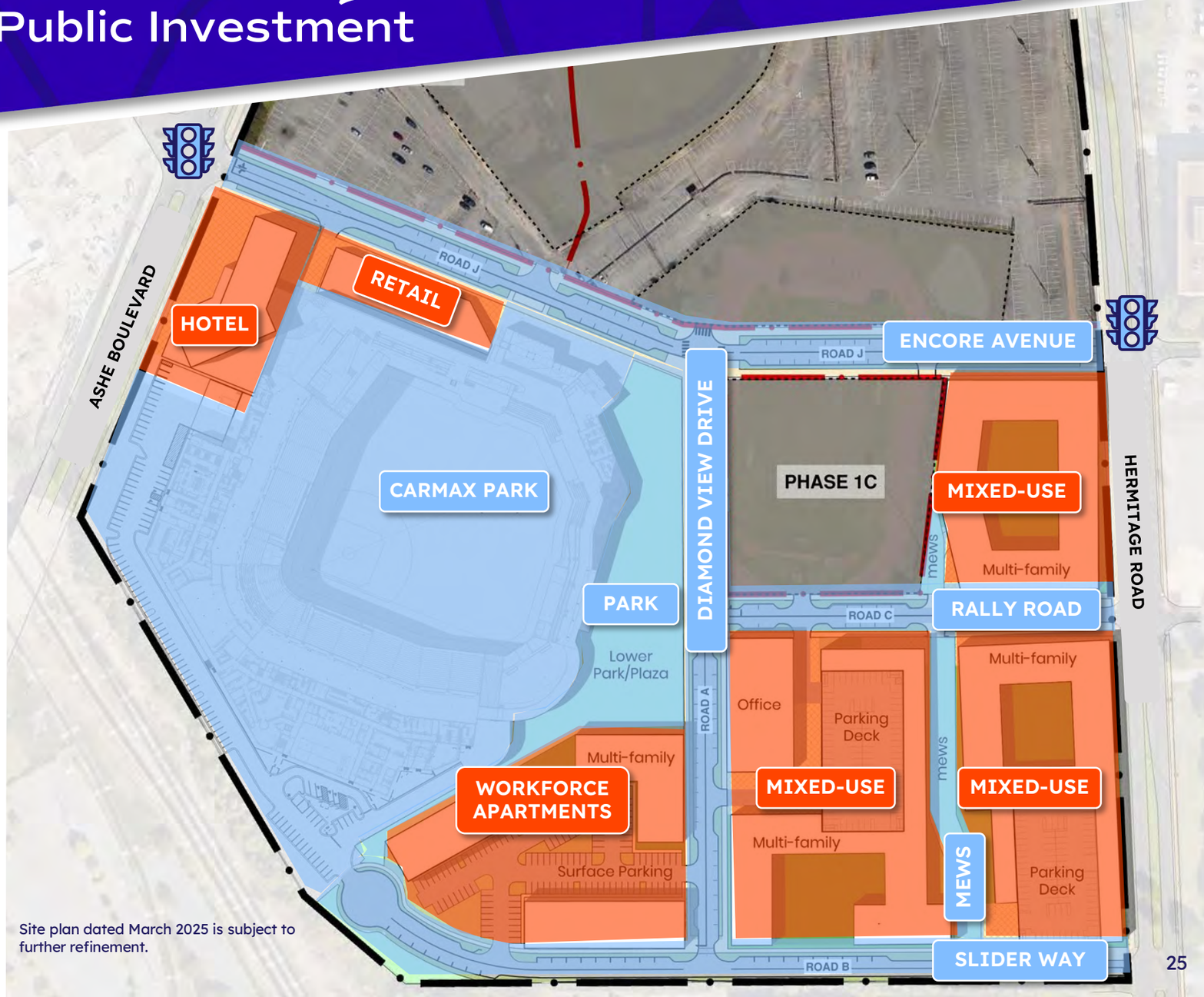
Phase 1A

PUBLICLY FINANCED

Amount: ~$175 million
Acreage: ~19.64 acres
Scope:
- CarMax Park (~10.67 acres)
- Roadways & Infrastructure (~6.31 acres)
- Park & Mews (~2.66 acres)

PRIVATELY FINANCED

Amount: ~$300 million
Acreage: ~12.23 acres
Scope:
- Gateway Retail (~0.6 acres)
- Hotel (~1.16 acre)
- Workforce Apartments (~2.45 acres)
- Mixed-use Buildings (~8.02 acres)



Site plan dated March 2025 is subject to further refinement.

Site plan show areas financed with public and private funding. (Credit: Diamond District Partners, LLC, Baskervill)

EDA FY2026 Audit

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia

(A Component Unit of the City of Richmond, Virginia)

Financial Report

June 30, 2026

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Contents

Financial Section

Independent Auditor's Report 1

Management's Discussion and Analysis 4a

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position 5

Statement of Activities 6

Governmental Fund Financial Statements:

Balance Sheet – Governmental Fund and Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position 7

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to Statement of Activities 8

Enterprise Funds Financial Statements:

Statement of Net Position - Enterprise Funds 9

Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Funds 10

Statement of Cash Flows – Enterprise Funds 11

Notes to Financial Statements 13

Compliance Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ... 26

Summary of Compliance Matters 28

Schedule of Findings and Responses 29

Corrective Action Plan 32

BROWNEDWARDS
certified public accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the "Authority"), a component unit of the City of Richmond, Virginia, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Authority, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2026, the Authority adopted new accounting guidance, GASB Statements No. 103, *Financial Reporting Model Improvements*, and No. 104, *Disclosure of Certain Capital Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
_____, 2026

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Management's Discussion and Analysis

June 30, 2026

Management's Discussion and Analysis of the financial performance of the Economic Development Authority of the City of Richmond, Virginia (the "Authority") provides an overview of the financial activities for the year ended June 30, 2026. It should be read in conjunction with the financial statements.

Overview of the Financial Statements

The Authority's report contains basic financial statements. Those financial statements present the Authority's finances at both an overall and a detailed level. The first two – the government-wide financial statements – cover the Authority's governmental activities and business-type activities (together, the primary government).

- Governmental activities comprise the Authority's activity related to the Altria Theater. Governmental activities are primarily financed by property taxes, other local taxes, federal grants, and state grants.

- Business-type activities are Authority's services primarily financed in whole or in part by charges to customers. The primary business-type activities the Authority participates in are performance incentive and grant agreements, leased facilities, and loans.

The remaining basic financial statements present the Authority's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The Authority reports two groups of funds:

- Governmental fund financial statements report the special revenue fund to track the use of proceeds of specific revenue sources related to the funding of the restoration of the Altria Theater and includes the Theatre Fund.

- Proprietary fund financial statements report all the business-type activities (enterprise funds) of the Authority and includes the Operating Fund, Leigh St. Fund, Stone Brewery Fund, and Loan Fund.

The next section of this financial report contains notes to financial statements, which delve deeper into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature and amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

Types of Information in the Financial Statements

All of the Authority's financial statements, except for the governmental fund financial statements, use the economic resources measurement focus and accrual basis of accounting. In other words, they comprehensively report all types of financial statement elements:

- Assets – resources the Authority controls, from short-term assets like cash to long-term assets like buildings

- Liabilities – amounts the Authority owes, from short-term liabilities such as accounts payable to long-term liabilities such as outstanding debt,

- Revenues and expenses – inflows and outflows of economic resources, respectively, related to the current year.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Management's Discussion and Analysis

June 30, 2026

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a capital asset.

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the summary of significant accounting policies within Note 2.

Financial Summary

Government-Wide Statement of Net Position

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	6/30/2026	6/30/2025	6/30/2026	6/30/2025	6/30/2026	6/30/2025	2026 - 2025
Assets							
Current and other assets	$ -	$ -	$ 137,356,781	$ 110,685,888	$ 137,356,781	$ 110,685,888	24.1%
Capital assets, net	142,165	142,165	126,542,327	64,412,401	126,684,492	64,554,566	96.2%
Total assets	**$ 142,165**	**$ 142,165**	**$ 263,899,108**	**$ 175,098,289**	**$ 264,041,273**	**$ 175,240,454**	50.7%
Liabilities							
Current and other liabilities	$ -	$ -	$ 5,215,298	$ 8,386,369	$ 5,215,298	$ 8,386,369	-37.8%
Noncurrent liabilities	-	-	65,551,220	52,899,220	65,551,220	52,899,220	23.9%
Total liabilities	**$ -**	**$ -**	**$ 70,766,518**	**$ 61,285,589**	**$ 70,766,518**	**$ 61,285,589**	15.5%
Deferred inflows of resources							
Lease deferrals	$ -	$ -	$ 32,786,680	$ -	$ 32,786,680	$ -	100%
Net position	142,165	142,165	160,345,910	113,812,700	160,488,075	113,954,865	40.8%
Total liabilities, deferred inflows of resources, and net position	**$ 142,165**	**$ 142,165**	**$ 263,899,108**	**$ 175,098,289**	**$ 264,041,273**	**$ 175,240,454**	50.7%

The table above shows that as of June 30, 2026, the Authority's total net position – assets minus deferred inflows of resources and liabilities – was nearly $160,488,075, an increase of $46,553,210 or 40.8% compared to 2025. Most of the increase in net position was the result of the financial performance of the business-type activities. The following sections of MD&A analyze the finances of the Authority in further detail. Note that discussion over governmental activities has been excluded as there was no activity in the current year or balances did not change from the prior year.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Management's Discussion and Analysis

June 30, 2026

Government-Wide Statement of Activities

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

	Business-Type Activities		Total Percentage Change
	6/30/2026	6/30/2025*	2026 - 2025
Operating revenues			
Rental and lease income	$ 96,328	$ 112,247	-14.2%
Loan administration fees and program income	393,013	537,923	-26.9%
Other	17,415	35,257	-50.6%
Total operating revenues	506,756	685,427	-26.1%
Operating expenses			
Loss (gain) on sale of property for future development	9,689,921	(9,886,439)	-198.0%
Diamond District infrastructure costs	9,004,176	1,231,853	630.9%
Economic development incentives	16,800,595	2,233,230	652.3%
Other operating expenses	1,134,342	1,351,163	-16.0%
Total operating expenses	36,629,034	(5,070,193)	-822.4%
Operating income (loss) before noncapital subsidies	(36,122,278)	5,755,620	-727.6%
Noncapital subsidies			
Grants from the City of Richmond	5,110,970	4,580,333	11.6%
Grants from the State	15,177,032	-	100.0%
Total noncapital subsidies	20,288,002	4,580,333	342.9%
Operating income (loss) and noncapital subsidies	(15,834,276)	10,335,953	-253.2%
Nonoperating revenues (expenses)			
Diamond District project costs	9,004,176	1,231,853	630.9%
Capital subsidy from the City	61,678,420	61,840,660	-0.3%
Other nonoperating revenues and expenses:			
Contributed capital to the City	-	(2,835,048)	-100.0%
Capital subsidy from the City	61,678,420	61,840,660	-0.3%
Interest expense	(2,409,208)	(2,311,717)	4.2%
Interest income	3,098,274	2,879,590	7.6%
Total other nonoperating revenue	62,367,486	59,573,485	4.7%
Change in net position	**$ 46,533,210**	**$ 69,909,438**	-33.4%

* Under GASB 103, 2025 figures have been reclassified to adhere to the updated definitions of subsidies and operating and nonoperating revenues and expenses.

