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FUNDING + MAINTENANCE



FUNDING + MAINTENANCE

A wide range of funding sources is available to build, improve upon, and maintain the open spaces described in the Riverfront Plan. Signature open spaces around the country have successfully attracted capital from Federal and local sources, private funds from philanthropy and sponsorships, concessions, special taxes, and private real estate value capture. There are also several site-specific funding sources to consider, including the potential for revenue from appropriate development of the City-owned Fulton Gas Works site as well as revenue that can be generated through the monetization of Commonwealth of Virginia conservation easements that limit the amount of development in appropriate areas.

In many cases, the net present value of funds needed to operate and maintain signature open spaces over time often exceeds the initial capital expenditures for their construction. Therefore, a next step of the Richmond Riverfront Plan should entail developing a comprehensive and sustainable financing strategy that will identify funding sources for both up front capital expenditures as well as ongoing operations and maintenance costs to ensure that the Riverfront remains an attractive, well-maintained and well-programmed urban destination for many years to come.



REQUIRED CAPITAL FUNDING

CITY OF RICHMOND

STATE + FEDERAL

FOUNDATIONS + OTHER ALTERNATIVE SOURCES

GAP: LOCAL PHILANTHROPY

CAPITAL FUNDING

The compelling vision for the Richmond Riverfront and the creation of a dedicated Riverfront Management Board will enable the public realm landscape to attract and accept capital funding from a diverse range of local, national, public, private, and philanthropic sources.



CITY OF RICHMOND

- Tax increment bond offering
- 1% fund
- Municipal appropriations
- General obligation bonds

STATE SOURCES

- Department of Conservation and Recreation funds
- State natural resources grants
- Conservation easement

FEDERAL SOURCES

- Transportation funds
- Conservation funding
- Economic development funds
- Brownfields program
- Stormwater / flood control funding

FOUNDATIONS

- Robins Foundation
- The Jackson Foundation
- Trust for Public Land
- City Parks Alliance
- Other local, state, and national foundations

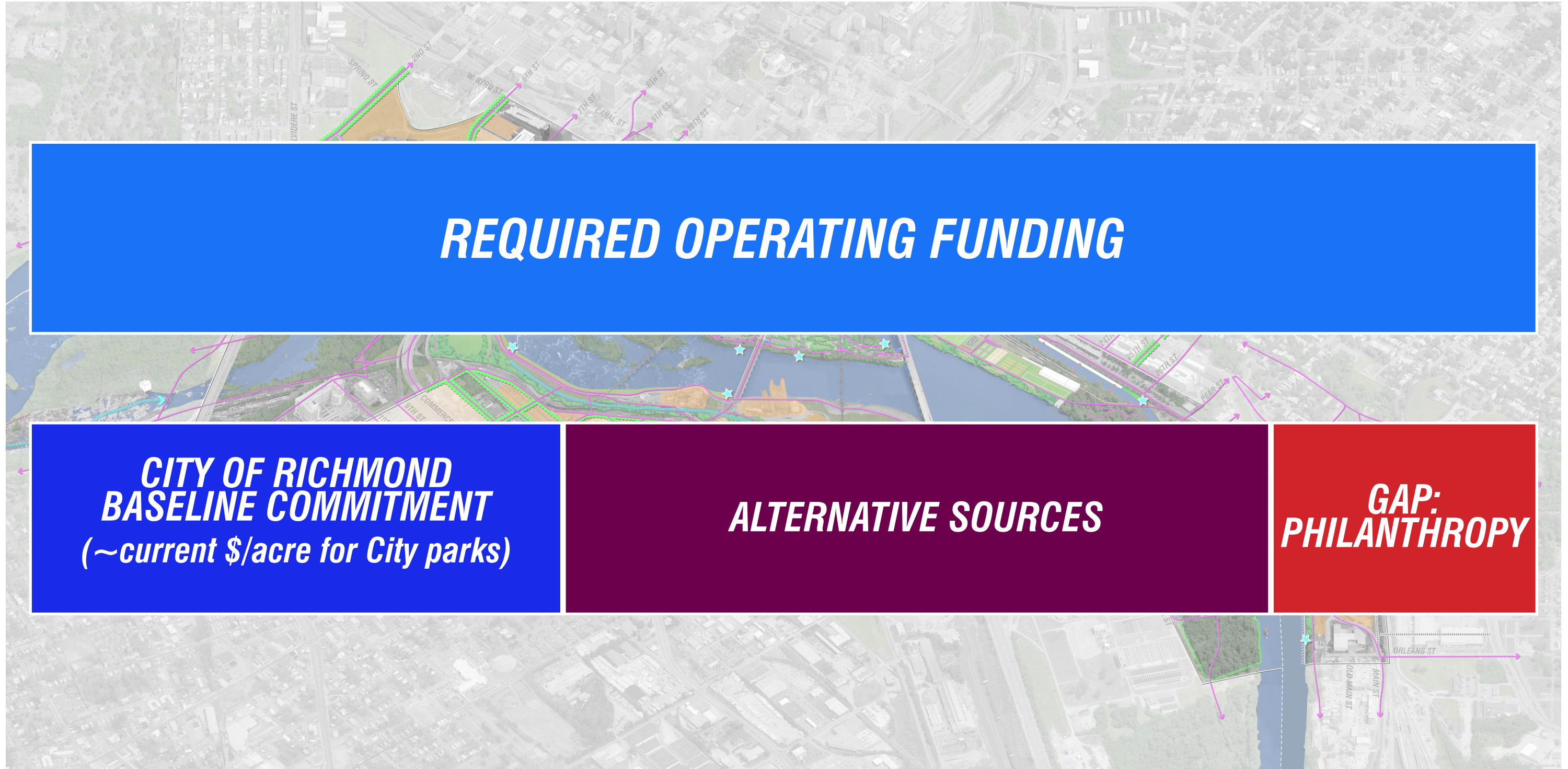
LOCAL PHILANTHROPY

- Capital campaign involving business and civic leadership
- Donations from individuals and families

CAPITAL FUNDING

In future stages, the City, private landowners, and the Riverfront Management Board will be able to identify and secure specific capital sources that build upon the concepts described in this Riverfront Plan. Some examples that should be considered include existing local public funding sources for parks as well as new revenue that can be generated by capturing new economic value that will be catalyzed by Riverfront investments. Several components of the Riverfront Plan may be eligible for funds from the Commonwealth of Virginia that are available for parks and open spaces, particularly through conservation and natural resources programs. Several components of the Riverfront Plan are also consistent

with Federal funding sources that are available for a variety of purposes, including transportation, conservation, and economic development. In addition to public sources, further private funding for capital costs may be secured through a combination of national foundations and local philanthropy. As discussed in the previous section, one of the important responsibilities and advantages of a dedicated Riverfront Management Board will be its ability to coordinate and secure a funding strategy that leverages the diversity of benefits the open space system will provide to Richmond and the region.



REQUIRED OPERATING FUNDING

**CITY OF RICHMOND
BASELINE COMMITMENT**
(~current \$/acre for City parks)

ALTERNATIVE SOURCES

**GAP:
PHILANTHROPY**

OPERATING FUNDS

There are many potential operating funding sources available to the Riverfront Management Board, and many signature urban parks have guaranteed the quality of their operations by creatively assembling a variety of operating funds. Compared to capital funding, it is important to note that there are fewer dedicated Federal, State, and foundation sources for operating funds; moreover, operating fund sources must be available on an ongoing basis. A solid and sustainable approach to funding operations and maintenance of the Riverfront Management Board will likely involve a baseline public commitment from local sources that serves as the foundation to attract a variety of more creative philanthropic and

alternative revenue sources. Such an approach has been successful in a variety of signature parks and also enables flexibility to respond to changing economic and demographic conditions as the community and economy evolves over time.



PRIVATE REAL ESTATE VALUE CAPTURE

- *BID/special assessment fees*
- *Developer impact fees*
- *Tax revenues from new development*
- *Tax increment financing*
- *Conservation easement proceeds*

PROCEEDS FROM PUBLIC LAND DEVELOPMENT

- *Conversion of public land to higher value uses*
- *Example: Gas Works site*

EARNED INCOME

- *Food concessions*
- *Events/programming*
- *New public parking*
- *Activity fees*
- *Corporate sponsorship*

RETAIL VALUE CAPTURE

- *New retail development on public land*
- *Sales tax revenue from increased area sales*