Note that the figures for governmental activities have been excluded as there was no activity in the current year or prior year.

The table above shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position of $46,533,210. Various events contributed to this increase in net position that is covered in the next section.

Detailed Analysis

Government-Wide Statement of Net Position

There was a decrease in cash and cash equivalents of $16,933,750 primarily due to the use of the Authority's bond proceeds to fund the infrastructure work done by Diamond District Partners for the mixed-use development that is being constructed as part of the Diamond District project.

There was an increase in net capital assets of $62,129,926, primarily due to the construction and completion of the baseball stadium (CarMax Park) in the current fiscal year.

There was an increase in other assets of $43.6M, which is primarily due to two drivers. The Authority purchased the former Sportsbacker Stadium property from Virginia Commonwealth University ("VCU") during the year ended June 30, 2026, which netted an increase of $15.8M in property held for future development. In addition, a lease agreement for CarMax Stadium between the Authority and Navigators Baseball began in June 2026, which resulted in a $32.9M lease receivable.

There was a decrease in current liabilities of $3.2M, primarily due to the $5.1M decrease in the balance owed by the Authority to Navigators Baseball, LP for June 2026 stadium construction costs as the construction was completed during the current year combined with an increase of $1.4M to the current portion of long-term liabilities.

There was an increase in noncurrent liabilities of $12.7M primarily due to the funds the Authority borrowed from the City during the year to help finance the purchase of the Sportsbacker Stadium property from VCU.

Government-Wide Statement of Activities

Total operating expenses increased by $41.9M. There was an increase in economic development incentives issued due in particular to a certain $15.2M state-funded performance agreement. Additionally, in FY25, sales of properties for future development resulted in a $9.9M gain which reduced operating expenses whereas in FY26, sales resulted in $9.7M losses.

Grants from the State increased by $15.2M as a result of funding received from the State to help fund an economic incentive grant that was paid out in the current year. The funding was not received in the prior year.

Diamond district project costs increased by $7.8M due to costs incurred related to the expenses incurred by the Authority for the public infrastructure work being done by the Diamond District Partners at the Diamond District property.

Contributed capital to the City decreased by $2.8M as a result of the transfer of the Leigh St. training facility from the Authority to the City in the prior year.

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

Governmental Funds

The Authority has one fund in the governmental fund financial statements, the Altria Fund. Discussion over the fund has been excluded from the MD&A as there was no activity in the fund in the current year. Balances on the statement of net position as of June 30, 2026, remain consistent with those of prior year.

Enterprise Funds

The Authority reports four major funds individually in the enterprise fund financial statements. Those funds are the Operating Fund, Leigh St. Fund, Stone Brewery Fund, and Loan Fund. Most of the discussion regarding the business-type activities is equally applicable to the finances of those enterprise funds. However, certain factors that are relevant to the

Authority's financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant changes to all of the major funds. The funds are shown below in the table below:

Operating Fund

The fund balance of the operating fund increased by 50%. This increase in fund balance is primarily attributable to the capital subsidies received from the City for stadium costs which were capitalized. This was offset by expenses for Diamond District infrastructure costs which were expensed and a loss on the sale of a portion of the Sports Backers Stadium property to the Diamond District developer.

Leigh Street Fund

The activity in the Leigh Street Fund significantly decreased in FY26. With the sale of the training facility to the City in FY25, the fund only reports activity related to the neighboring Westhampton School property.

Stone Brewery Fund

The fund balance of the Stone Brewery increased by 8%. This increase was primarily due to interest income from debt repayments exceeding building operations and maintenance expenses which can fluctuate annually based on building needs.

Loan Fund

The overall activity of the fund was consistent with the prior year.

Significant Capital Assets and Long-Term Financing Activities

The discussion thus far has only touched upon certain significant transactions and events during 2026 with respect to capital assets and long-term debt. Overall, the carrying value of capital assets—original cost minus accumulated depreciation – for business-type activities increased by $62,129,926, or 96.5%, over 2025. There was no change in the capital assets for the government-type activities.

The majority of the increase in the business-type activities capital assets was due to the completion of the construction over CarMax Stadium for a total of $124,963,335, which was placed in service in June 2026. A total of $62,790,571 was capitalized in the prior year as construction in progress.

Long-term debt for the Authority includes recoverable grants payable, bonds payable, and the note payable. The Authority borrowed $14,700,000 to help finance the purchase of the Sports Backer Stadium from Virginia Commonwealth University ("VCU"). See Note 12 for additional details. The Authority issued $33,745,000 in revenue bonds in a prior year to fund the construction of public infrastructure within the Diamond District project. The Authority was only required to pay interest on the debt in the current year. The total of the recoverable grants payable decreased by $750,000 as a result of the payments on the balance in the current year. See Note 14 for additional details.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Management's Discussion and Analysis

June 30, 2026

Accomplishments

During the fiscal year that ended June 30, 2026, the Authority supported the work of the City's Department of Economic Development to attract over $409 million in announced capital investment and 350 announced new jobs to the City. The Authority's administration of both local and state discretionary performance incentives assists in making these accomplishments possible.

Highlights:

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

Currently Known Facts, Decisions, or Conditions

Looking to FY2027, the Authority will continue to support economic development efforts across the City through supporting key, transformational redevelopment projects and commercial corridor revitalization, partnering to advance affordable housing projects, encouraging small business and entrepreneurship through its incentives and loan programs, and helping Richmond attract and retain businesses.

Requests for Information

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

Basic Financial Statements

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Net Position
June 30, 2026

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents (Note 4)	$ -	$ 22,471,430	$ 22,471,430
Restricted cash (Note 4)	-	22,632,808	22,632,808
Rent receivable	-	78,705	78,705
Lease interest receivable	-	183,455	183,455
Lease receivable, current portion (Note 8)	-	1,664,425	1,664,425
Due from the City (Note 12)	-	2,095,716	2,095,716
Prepaid expenses	-	180,324	180,324
Financed purchase notes receivable, current portion (Note 5)	-	681,460	681,460
Total current assets	-	49,988,323	49,988,323
NONCURRENT ASSETS			
Nondepreciable capital assets (Note 6)	142,165	1,490,463	1,632,628
Depreciable capital assets, net (Note 6)	-	125,051,864	125,051,864
Property held for economic development (Note 7)	-	29,648,759	29,648,759
Financed purchase notes receivable, less current portion (Note 5)	-	16,722,056	16,722,056
Loans receivable, net (Note 10)	-	7,634,925	7,634,925
Lease receivable, less current portion (Note 8)		31,213,583	31,213,583
Accrued interest receivable	-	2,149,135	2,149,135
Total noncurrent assets	142,165	213,910,785	214,052,950
Total assets	**$ 142,165**	**$ 263,899,108**	**$ 264,041,273**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ -	$ 1,730,525	$ 1,730,525
Due to the City (Note 12)	-	11,115	11,115
Accrued interest payable	-	186,630	186,630
Maintenance reserve	-	154,410	154,410
Other current liabilities	-	937,618	937,618
Current portion of long-term obligations (Note 14)	-	2,195,000	2,195,000
Total current liabilities	-	5,215,298	5,215,298
NONCURRENT LIABILITIES			
Long-term obligations, less current portion (Note 14)	-	65,551,220	65,551,220
Total liabilities	-	70,766,518	70,766,518
DEFERRED INFLOWS OF RESOURCES			
Lease deferrals (Note 8)	-	32,786,680	32,786,680
NET POSITION			
Net investment in capital assets	142,165	124,861,273	125,003,438
Restricted	-	13,188,857	13,188,857
Unrestricted	-	22,295,780	22,295,780
Total net position	142,165	160,345,910	160,488,075
Total liabilities, deferred inflows of resources, and net position	**$ 142,165**	**$ 263,899,108**	**$ 264,041,273**

The Notes to Financial Statements are an integral part of this statement.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Activities
Year Ended June 30, 2026