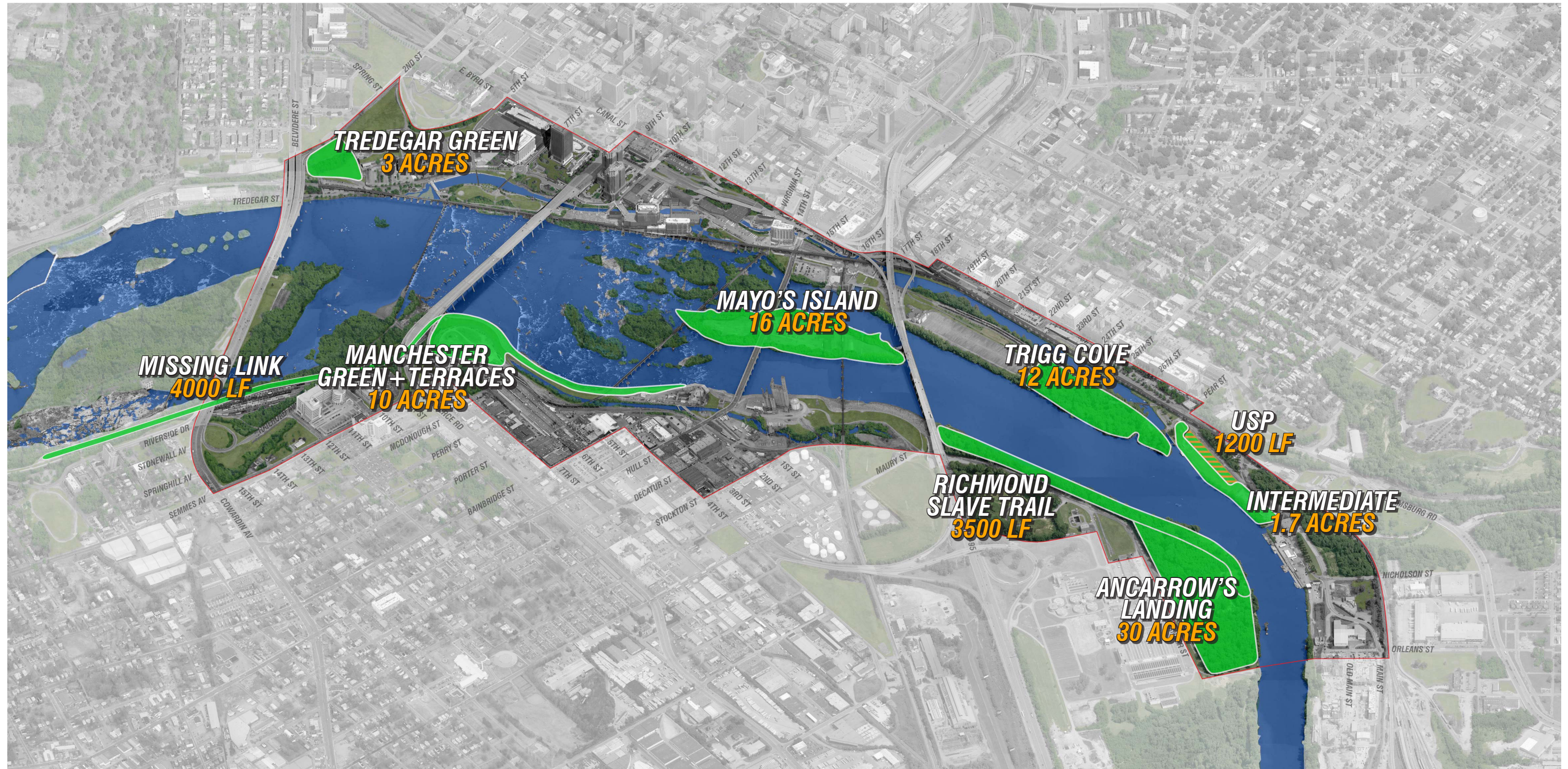
PRIVATE PARKING VALUE CAPTURE

- *Commercial parking tax revenues*
- *Parking tax increment*

ALTERNATIVE SOURCES

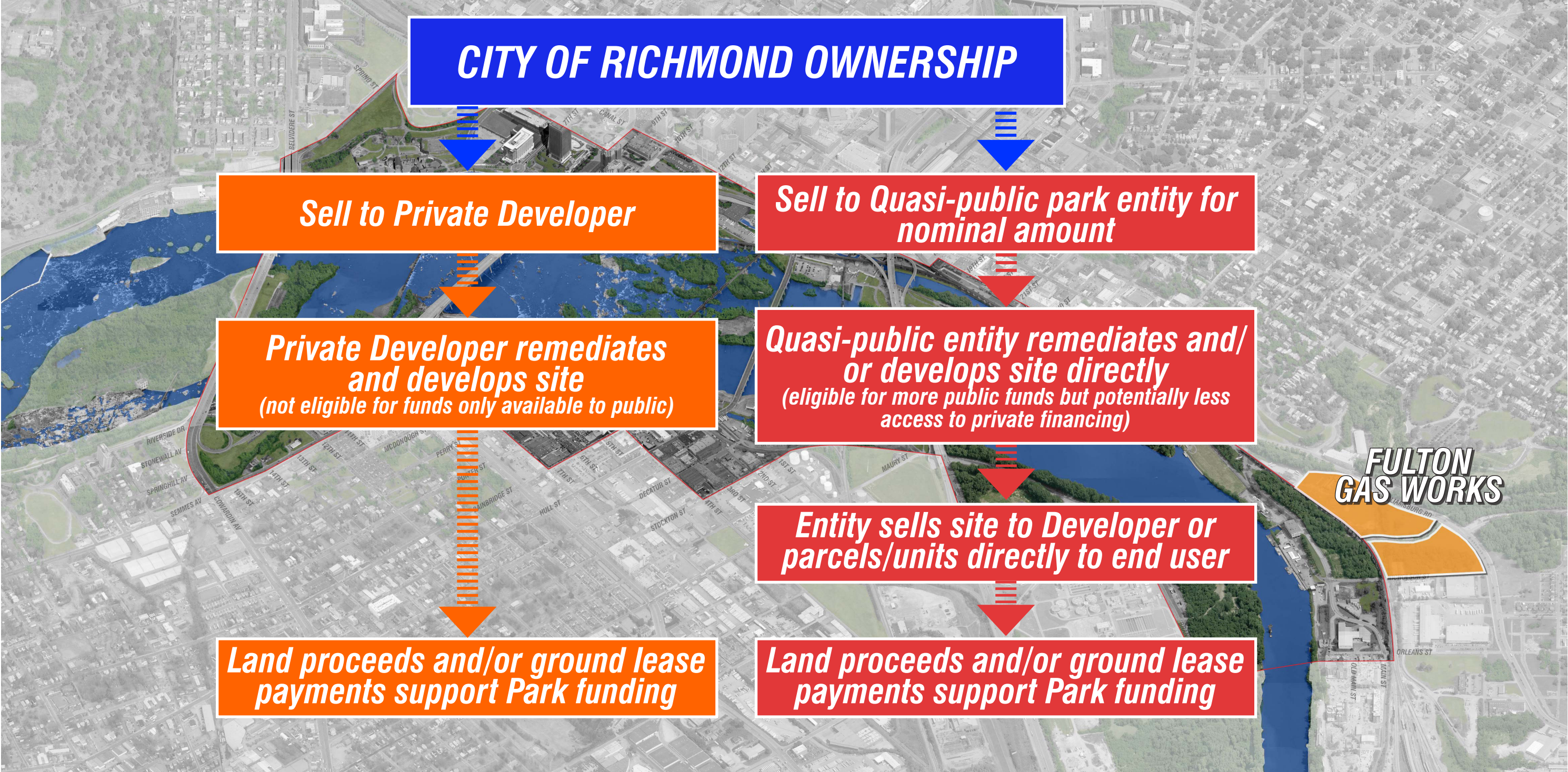
The Richmond Riverfront Plan offers the opportunity to leverage a wide variety of potential sources for operating funds. One funding source that is commonly used throughout the country and has been used in Richmond in the past includes capturing incremental property tax revenue that is generated from new development and economic value that is created as a result of new Riverfront investments and amenities, such as in the form of a tax-increment financing (TIF) district. Additionally, proceeds from public land development (specifically on the Gas Works site, as discussed in the following pages), earned income from programming, new retail taxes, and parking tax revenues are sources that should be explored

further. As the Riverfront Plan progresses, the City and stakeholders should be consulted to help determine the magnitude of revenues that may be available from these and other alternative sources.



REAL ESTATE VALUE CAPTURE FROM OPEN SPACE

The Virginia Department of Conservation & Recreation allows an income tax credit for up to 40 percent of the value of donated land or conservation easements. The resulting Land Preservation Tax Credits can be monetized on the secondary market to generate revenues that can subsequently be captured and dedicated towards the funding of open space improvements. Several open spaces throughout the system may be suitable for donation or conservation easements that could generate substantial revenues via the sale of Land Preservation Tax Credits. A larger area of the USP site would qualify under the Public Open Space Scenario.