	Governmental Activities	Business-Type Activities	Total
OPERATING REVENUES			
Rental and lease income	$ -	$ 96,328	$ 96,328
Loan administration and other fees	-	23,400	23,400
Loan program income	-	369,613	369,613
Other	-	17,415	17,415
Total operating revenues	-	506,756	506,756
OPERATING EXPENSES			
Rebates	-	680,456	680,456
Professional services	-	124,811	124,811
Building operations and maintenance	-	77,285	77,285
Insurance	-	76,859	76,859
Bad debt recoveries	-	(13,039)	(13,039)
Other	-	121,732	121,732
Economic development incentives (Note 12)	-	16,800,595	16,800,595
Diamond District project costs (Note 9)	-	9,004,176	9,004,176
Loan administrative fees	-	23,400	23,400
Depreciation and amortization	-	42,838	42,838
Sale of property held for economic development (Note 9)	-	9,689,921	9,689,921
Total operating expenses	-	36,629,034	36,629,034
Operating loss before noncapital subsidies	-	(36,122,278)	(36,122,278)
NONCAPITAL SUBSIDIES			
City of Richmond (Notes 7 and 12)	-	5,110,970	5,110,970
Commonwealth of Virginia (Note 12)	-	15,177,032	15,177,032
Total noncapital subsidies	-	20,288,002	20,288,002
Operating loss and noncapital subsidies	-	(15,834,276)	(15,834,276)
NONOPERATING REVENUES (EXPENSES)			
Capital subsidy from the City (Note 12)	-	61,678,420	61,678,420
Interest expense	-	(2,409,208)	(2,409,208)
Interest income	-	3,098,274	3,098,274
Total nonoperating revenues	-	62,367,486	62,367,486
Change in net position	-	46,533,210	46,533,210
NET POSITION			
Beginning of year	142,165	113,812,700	113,954,865
End of year	**$ 142,165**	**$ 160,345,910**	**$ 160,488,075**

The Notes to Financial Statements are an integral part of this statement.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Balance Sheet - Governmental Fund
June 30, 2026

	Theater Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ -
FUND BALANCE	
Unassigned	**$ -**

Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position

Total fund balance per Governmental Fund Balance Sheet	$ -
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund:	
Capital assets, cost	14,512,067
Accumulated depreciation	(14,369,902)
	142,165
Net position of governmental activities	**$ 142,165**

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund

Year Ended June 30, 2026

	Theater Fund
OPERATING REVENUES	
Naming rights fees	$ -
OPERATING EXPENDITURES	
Restoration grant	-
Change in fund balance	-
FUND BALANCE	
Beginning of year	-
End of year	**$ -**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to Statement of Activities

Change in fund balance, total governmental fund	$ -
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:	
Depreciation expense	-
Change in net position of governmental activities	**$ -**

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Net Position - Enterprise Funds

June 30, 2026

	Major Funds				
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents (Note 4)	$ 11,325,253	$ 1,839,721	$ 2,899,736	$ 6,406,720	$ 22,471,430
Restricted cash and investments (Note 4)	22,632,808	-	-	-	22,632,808
Rent receivables	34,301	27,404	17,000	-	78,705
Lease interest receivable	183,455	-	-	-	183,455
Lease receivable, current portion (Note 8)	1,664,425	-	-	-	1,664,425
Due from the City (Note 12)	2,095,716	-	-	-	2,095,716
Prepaid expenses	164,520	-	12,804	3,000	180,324
Financed purchase notes receivable, current portion (Note 5)	19,869	-	661,591	-	681,460
Total current assets	38,120,347	1,867,125	3,591,131	6,409,720	49,988,323
NONCURRENT ASSETS					
Nondepreciable capital assets (Note 6)	-	868,818	621,645	-	1,490,463
Depreciable capital assets, net (Note 6)	124,963,969	12,807	75,088	-	125,051,864
Property held for economic development (Note 7)	29,648,759	-	-	-	29,648,759
Financed purchase notes receivable, less current portion (Note 5)	350,770	-	16,371,286	-	16,722,056
Loans receivable, net (Note 10):					
Community Area Revitalization Effort (CARE) Program	12,551	-	-	-	12,551
Contractor Assistance Program (CAP)	-	-	-	42,037	42,037
Economic Development and Housing Loan Fund (EDHLF) Program	-	-	-	6,862,310	6,862,310
Revolving Loan Program (RLP)	-	-	-	718,027	718,027
Lease receivables, less current portion (Note 8)	31,213,583	-	-	-	31,213,583
Accrued interest receivable, loans	10,971	-	-	2,138,164	2,149,135
Total noncurrent assets	186,200,603	881,625	17,068,019	9,760,538	213,910,785
Total assets	**$224,320,950**	**$ 2,748,750**	**$ 20,659,150**	**$ 16,170,258**	**$263,899,108**
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 1,703,464	$ 3,261	$ -	$ 23,800	$ 1,730,525
Due to the City (Note 12)	-	11,115	-	-	11,115
Accrued interest payable	135,454	-	51,176	-	186,630
Maintenance reserve	-	154,410	-	-	154,410
Other current liabilities	937,618	-	-	-	937,618
Current portion of long-term obligations (Note 14)	1,375,000	-	820,000	-	2,195,000
Total current liabilities	4,151,536	168,786	871,176	23,800	5,215,298
NONCURRENT LIABILITIES					
Long-term obligation, less current portion (Note 14)	50,306,220	-	15,245,000	-	65,551,220
Total liabilities	54,457,756	168,786	16,116,176	23,800	70,766,518
DEFERRED INFLOWS OF RESOURCES					
Lease deferrals (Note 8)	32,786,680	-	-	-	32,786,680
NET POSITION					
Net investment in capital assets	123,282,915	881,625	696,733	-	124,861,273
Restricted	6,826,258	-	-	6,362,599	13,188,857
Unrestricted	6,967,341	1,698,339	3,846,241	9,783,859	22,295,780
Total net position	137,076,514	2,579,964	4,542,974	16,146,458	160,345,910
Total liabilities, deferred inflows of resources, and net position	**$224,320,950**	**$ 2,748,750**	**$ 20,659,150**	**$ 16,170,258**	**$263,899,108**

The Notes to Financial Statements are an integral part of this statement.

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 - Enterprise Funds

Year Ended June 30, 2026

	Major Funds				
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	Total
OPERATING REVENUES					
Rental and lease income	$ 91,328	$ 5,000	$ -	$ -	$ 96,328
Loan administration and other fees	23,400	-	-	-	23,400
Loan program income	-	-	-	369,613	369,613
Event and other income	1,133	16,282	-	-	17,415
Total operating revenues	115,861	21,282	-	369,613	506,756
OPERATING EXPENSES					
Rebates	680,456	-	-	-	680,456
Professional services	124,811	-	-	-	124,811
Building operations and maintenance	866	16,594	59,825	-	77,285
Insurance	66,624	305	9,930	-	76,859
Bad debt recoveries	-	-	-	(13,039)	(13,039)
Other	120,952	501	279	-	121,732
Economic development incentives (Note 12)	16,800,595	-	-	-	16,800,595
Diamond District project costs (Note 9)	9,004,176	-	-	-	9,004,176
Loan administrative fees	-	-	-	23,400	23,400
Depreciation and amortization	38,896	1,851	2,091	-	42,838
Sale of property held for economic development (Note 9)	9,689,921	-	-	-	9,689,921
Total operating expenses	36,527,297	19,251	72,125	10,361	36,629,034
Operating (loss) income before noncapital subsidies	(36,411,436)	2,031	(72,125)	359,252	(36,122,278)
NONCAPITAL SUBSIDIES					
Grants from the City of Richmond (Notes 7 and 12)	4,599,648	-	-	-	4,599,648
Contributed property from the City (Note 7)	511,322	-	-	-	511,322
Grants from the State (Note 12)	15,177,032	-	-	-	15,177,032
Total noncapital subsidies	20,288,002	-	-	-	20,288,002
Operating (loss) income and noncapital subsidies	(16,123,434)	2,031	(72,125)	359,252	(15,834,276)
NONOPERATING REVENUES (EXPENSES)					
Capital subsidy from the City (Note 12)	61,678,420	-	-	-	61,678,420
Interest expense	(1,772,450)	-	(636,758)	-	(2,409,208)
Interest income	1,874,722	163	1,072,989	150,400	3,098,274
Total nonoperating revenues	61,780,692	163	436,231	150,400	62,367,486
Change in net position	45,657,258	2,194	364,106	509,652	46,533,210
NET POSITION					
Beginning of year	91,419,256	2,577,770	4,178,868	15,636,806	113,812,700
End of year	**$137,076,514**	**$ 2,579,964**	**$ 4,542,974**	**$ 16,146,458**	**$160,345,910**

The Notes to Financial Statements are an integral part of this statement.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Cash Flows - Enterprise Funds
Year Ended June 30, 2026

	Major Funds				
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	Total
OPERATING ACTIVITIES					
Receipts from rentals	$ -	$ 5,000	$ -	$ -	$ 5,000
Receipts from loan administration	23,400	-	-	-	23,400
Receipts from loan repayments	(633)	-	-	42,810	42,177
Receipts from (payments for) other activities	(32,367)	16,282	31,823	403,943	419,681
Payments for operating activities	(1,157,999)	(17,088)	(74,567)	3,003	(1,246,651)
Payment of Diamond District project costs	(9,004,176)	-	-	-	(9,004,176)
Payments for economic incentive agreements	(16,649,406)	-	-	-	(16,649,406)
Net cash provided by (used in) operating activities	(26,821,181)	4,194	(42,744)	449,756	(26,409,975)
NONCAPITAL FINANCING ACTIVITIES					
Grants and receipts from City of Richmond	4,969,889	-	-	-	4,969,889
Grants and receipts from State of Virginia	15,177,032	-	-	-	15,177,032
Payments to escrows and reserves	-	11,719	-	-	11,719
Due to / from funds	(1,168,405)	1,204,305	(35,900)	-	-
Net cash provided by (used in) noncapital financing activities	18,978,516	1,216,024	(35,900)	-	20,158,640
CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(67,296,177)	-	-	-	(67,296,177)
Proceeds from note payable with City	14,700,000	-	-	-	14,700,000
Proceeds from City for stadium project	66,387,171	-	-	-	66,387,171
Interest paid	(1,625,450)	-	(638,817)	-	(2,264,267)
Payments received on notes receivable	-	-	1,740,266	-	1,740,266
Payments of recoverable grant payable	-	-	(795,000)	-	(795,000)
Net cash provided by capital and related financing activities	12,165,544	-	306,449	-	12,471,993
INVESTING ACTIVITIES					
Purchase of property held for economic development	(25,009,921)	-	-	-	(25,009,921)
Interest received	1,691,267	163	13,683	150,400	1,855,513
Net cash provided by (used in) investing activities	(23,318,654)	163	13,683	150,400	(23,154,408)
Net increase (decrease) in cash and cash equivalents	(18,995,775)	1,220,381	241,488	600,156	(16,933,750)
CASH AND CASH EQUIVALENTS					
Beginning of year	52,953,836	619,340	2,658,248	5,806,564	62,037,988
End of year	**$ 33,958,061**	**$ 1,839,721**	**$ 2,899,736**	**$ 6,406,720**	**$ 45,104,238**
RECONCILIATION OF CASH TO THE STATEMENT OF NET POSITION					
Cash and cash equivalents, current assets	$ 11,325,253	$ 1,839,721	$ 2,899,736	$ 6,406,720	$ 22,471,430
Cash and cash equivalents, restricted	22,632,808	-	-	-	22,632,808
	$ 33,958,061	**$ 1,839,721**	**$ 2,899,736**	**$ 6,406,720**	**$ 45,104,238**

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Statement of Cash Flows - Enterprise Funds
Year Ended June 30, 2026

	Major Funds				
	Operating Fund	Leigh St. Fund	Stone Brewery Fund	Loan Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ (36,411,436)	$ 2,031	$ (72,125)	$ 359,252	$ (36,122,278)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:					
Lease revenue	(91,328)	-	-	-	(91,328)
Loss on sale of economic development property	9,689,921	-	-	-	9,689,921
Depreciation and amortization	38,896	1,851	2,091	-	42,838
Bad debt expense	-	-	-	(6,946)	(6,946)
Change in current assets and liabilities:					
Receivables	(33,500)	-	31,823	3,000	1,323
Prepaid expenses	(164,520)	-	(4,533)	(3,000.00)	(172,053)
Loans receivable, net	(633)	-	-	42,810	42,177
Accrued interest receivable	-	-	-	34,330	34,330
Accounts payable	230	312	-	23,400	23,942
Other liabilities	151,189	-	-	-	151,189
Due to (from) City	-	-	-	(3,090)	(3,090)
Net cash provided by (used in) operating activities	**$ (26,821,181)**	**$ 4,194**	**$ (42,744)**	**$ 449,756**	**$ (26,409,975)**
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING AND INVESTING ACTIVITIES					
Contributed capital	**$ 511,322**	**$ -**	**$ -**	**$ -**	**$ 511,322**
Stadium construction costs accrued at year-end	**$ 1,681,054**	**$ -**	**$ -**	**$ -**	**$ 1,681,054**

The Notes to Financial Statements are an integral part of this statement.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Notes to Financial Statements

June 30, 2026

Note 1 – Organization and Purpose

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

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

Note 2 – Summary of Significant Accounting Policies

Government-Wide Financial Statements

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

Fund Financial Statements

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

Governmental Fund – Special Revenue Fund

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

Enterprise Funds

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

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Nonoperating revenues and expenses are those identified by GASB Statement No. 103 and are limited to (a) subsidies received and provided, (b) contributions to permanent and term endowments, (c) revenues and expenses related to financing, (d) resources from the disposal of capital assets and inventory, and (e) investment income and expenses. Operating revenues and expenses are revenues and expenses other than nonoperating revenues and expenses.

A subsidy represents amounts received from or provided to another party. Amounts received from another party are considered a subsidy if it is unrelated to the services provided by the Authority and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to another party are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the other party charging higher fees in the future. Noncapital subsidies represent financial assistance that is not restricted solely for capital purposes and is intended to support ongoing operations or reduce the need for higher rates and charges. Capital subsidies represent resources restricted by the provider exclusively for capital acquisition, construction, or other capital-related purposes.

Cash and Cash Equivalents

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

Interfund Transactions

Throughout the year, there are times when expenses are paid by one fund on behalf of another, and these balances are reflected as an interfund balance that is due within one year on the statement of net position. As such, there were no interfund transfers for the year ended June 30, 2026 or balances owed between the funds at June 30, 2026.

Property Held for Economic Development

Property held for future economic development represents land acquired by the Authority for purposes of future economic development. This type of property does not meet the criteria for reporting as inventory, land held for sale, or capital assets. This property is reported at acquisition value, which is generally historical cost, including directly attributable acquisition and preparation costs. For donated or nonexchange acquisitions, the properties are reported at estimated acquisition value. Additionally, the properties acquired generally include various buildings or other structures which historically have no value to the purpose of future development and are often demolished; therefore, the acquisition values are allocated exclusively to the land or property acquired. The values are evaluated annually for impairment of service capacity, which consists primarily of advancing the Authority's mission of economic development. No such impairment of future service capacity was noted for the year ended June 30, 2026.

Property and Equipment

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

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

Leases

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date less any lease incentives. Subsequent to the initial measurement and recognition, the deferred inflows of resources is recognized as revenue over the life of the lease term.

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

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

Use of Estimates

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

Net Position

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

Adoption of New Accounting Standard

Effective July 1, 2025, the Authority adopted GASB Statements No. 103, *Financial Reporting Model Improvements*, and No. 104, *Disclosures of Certain Capital Assets*. Statement No. 103 provides guidance to enhance the effectiveness of information provided to users of the financials and addresses certain application issues. Statement No. 104 provides guidance on presenting capital assets by major class in the footnote disclosures. The adoption of these standards did not have a material impact on the Authority's financial statements but did change presentation within the financial statements and footnote disclosures.

Note 3 – Significant Activities

Leigh St. Fund

The Authority has worked in cooperation with the City to develop the Westhampton School Property. The City and the Board of the Authority have agreed to transfer ownership of the property to the Authority, which in turn leases it to a third party under a long-term leasing arrangement at below-market terms.

Stone Brewery Fund

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

Note 4 – Cash, Cash Equivalents, and Investments

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

In June 2024, the Authority issued Series 2024 Revenue Bonds for the Diamond District Project. See Note 14. As of June 30, 2026, the unspent debt proceeds of $22,632,808 from that issuance were invested as follows:

Type	Fair Value	S&P Credit Rating	Weighted Average Maturity
Cash equivalents:			
Money market funds	$ 828,958	N/A	N/A
Investments reported at amortized cost:			
Virginia State Non-Arbitrage Program	21,803,850	AAAm	1 day
Total cash equivalents and investments	**$ 22,632,808**		

Note 5 – Financed Purchase Notes Receivable

Operating Fund

The Authority has executed a financed purchase agreement with Tobacco Row Land, L.P. for land for a parking facility. The note receivable has a value of $550,000 at June 30, 2026, which is equal to the total future minimum payments under the terms of the agreement, which is $22,000 annually over the term of the note, which extends through July 2049. Interest income to be recognized at 3.25% over the term of the agreement totals $179,361 at June 30, 2026.

The following lists the components of the financed purchase note receivable at June 30, 2026:

	Minimum Note Payments	Less Unearned Revenue	Net Receivable
Current portion	$ 44,000	$ (24,131)	$ 19,869
Noncurrent portion	506,000	(155,230)	350,770
	$ 550,000	**$ (179,361)**	**$ 370,639**

Stone Brewery Fund

The Authority has executed a financed purchase agreement with Stone Brewing Co., LLC for land, building and equipment. The note receivable has a value of $25,958,972 at June 30, 2026, which is equal to the total future minimum payments under the terms of the agreement, which is $1,740,266 annually over the term of the note, which extends through June 2041. Interest income to be recognized at 6% over the term of the agreement totals $8,926,095 at June 30, 2026.

The following lists the components of the financed purchase note receivable at June 30, 2026:

	Minimum Note Payments	Less Unearned Revenue	Net Receivable
Current portion	$ 1,595,244	$ (933,653)	$ 661,591
Noncurrent portion	24,363,728	(7,992,442)	16,371,286
	$ 25,958,972	**$ (8,926,095)**	**$ 17,032,877**

Note 6 – Capital Assets

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

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Governmental activities				
Capital assets, non-depreciable				
Land	$ 142,165	$ -	$ -	$ 142,165
Capital assets, depreciable				
Buildings and improvements	14,369,902	-	-	14,369,902
Accumulated depreciation	(14,369,902)	-	-	(14,369,902)
Total capital assets, depreciable, net	-	-	-	-
Total governmental activities	**$ 142,165**	**$ -**	**$ -**	**$ 142,165**

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Business-type activities				
Capital assets, non-depreciable				
Land	$ 1,470,223	$ -	$ -	$ 1,470,223
Construction in progress	62,810,811	62,172,764	(124,963,335)	20,240
Total nondepreciable	64,281,034	62,172,764	(124,963,335)	1,490,463
Capital assets, depreciable				
Buildings and improvements	3,240,526	124,963,335	-	128,203,861
Website	126,895	-	-	126,895
Total depreciable, net	3,367,421	124,963,335	-	128,330,756
Accumulated depreciation				
Buildings and improvements	(3,240,526)	(4,575)	-	(3,245,101)
Website	(88,632)	(38,263)	-	(126,895)
Total accumulated depreciation	(3,151,894)	(42,838)	-	(3,278,892)
Total capital assets, depreciable, net	131,367	124,920,497	-	125,051,864
Total business-type activities	**$ 64,412,401**	**$ 187,093,261**	**$ (124,963,335)**	**$ 126,542,327**

Note 7 – Property Held for Economic Development

Operating Fund

Coliseum/City Center

During fiscal year 2023, the City and Richmond Redevelopment Housing Authority (“RRHA”) conveyed land to the Authority with the intent that the land be sold to a developer for a redevelopment project. If the sale does not take place, the land conveyed by the City and RRHA will revert back to the City and/or the RRHA. The value of the property reported by the Authority is $13,173,607 at June 30, 2026.

Diamond District

During fiscal year 2024, the City conveyed parcels of real estate to the Authority with the intent that the land be sold for future development. The value of the property reported by the Authority is $643,831 at June 30, 2026.

Public Safety Building

During fiscal year 2026, the City conveyed parcels of real estate to the Authority. The Authority has the intent to sell the property to be used for a mixed-use development that will also house the downtown transfer site for Richmond Metro region's bus system. The value of the property and contributed revenue reported by the Authority is $511,322 for 2026.

Sports Backers Stadium

During fiscal year 2026, the Authority purchased the Sports Backers Stadium property from Virginia Commonwealth University ("VCU") for a total of $25,009,921. Subsequent to the purchase, parcels of the property were sold to Diamond District Partners, LLC (the "Developer"). See Note 9 for further discussion. The value of the remaining property is $15,319,999 at June 30, 2026.

Note 8 – Lease Receivable/Deferred Inflow of Resources

Operating Fund

The Authority is a lessor for an operating lease with Navigators Baseball, LP ("Navigators") for use of CarMax Stadium. Escalating annual payments of principal and interest, using an applied discount rate of 6.75%, are due quarterly through January 2056. As of June 30, 2026, the outstanding balance of the lease receivable and related deferred inflow of resources are $32,878,008 and $32,786,680, respectively. During 2026, the Authority recognized lease revenue of $91,328, which is included in operating revenue on the statement of activities and statement of revenues, expenses, and changes in net position. The Authority recognized interest revenue of $183,455, which is included in nonoperating revenue on the statement of activities and statement of revenues, expenses, and changes in net position.

Future maturities of the lease receivable are as follows:

Year Ending	Principal	Interest	Total
2027	$ 1,664,425	$ 1,799,311	$ 3,463,736
2028	1,109,045	2,090,955	3,200,000
2029	1,186,265	2,013,735	3,200,000
2030	1,268,862	1,931,138	3,200,000
2031	1,357,210	1,842,790	3,200,000
2032-2036	7,878,190	7,657,789	15,535,979
2037-2041	1,071,530	6,117,016	7,188,546
2042-2046	2,844,418	5,489,076	8,333,494
2047-2051	5,540,755	4,120,048	9,660,803
2052-2056	8,957,308	1,635,395	10,592,703
	$ 32,878,008	**$ 34,697,253**	**$ 67,575,261**

Note 9 – Commitments and Contingencies

Performance Agreements

The Authority has executed performance agreements with certain local businesses on behalf of the City, which contain capital investment and employment goals. Upon completion of the specific requirements, the grant funds are awarded as stated in the performance agreements. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements beyond which funding has already been provided by the City. The Authority has received grant funds totaling $352,402 from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position at June 30, 2026, along with other restricted revenue sources.

Affordable Housing

In the prior year, the Authority created a grant program to aid with the construction of affordable housing in the City. The Authority has executed grant agreements with developers that own property in the City. Upon completion of the specific requirements, the grant funds are awarded as stated in the grant agreements. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements beyond which funding has already been provided by the City. During the year ended June 30, 2026, the Authority has received grant funds totaling $4,276,085 from the City that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position at June 30, 2026, along with other restricted revenue sources.

Small Business Capital Access

The Authority and the City have created the Small Business Capital Access Program. The purpose of the program is to provide grants or loans to small businesses that do not have access to traditional loan products. The Authority is responsible for executing the agreements with the businesses. The Authority's responsibility for payment of these awards is subject to funding appropriation by the City, as such, the Authority has no exposure under these agreements beyond which funding has already been provided by the City. The Authority has grant funds totaling $1,350,000 that have not yet been approved for distribution to the local businesses and thus are included in the Authority's restricted net position at June 30, 2026, along with other restricted revenue sources.

Diamond District

The Authority entered into a development agreement with the City and the Developer on May 15, 2024. The City seeks to redevelop an approximately 67-acre site known as the Diamond District. The City has transferred the site property to the Authority. Per the agreement, the Authority will sell 19.61 acres of the property to the Developer with the potential for the Developer to purchase an additional 12.08 acres in the Diamond District at a later date. In fiscal year 2025, the first parcel was sold to the Developer. An additional parcel was sold during fiscal year 2026, for a total of $1. The parcel was part of the Sports Backer Stadium that the Authority purchased from VCU in June 2026. The Authority recognized a $9,689,921 loss on the sale. The Developer will turn those parcels into a mixed-use commercial and residential area. The Authority is committed to providing funds for costs associated with the public infrastructure for the project which are to be funded with unspent bond proceeds. During the year ended June 30, 2026, the Authority paid a total of $9,004,176 to the Developer for reimbursement of infrastructure costs.

Note 10 – Loans Program Receivables

Commercial Area Revitalization Effort

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

At June 30, 2026, the carrying value of loans receivable from the CARE program was $24,686, less an uncollectible allowance of $12,135. The fair value of these loans is not readily determinable. The Authority issued rebates in the amount of $409,346 during the year ended June 30, 2026, which is included in rebate expenses on the statement of revenues, expenses and changes in net position.

Contractor Assistance Program

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

At June 30, 2026, the carrying value of loans receivable from the CAP program was $77,024, less an uncollectible allowance of $34,987. The fair value of these loans is not readily determinable.

Economic Development and Housing Loan Fund

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

During the fiscal year 2013, the City had drawn down the approved loan from the United States Department of Housing and Urban Development (HUD) in the amount of $10,205,000 and transferred the proceeds to the Authority. At June 30, 2026, approximately nine million in loans had been granted from these funds, and the carrying value of the loans was $7,006,479 which did not include a fee income receivable, less an uncollectible allowance of $144,169.

Revolving Loan Program

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

At June 30, 2026, the carrying value of loans receivable from the RLP program was $1,062,393, less an uncollectible allowance of $344,366. The fair value of these loans is not readily determinable.

Enterprise Zone Incentive Loans

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

The EZIL Program is no longer being funded by the City. During the year ended June 30, 2011, all remaining loans receivable from the EZIL program were written off. The fund remains open to collect residual loan recovery payments. There were no recoveries from loans previously written off during the year ended June 30, 2026.

Note 11 – Conduit Debt

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

Note 12 – Related Party Transactions

Operating Fund

For the year ended June 30, 2026, the Authority reports $1,623,563 in economic development incentives from the City, of which $414,662 is receivable at year-end, to be passed on to approved businesses in accordance with the terms of performance agreements. The Authority also received $15,177,032 in economic incentive funds from the State that was passed through the City on to approved businesses in accordance with the terms of performance agreements. Incentive grants of $16,800,595 were awarded out during the year, $564,377 of which are included in accounts payable at June 30, 2026.

During the year ended June 30, 2026, the Authority received $400,000 from the City for the Local Enterprise Zone Cooperation Agreement signed by the Authority and the City. The Authority is to use the money to help encourage job creation, private investments and commercial development around the City.

During the year ended June 30, 2026, the City made a contribution to the CARE loan program of $300,000. See Note 10 for further discussion.

At June 30, 2026, the Authority had $89,409 in unspent funding for the Façade Improvement Grant Program. There were no grants awarded during the year ended June 30, 2026. The remaining balance is classified as restricted net position on the statement of net position.

In a prior year, the Authority received funding from the City for the creation of the Small Business Capital Access Program. See Note 9 for further discussion. There were no awards in the current year, and the remaining balance of $1,350,000 is classified as restricted net position on the statement of net position.

During the year ended June 30, 2026, the Authority received an additional $2,276,085 from the City for the affordable housing grants. The Authority received an initial payment in the prior year of $2,000,000. See Note 9 for further discussion. There were no funds awarded during the year ended June 30, 2026. The balance is classified as restricted net position on the statement of net position.

During the year ended June 30, 2026, the Authority received $59,997,366 from the City for the purpose of construction of the new stadium. At June 30, 2026, the City owed a balance of $1,681,054 to the Authority for costs of the stadium through June 30, 2026, that were owed by the Authority to the Navigators.

Leigh St. Fund

In January 2024, the Authority assumed management of the Bon Secours Training Center. As a result, the Authority worked with the City's Department of Parks and Recreation to help oversee the events held at the facility from January to August 2024. There were instances where rental payments for the Authority were collected by the City and not remitted to the Authority by year end and vice versa. At June 30, 2026, the Authority owed the City $11,115 related to these rental fees.

Note 13 – Risk Management

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

Note 14 – Long-Term Liabilities

Long-term liabilities of the Authority consist of the following:

Recoverable grant payable to the City for development of the Stone Brewing project of $23,000,000 due in annual installments of varying amounts and at various interest rates through June 1, 2041; interest payable semi-annually at rates ranging from 3% to 4%.	$ 16,065,000
Bond payable for construction of public infrastructure within the Diamond District of $33,745,000 due in semi-annual installments of varying amounts at rates ranging from 4% to 5% commencing December 1, 2024, through June 1, 2056. Payment of principal and premium, if any, and interest on the bonds are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the City for such purposes under the Cooperation Agreement, solely from the revenues on the stadium leases upon commencement of the lease and receipts derived from the City.	33,745,000
Note payable to the City to help finance the purchase of the Sports Backer Stadium from VCU $14,700,000. Interest on the note accrues at 4% annually. Principal and interest are due in full on December 31, 2036. Total accrued interest at June 30, 2026 was $147,000.	14,847,000
	$ 64,657,000

Activity in long-term liabilities for fiscal year 2026 follows:

Debt	Balance at July 1, 2025	Issued	Retired	Balance at June 30, 2026	Amount Due Within One Year
Stone Brewery Fund recoverable grant payable	$ 16,860,000	$ -	$ (795,000)	$ 16,065,000	$ 820,000
Diamond District bond payable	33,745,000	-	-	33,745,000	1,375,000
Premium on bond payable	3,089,220	-	-	3,089,220	-
Sports Backers Stadium note payable, including accrued interest	-	14,847,000	-	14,847,000	-
	$ 53,694,220	**$ 14,847,000**	**$ (795,000)**	**$ 67,746,220**	**$ 2,195,000**

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

Year Ending June 30,	Stone Brewery		Diamond District		Sports Backer Stadium	
	Principal	Interest	Principal	Interest	Principal	Interest
2027	$ 820,000	$ 617,619	$ 1,375,000	$ 1,625,450	$ -	$ -
2028	850,000	590,969	1,435,000	1,556,700	-	-
2029	875,000	562,069	1,510,000	1,484,950	-	-
2030	905,000	531,444	1,585,000	1,409,450	-	-
2031	940,000	498,638	1,660,000	1,330,200	-	-
2032-2036	5,265,000	1,927,562	9,640,000	5,318,250	14,700,000	7,712,379
2037-2041	6,410,000	789,200	1,580,000	3,691,000	-	-
2042-2046	-	-	2,945,000	3,168,250	-	-
2076-2051	-	-	4,830,000	2,265,800	-	-
2052-2056	-	-	7,185,000	1,050,050	-	-
	$ 16,065,000	**$ 5,517,501**	**$ 33,745,000**	**$ 22,900,100**	**$ 14,700,000**	**$ 7,712,379**

Note 15 – Subsequent Events

During 2026, the Authority entered into a lease with VCU for the use of CarMax Stadium, subject to certain terms and conditions. The lease was intended to commence at the later of the start of VCU's 2026 fall baseball season or the date a use agreement is entered into by VCU and the Navigators. However, the start date would be no later than September 1, 2026. A use agreement had not been entered into between VCU and the Navigators by September 1, 2026. An amendment was entered into on August 28, 2026, to extend the commencement date to December 31, 2026. The initial term of the lease is for 10 years with the option to renew it for two additional 10-year terms.

Compliance Section

BROWNEDWARDS
certified public accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Board, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia (the "Authority"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____, 2026.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses, as item 2026-001, to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the schedule of findings and responses, as items 2026-002, to be a significant deficiency.

Report on Compliance and Other Matters

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

Authority's Response to Findings

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

Purpose of this Report

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

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
_____, 2026

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Summary of Compliance Matters

June 30, 2026

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

State Compliance Matters

Code of Virginia:

Cash and Investment Laws
Conflicts of Interest Act
Procurement Laws
Uniform Disposition of Unclaimed Property Act

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Schedule of Findings and Responses

June 30, 2026

A – Summary of Auditor's Results

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

B – Findings – Financial Statement Audit

2026-001 – Material Adjusting Journal Entries on Operating Fund (Material Weakness in Internal Control over Financial Reporting)

Condition and Criteria: As part of the audit, material adjustments were required to appropriately reflect the value and activity of properties held for economic development, specifically some properties related to the Diamond District and Public Safety Building projects, in the Operating Fund.

Effect: Financial statements and related disclosures prepared on a generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) basis were misstated by an amount that we deem to be material.

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

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

View of Responsible Officials and Planned Corrective Action

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Schedule of Findings and Responses
June 30, 2026

2026-002 – Capital Assets (Significant Deficiency in Internal Control over Financial Reporting)

Condition and Criteria: During our audit of the Diamond District activity, we noted significant costs associated with the acquisition and installation of playground equipment were inappropriately expensed that should have been capitalized.

Effect: The misclassification resulted in the understatement of capital assets and an overstatement of current year expenses prior to the audit adjustment. Additionally, inaccurate classification of capital expenditure could impact the reliability of financial information used by management and the Board for financial reporting and decision-making purposes.

Cause: Existing procedures for reviewing capital asset additions did not adequately ensure that capital asset additions were properly evaluated and appropriately recorded.

Recommendation: We recommend that management implement procedures to review significant capital expenditures and other large-dollar expenditures throughout the year to determine whether capitalization is required. This review should include consideration of the Authority's capitalization policy and documented approval of the accounting treatment prior to recording transactions. Periodic reviews of capital expenditures by management would help ensure capital assets are properly identified and recorded in a timely manner.

View of Responsible Officials and Planned Corrective Action

C – Findings – Commonwealth of Virginia

None noted.

D – Status of Prior Year Financial Statement Audit Findings

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

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

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

Status: This does not appear to have been addressed. See 2026-001.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Schedule of Findings and Responses

June 30, 2026

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

Condition: As part of the audit, we proposed multiple significant adjustments related to the Loan Fund due to loan balances being written off in error. These are reviewed and approved by management; however, we believe that this review would only detect material misstatements, and that a misstatement that is more than inconsequential may not be prevented or detected.

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

Status: This has been addressed in the current year.

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Corrective Action Plan

June 30, 2026

Economic Development Authority of the City of Richmond, Virginia
(A Component Unit of the City of Richmond, Virginia)

Corrective Action Plan

June 30, 2026

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia

(A Component Unit of the City of Richmond, Virginia)

Report to the Board of Directors and Management

June 30, 2026

BROWNEDWARDS
certified public accountants

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia

Contents

Contacts 1
Required Communications with Those Charged with Governance 2
Independent Auditor's Reports on Comments and Suggestions 5
Comments and Suggestions 7
Accounting and Other Matters 9
Appendix A – Management Representation Letter
Appendix B – Adjusting Journal Entries

BROWNEDWARDS
certified public accountants

Contacts

Danielle A. Nikolaisen, CPA
Partner
Brown, Edwards & Company, L.L.P.
810 Southpark Boulevard, Suite 201
Colonial Heights, VA 23834
804-518-2370
dnikolaisen@BEcpas.com

Christy M. Turner, CPA
Senior Manager
Brown, Edwards & Company, L.L.P.
4951 Lake Brook Drive, Suite 375
Glen Allen, VA 23060
804-518-2373
cturner@BEcpas.com

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

BROWNEDWARDS
certified public accountants

Required Communication with Those Charged with Governance

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

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Economic Development Authority of the City of Richmond, Virginia, collectively hereafter referred to as the "Authority" for the year ended June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Governmental Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you July 6, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. As described in Note 2 to the financial statements, the Economic Development Authority of the City of Richmond, Virginia adopted new accounting standards for 2026: GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement 104, *Disclosure of Certain Capital Assets.* We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Otherwise, there were no changes to the application of existing policies during 2026.

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

- The useful lives of capital assets are based on management's knowledge and judgment, which is based on historical usage.
- The allowance for credit losses on loan program receivables are based on an analysis of risk assessments of credit risk of individual borrowers.
- Lease receivables and related deferred inflows of resources are valued based on estimated discount rate applied to future payments and the term of the lease, including the likelihood of exercising renewal options.

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

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

- The disclosure of commitments and contingencies in Note 9, the related party transactions disclosures in Note 12, and disclosure of lease receivable and deferred inflows of resources in Note 8 to the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

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

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
_____, 2026

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

BROWNEDWARDS
certified public accountants

Independent Auditor's Report on Comments and Suggestions

To the Board of Directors of
Economic Development Authority of the City of Richmond, Virginia
Richmond, Virginia

In planning and performing our audit of the financial statements of the Economic Development Authority of the City of Richmond, Virginia as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements and to comply with any other applicable standards, such as Government Auditing Standards and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the ***Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*** which should be read in conjunction with this report.

Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management

and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Economic Development Authority of the City of Richmond, Virginia, management and appropriate state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
_____, 2026

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia

Comments and Suggestions

June 30, 2026

Monitoring of Diamond District Project Agreements

During our review of the stadium lease, we noted that a capital reserve account required by the agreement was established in August of 2026 but was not established by the lease commencement date of June 1, 2026. Management and the Board should implement a formal process to periodically review significant agreements related to the Diamond District project, including the stadium lease, to ensure compliance with all contractual requirements. To help prevent similar compliance issues, we recommend that the Board and the individual from the City's Economic Development department, who is responsible for oversight of the Diamond District project perform and document a review of key agreement provisions on at least a quarterly basis, or more frequently if deemed appropriate. This review should include monitoring compliance with contractual obligations, deadlines, and other significant provisions.

Stale Accounts Receivable

During our testing over accounts receivable, we noted a total of $26,936 reported in the Leigh Street Fund and $17,000 reported in the Stone Brewery Fund that have been carried forward from prior years. Timely resolution has been delayed due to other organization priorities. We recommend that the Board review the outstanding balances and determine whether collection efforts should continue or whether the balances should be written off. This review should be performed in consultation with the new fractional CFO firm. Based on that assessment, the Authority should make any necessary adjustments to the recorded balance.

Construction in Progress

During our testing over capital assets, we noted $20,240 of construction in progress in the Leigh Street Fund. The total is related to engineering and architectural designs capitalized in fiscal year 2021 for bathroom and storage facility additions to the Authority's athletic field at the Westhampton property. Timely resolution has been delayed due to other organization priorities. We recommend that the Authority work with its new fractional CFO firm to evaluate the status of the project and determine whether to proceed or formally abandon it. Based on that assessment, the Authority should make any necessary adjustments to the recorded balance.

Tobacco Row Lease

During our testing over the Tobacco Row lease, we noted that the Authority did not receive the fiscal year 2026 rental payment. The original tenant had assigned the lease to a new tenant, who did not remit payment to the Authority. City of Richmond Economic Development staff assisted with collection efforts; however, staff turnover and a leave of absence delayed the persistence of these efforts. We recommend establishing a recurring process to monitor rent payments, document collection efforts, and promptly follow up on outstanding balances. These controls will help ensure rental revenue is complete and collected in accordance with lease terms.

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Economic Development Authority of the City of Richmond, Virginia

Comments and Suggestions

June 30, 2026

Review of Loan Balances

During our loan testing, we noted that several balances remained recorded as of June 30, 2026, even though the related loans had been referred to collections in the prior year. The Board had not formally determined how to address these balances during the current year. We recommend that the Board review all recorded loans referred to collections and determine the appropriate disposition of the related balances. The Board should also approve a policy to handle similar situations, and the policy should also be documented.

Allowance For Loan Balances

During our testing of the allowance for loans, we noted that the methodology used to calculate the allowance was inconsistent with the documented policy, which is considered by management to be outdated. We recommend that the Board review the current methodology and existing policy, update the policy to reflect the approved methodology, and document its approval.

Audit Adjustments for Loan Fund

The audit team recorded an adjustment to reverse an erroneous fiscal year 2026 entry posted by the predecessor accounting firm to align prior year balances with the prior year's audited amounts. Because the new fractional CFO firm was unaware of the error when preparing the loan schedules and related adjustments, an additional adjustment was required to correct accrued interest and interest income. We recommend that, after completion of the fiscal year 2026 audit, the Authority and its fractional CFO firm establish procedures to reconcile subsequent-year beginning balances to the prior year's audited amounts.

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

New GASB Pronouncements

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

The GASB issued **Statement No. 105, *Subsequent Events*** in December 2025. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

How the changes in this statement will improve financial reporting: The requirements of this Statement will improve financial reporting related to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. Those improvements will assist preparers and auditors in applying the requirements more consistently, thereby reducing diversity in practice and providing information that better meets the needs of financial statement users.

How the Board considered costs and benefits in the development of this statement: One of the principles guiding the Board's setting of standards for accounting and financial reporting is the assessment of expected benefits and perceived costs. The Board strives to determine that its standards address significant user needs and that the costs incurred through the application of its standards, compared with possible alternatives, are justified when compared to the expected overall public benefit. The Board believes that the expected benefits of implementing this Statement—essential information about certain subsequent events that is more consistent, comparable, relevant, reliable, and understandable—are significant to users of financial statements. The Board believes that, in general, governments will have the information required to be disclosed and that some governments may already disclose that information. The Board also believes that permitting governments to disclose the reason why certain information cannot be disclosed mitigates potential cost concerns. Therefore, the Board believes that the costs associated with the implementation of and ongoing compliance with this Statement will be minimal and that the expected benefits of this Statement justify its perceived costs.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

PRELIMINARY DRAFT - OPEN FOR REVIEW AND DISCUSSION ONLY

Current GASB Projects

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

Going Concern Uncertainties and Severe Financial Stress. The objective of this project is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government's exposure to severe financial stress is necessary to disclose. The Board is redeliberating issues in light of feedback received in response to the Preliminary Views, *Severe Financial Stress and Probable Dissolution Disclosures.*

Implementation Guidance Update - 2026. The objective of this project is to update implementation guidance for additional issues that came to the attention of the staff. The 2026 update project is focused solely on issues related to subsidies as defined in Statement No. 103, *Financial Reporting Model Improvements*. In February, an Exposure Draft of a proposed Implementation Guide was issued for public comment. The comment period concluded on April 27, 2026.

Infrastructure Assets. This project will address issues related to accounting and financial reporting for infrastructure assets. The project will evaluate standard-setting options related to reporting infrastructure assets to make information (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government's economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. An Exposure Draft of a proposed Statement, *Infrastructure Assets,* was approved for public comment in March 2026. The comment period concluded on June 26, 2026.

Revenue and Expense Recognition. The overall objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Achieving that objective will include: (1) development of guidance applicable to topics for which existing guidance is limited, (2) improvement of existing guidance that has been identified as challenging to apply, (3) consideration of a performance obligation approach to the GASB's authoritative literature, and (4) assessment of existing and proposed guidance based on the conceptual framework. The expected outcome of the project is enhanced quality of information that users rely upon in making decisions and assessing accountability. The Board is redeliberating the Preliminary Views proposals.

Appendix A

Management Representation Letter

Appendix B

Adjusting Journal Entries

FY27 Stone/Sapporo Budget

Richmond EDA - Stone/Sapporo

FY 2027 Budget (accrual)

	FY26 Actual	FY27 Budget	Notes
Income			
42800 Interest Income	$13,683	$13,000	
43000 Interest on Capital Lease	$1,059,306	$1,016,686	Per lease schedule
Total Income	**$1,072,989**	**$1,029,686**	
Expenses			
62400 Depreciation Expense	$2,091	$2,091	
63300 Insurance Expense	$9,930	$12,675	
63500 Bank Fees	$3	$25	
66100 Interest Expense-Bond	$636,758	$614,114	Per bond schedule
67200 Repairs and Maintenance	$51,093	$50,000	Consistent w/ FY26 spend
67500 Roof Expense	$8,732	$10,000	Consistent w/ FY26 spend
68600 Utilities	$277	$300	
Total Expenses	**$708,884**	**$689,205**	
Net Income	**$364,105**	**$340,481**	
Supplemental - FY27 cash flow			
Lease payments received		$1,740,266	
Bank interest		$13,000	
Bond interest paid		($614,114)	Semiannual (Dec/Jun)
Bond principal (Jun-27)		($820,000)	Per 6/30/26 current portion
Cash opex		$73,000	Insurance, R&M, roof, util; excludes depreciation
Net change in cash		**$392,152**	

Richmond EDA – Stone Brewing (Sapporo) Facility Summary

Background

In 2014, the City of Richmond agreed to own and build a brewery because of winning a deal to have Stone Brewery build an east coast brewery (previously they were producing on the West Coast (San Diego) only.

To do this, the city of Richmond issued $23m in bonds and gave the proceeds to the EDA. The EDA then built the facility, and Stone signed a 25-year lease with the EDA.

In 2022, Sapporo bought Stone Brewery and took over the lease.

Importantly, once the lease ends, assuming performance is met, the tenants have the option to buy the building and land from the EDA for $25k.

How the cash flows

Sapporo pays the EDA around $145k/month ($1.7m/year) in rent, which ultimately covers the city's payments for the bonds.

The payments are due monthly from Sapparo to the EDA. The EDA pays the city twice per year. In December it makes an interest payment ($614k) and in June it makes a payment of both interest and principal.

The tenant pays taxes, insurance, and routine maintenance. The EDA has limited costs.

How the accounting works

The EDA has a receivable asset for the balance that Saparro owes (around $17.0m on 6/30/26).

Additionally, the EDA has a liability of around $16.1m which is what the EDA owes the city.

The two balances will be paid over time concurrently for the remainder of the lease (around 15 years).

How it’s performing

Payments have been consistently made on time, and the rent coming in is more than the debt payments going out, resulting in net income of $364k in 2026 and expected $380k in 2027.

Important notes

1) The Income Statement will show that the income is greater than the actual cash increase. That is because a portion of the income goes to pay off principal, which is not an expense. In FY26, income was $364k, while cash only increased $241k.
2) The lowest cash balance in the last 12 months was $2.8m. Unless there are future expected changes to the Saparro lease, cash will increase modestly in the future.
3) The EDA is required to keep 175% of debt service in the bank account as part of the agreement with the city.

Appendix A: Purchase option detail

ARTICLE 30 PURCHASE OPTION.

30.1 Provided this Lease is not sooner terminated, and provided no Tenant Event of Default has occurred and continued beyond applicable notice and cure periods as of the expiration of the Term, Tenant shall have the absolute right to purchase the fee simple interest in the Premises (the "***Purchase Option***") from Landlord effective upon the expiration of the Term of this Lease (i.e., at the end of the 25th Lease Year) for a purchase price in an amount equal to Twenty-Five Thousand Dollars ($25,000) (the "***Purchase Price***"), subject to the following terms and conditions:

(a) Tenant shall be automatically be deemed to have exercised the Purchase Option unless Tenant provides written notice to Landlord not less than one hundred eighty (180) days prior to the expiration of the Term expressly indicating that Tenant is electing not to exercise the Purchase Option.

(b) On or before the last day of Term, Landlord shall execute, acknowledge and deliver to Tenant a Special Warranty Deed (the "***Deed***"), in form customarily used in commercial transactions in Richmond, Virginia and reasonably acceptable to Tenant, conveying good and marketable fee simple title to the Premises to Tenant, free of any Mortgages (or similar liens or encumbrances), and subject only to matters of record as of the last date of the Term.

(c) On or before the last day of the Term, Tenant shall pay to Landlord the Purchase Price.

(d) In addition to the Deed, Landlord and Tenant shall execute, acknowledge and deliver to one another, and/or to a title insurance company insuring the purchase of the Premises, such other reasonable instruments, certificates and agreements as may be requested and which are customary for similar real estate transaction occurring in Richmond, Virginia.

(e) Landlord covenants and agrees that it will not create or cause or permit any lien, encumbrance or other exception to title to attach to the Premises after the date of the Effective Date other than easements permitted in accordance with Section 27.7 of this Lease or any Mortgages that will be satisfied and released on or before the expiration of the Term.

30.2 Without limiting any other right or remedy of Tenant, the parties acknowledge and agree that if Landlord shall default or breach in its obligation to convey title to the Premises as required by this Article 30, Tenant shall have the right to specifically enforce Tenant's rights and Landlord's obligations hereunder.

FY27 Leigh Street Budget

PROPOSED FY27 EDA LEIGH STREET FACILITY BUDGET

	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Proposed	FY26 YTD	FY27 Proposed
Ordinary Income/Expense						
Income						
40000 · Event Income	$ 143,079	$ 158,269	$ 30,015			
41200 · Grants	$ -	$ 1,200,000	$ -	$ -		
41400 · Sponsorship Fee-Bon Secours	$ 0	$ 0	$ 6,400	$ -		
41500 · Advertising & Other Income	$ 8,812	$ 13,133	$ -	$ -		
41600.1 · Building Rent-1st Floor	$ 296,975	$ 302,914	$ 27,051	$ -		
41600.2 · Building Rent-2nd Floor	$ 161,376	$ 161,376	$ 26,896	$ -		
41600.3 · 1st Floor Ground Rent	$ 21,204	$ 21,204	$ 3,534	$ -		
41600.4 · 2nd Floor Ground Rent	$ 6,756	$ 6,756	$ 1,126	$ -		
41600.5 · 1st Floor CAM	$ 217,443	$ 199,500	$ 33,250	$ -		
41600.6 · 2nd Floor CAM	$ 77,266	$ 92,340	$ 15,390	$ -		
41650 · Rental Income-Westhampton	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 4,589	$ 5,000
41660 · Westhampton Maintenance Res	$ 13,527	$ 39,217	$ 14,104	$ 15,000	$ 14,800	$ 15,000
43100 · Interest Revenue Lease	$ -	$ 77	$ -	$ -		
Total Income	$ 951,438	$ 2,199,787	$ 162,767	$ 20,000	$ 19,389	$ 20,000
Expense						
60100 · Amortization Expense	$ 29,239	$ 29,239	$ 4,873	$ -		
60500 · Staffing	$ 187,980	$ 90,635	$ -	$ -		
60510 · Payroll Expenses	$ 6,102	$ 5,853	$ -	$ -		
61000 · General and Administrative	$ 53,092	$ 17,388	$ 1,620	$ -		
61500 · Security Service	$ 8,949	$ 9,356	$ 740	$ -		
63400 · Interest Expense - Lease	$ 48,599	$ 6,650	$ 8,199	$ -		
63500 · Bank Service Charges	$ 276	$ 975	$ 432	$ -	$ 456	$ 500
63700 · Landscaping and Groundskeeping	$ 11,700	$ 15,100	$ 13,600	$ 15,000	$ 12,451	$ 15,000
66500 · Telephone Expense	$ 4,754	$ 4,712	$ 327	$ -		
66670 · Insurance Expense	$ 27,807	$ 16,990	$ 2,658	$ -		
66700 · Professional Fees	$ 0	$ 13,230	$ 1,620	$ -		
67100 · Ground Rent Expense	$ 0	$ 0	$ -	$ -		
67700 · Real estate taxes	$ 4,819	$ 16,772	$ -	$ -		
68400 · Grounds Maintenance	$ 105,368	$ 87,110	$ 11,095	$ -		
68500 · Maintenance Expense	$ 60,471	$ 29,818	$ 3,100	$ -		
68510 · Janitorial Service Supplies	$ 17,861	$ 27,646	$ 8,466	$ -		
69000 · Base Management Expense	$ 15,203	$ 7,522	$ -	$ -		
69001 · Incentive Management Fee	$ 4,964	$ 4,486	$ -	$ -		
69500 · Operations	$ 20,194	$ 21,921	$ -	$ -		
78000 · Utilities	$ 128,265	$ 145,337	$ 37,164	$ 1,000	$ 1,611	$ 2,000
Total Expense	$ 735,644	$ 550,741	$ 93,894	$ 16,000	$ 14,518	$ 17,500
Net Ordinary Income	$ 215,795	$ 1,649,046	$ 68,873	$ 4,000	$ 4,871	$ 2,500
Other Income/Expense						
Other Income						
42800 · Interest Income-Cking	$ 25	$ 33	$ 66	$ 28	148	$ 150
42801 · Gain/Loss disposal of assets	$ -	$ -	$ 2,835,048	$ -	$ -	$ -
Total Other Income	$ -	$ -	$ 2,835,048	$ -	$ -	$ -
Other Expense						
72500 · Depreciation Expense	$ 318,163	$ 319,399	$ 54,790	$ 1,852	$ 1,697	$ 1,697
Total Other Expense	$ 318,163	$ 319,399	$ 54,790	$ 1,852	$ 1,697	$ 1,697
Net Other Income	$ (318,163)	$ (319,399)	$ 2,780,258	$ (1,852)	$ (1,697)	$ (1,697)
Net Income	$ (102,369)	$ 1,329,646	$ 2,849,131	$ 2,149	$ 3,174	$ 803

FOIA Review

VIRGINIA FREEDOM OF INFORMATION ACT



TRAINING SEMINAR

Virginia Freedom of Information Advisory Council Trainings

Other Courses

In addition to these courses that are preapproved for credit by other agencies, staff provides live training for local officials and FOIA officers to satisfy the statutory training requirements of §§ 2.2-3704.2 and 2.2-3704.3, as well as training by arrangement that may be tailored to the needs of specific groups or agencies, as described below. Please note that all of the training presentations by Council staff satisfy the FOIA training requirements for FOIA officers, local elected officials and others required to receive FOIA training (see below), including the accredited courses described above. Additionally, please note that the required biennial FOIA training may also be provided by legal counsel for the public body (i.e. your local government or agency attorney) as well as by the FOIA Council staff.

Local Officials Course:

Local Officials Course - This course is designed for local officials (including constitutional officers) and the executive directors and members of industrial development authorities and economic development authorities who are required to receive FOIA training pursuant to § 2.2-3704.2. The course covers FOIA training requirements, FOIA policy, the role of the FOIA Council, procedures related to public records requests, the conduct of public meetings, statutory remedies for FOIA violations, and additional resources for local officials. This course may be presented live in person or online (webinar), and there are also prerecorded versions of it as described further below.

Local Officials Training
Tuesday, October 20, 2026, 1:00 p.m.
Thursday, November 12, 2026, 10:00 a.m.
Register Now!

https://foiacouncil.dls.virginia.gov/training.htm

THE RICHMOND CITY ATTORNEY'S OFFICE GUIDE TO: ACCESS TO PUBLIC RECORDS AND PUBLIC MEETINGS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT ("VFOIA")



Code of Virginia Section 2.2-3700

B. By enacting this chapter, the General Assembly ensures the people of the Commonwealth ready access to public records in the custody of a public body or its officers and employees… The affairs of government are not intended to be conducted in an atmosphere of secrecy since at all times the public is to be the beneficiary of any action taken at any level of government.

Unless a public body or its officers or employees specifically elect to exercise an exemption provided by this chapter or any other statute . . . **all public records shall be available for inspection and copying upon request.** All public records and meetings shall be presumed open, unless an exemption is properly invoked.

Code of Virginia Section 2.2-3700 continued

The provisions of this chapter shall be liberally construed to promote an increased awareness by all persons of governmental activities and afford every opportunity to citizens to witness the operations of government. **Any exemption from public access to records or meetings shall be narrowly construed** and no record shall be withheld . . . unless specifically made exempt pursuant to this chapter or other specific provision of law.

I. BACKGROUND

a. *WHAT* is a public record?

i. A "public record" is any writing or recording in any format, prepared or owned by, or in the possession of a public body or its officers, employees or agents in the transaction of public business.

ii. Examples include: handwritten notes, typewritten documents, electronic files, audio or video recordings, photographs, or any other written or recorded media. It also includes drafts or preliminary versions of any of the abovementioned examples.

b. *WHO* may request records (§ 2.2-3704(A)) ?

i. Citizens of the Commonwealth;
ii. Representatives of newspapers and magazines with circulation in the Commonwealth; and
iii. Representatives of radio and television stations broadcasting in or into the Commonwealth.

II. PERMISSIBLE RESPONSES TO REQUEST

A VFOIA representative must select one of the five (5) responses allowed by VFOIA:

1. **Provide** the requested records to the requester;

2. The requested records are being **withheld entirely** because their release is prohibited by law or the custodian has exercised his discretion to withhold the records in accordance with VFOIA;

3. The requested records are being **provided in part** because the release of part of the record is prohibited by law, or the custodian has exercised his discretion to withhold a portion of the records in accordance with VFOIA;

   NOTE: Generally, if a record contains exempt and non-exempt information, the public body must release the record and delete or excise the portion of the record subject to the exemption.

4. The requested records **could not be found or do not exist**. However, if the agency that received the request knows that another agency or VFOIA representative has the requested records, the response shall include contact information for the other agency or VFOIA representative; or

   NOTE: The agency is not required to create a new record if the requested record does not already exist. However, the agency may abstract or summarize information under such terms and conditions as agreed between the requester and the public body.

5. It is not **practically possible to provide** the requested records OR to determine whether they are available within the five-work-day period.

III. GENERAL RECORDS EXEMPTIONS

a. Personnel Information, § 2.2-3705.1 (1):

i. Provides an exemption for personnel information concerning identifiable individuals, except that access shall not be denied to the person who is the subject thereof.

ii. Per SCOVA, "personnel information" means, "data, facts, or statements within a public record relating to a specific government employee, which are in the possession of the entity solely because of the individual's employment relationship with the entity, and are private, but for the individual's employment with the entity."

BUT NOTE: Public nonetheless has access to:

- contracts between a public body and its officers or employees (unless settling employment disputes);
- records of the name, position, job classification, official salary or rate of pay of, and reimbursements to members of a public body

b. Attorney-client Privilege, § 2.2-3705.1 (2):

   i. Provides an exemption for written advice of legal counsel to state, regional or local public bodies or the officers or employees of such public bodies, and any other records protected by the attorney-client privilege.

c. Attorney Work Product, § 2.2-3705.1 (3):

   i. Provides an exemption for legal memoranda and other work product compiled specifically for use in litigation or for use in an active administrative investigation concerning matter that is properly the subject of a closed meeting under § 2.2-3711.

d. Closed Meetings, § 2.2-3705.1 (5):

   i. Provides an exemption for records recorded in or compiled exclusively for use in closed meetings lawfully held pursuant to § 2.2-3711.

e. Cost Estimates of Real Property, § 2.2-3705.1 (8):

i. Provides an exemption for appraisals and cost estimates of real property subject to a proposed purchase, sale or lease prior to the completion of such purchase, sale or lease.

f. Contracts, § 2.2-3705.1 (12):

i. Provides an exemption for records relating to the negotiation and award of a specific contract where competition or bargaining is involved and where the release of such records would **adversely affect the bargaining position or negotiating strategy of the public body.** Such records shall not be withheld after the public body has made a decision to award or not to award the contract.

BUT NOTE: In the case of procurement transactions conducted pursuant to the Virginia Public Procurement Act (§ 2.2-4300 et seq.), any release of information relating to such transactions shall be governed by the Virginia Public Procurement Act.

g. Promoting Business § 2.2-3705.6 (3):

i. Proprietary information, voluntarily provided by private business pursuant to public body promise of confidentiality, used by public body for business, trade, and tourism development or retention; and memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by a public body, where competition or bargaining is involved and where disclosure would adversely affect public body financial interest.

IV. PUBLIC MEETINGS

a. Closed Meetings, § 2.2-3711

i. Closed meetings allowed only for listed reasons, including:

- Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body
- Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body
- Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community

- Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body
- Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel
- Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body

ii. No resolution, rule, contract, or motion adopted, passed, or agreed to in a closed meeting shall become effective unless the public body, following the meeting, reconvenes in open meeting and takes a vote of the membership on such resolution, rule, contract, or motion

Violations and penalties

- Civil penalties imposed when violation is "willfully and knowingly made."
- Civil penalties imposed on member "in his individual capacity."
- Civil penalties:
  - First violation: **$500** to **$2,000**.
  - Second or subsequent violation: **$2,000** to **$5,000**.

NOTE: Courts may also impose a **$100** per record fine where evidence of failure to disclose is due to destruction or alteration of requested records.

QUESTIONS?!