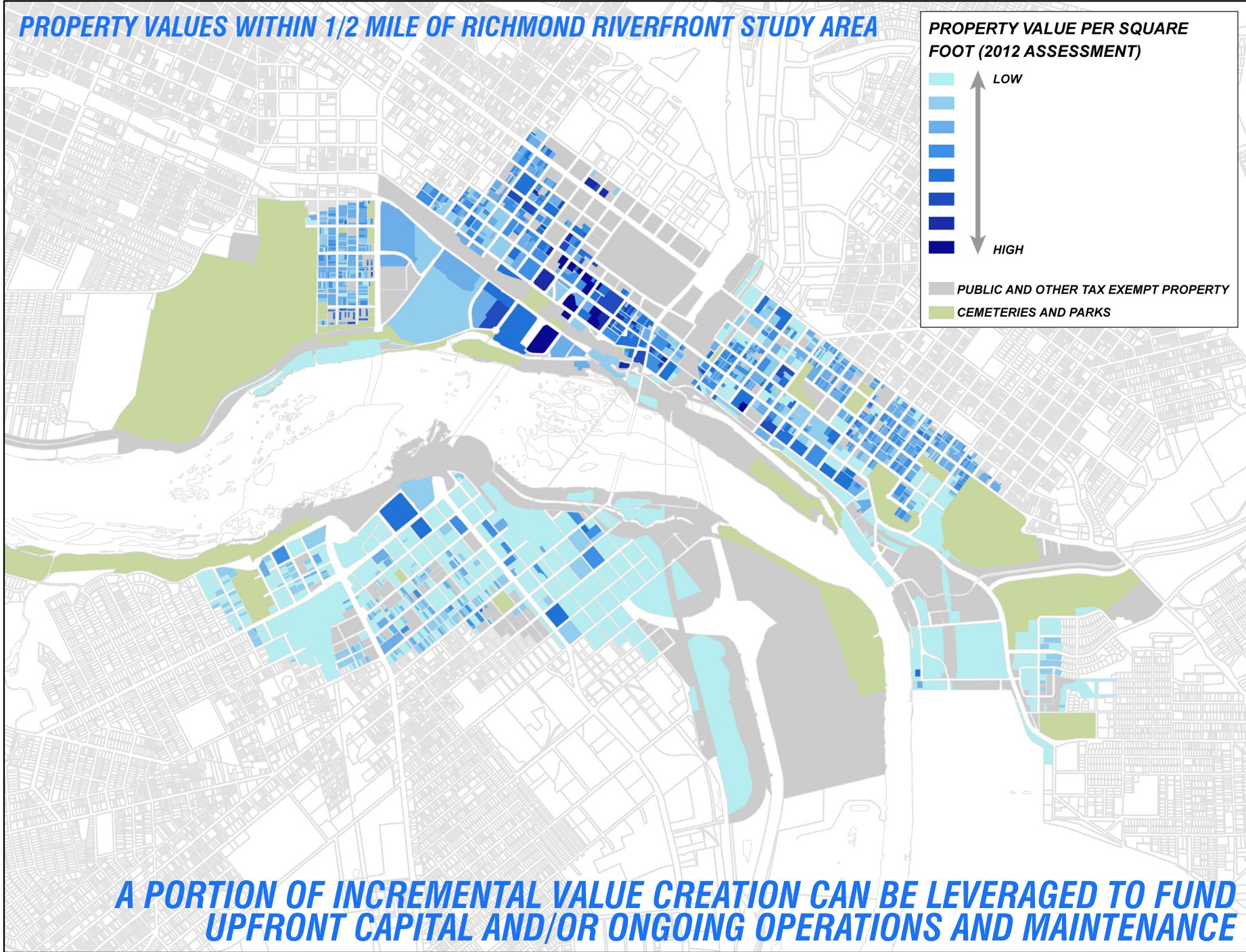
REAL ESTATE VALUE CAPTURE FROM FULTON GAS WORKS

Appropriate development of the City-owned Fulton Gas Works site may generate revenue that can fund improvements for the Riverfront system while also improving and remediating the site's current environment. One approach to capturing such value would include the sale of the site to a private developer who would subsequently be responsible for remediation. Another approach would entail remediation of the site by the City and subsequent sale for development. In both cases, all or a portion of the revenue after remediation expenses could be dedicated to the Riverfront system. In some cases, a private owner would have greater flexibility for remediation funding strategies such as equity investment that may not be

available to the public. Alternatively, the City may be able to transfer the property to a special purpose public entity such as an industrial development authority, a housing authority, or a public recreation facilities authority. A public entity may be eligible for various remediation funds through EPA's Brownfields Program and Virginia's Brownfields Restoration and Economic Redevelopment Assistance Fund. As the Plan progresses, further investigation will be required to determine the most appropriate path to remediate the site, given potential liability for pre-existing contamination, and to consider the potential for development that contributes to the community and Riverfront.



FULTON GAS WORKS: EXISTING CONDITIONS



UPLIFT PROPERTY VALUES + CATALYZE DEVELOPMENT

Precedents from around the country show that investment in high-quality waterfront open spaces leads to substantial economic benefits for the public and private entities. Successful implementation of the Richmond Riverfront Plan would lead to a significant economic benefit for the City of Richmond and the entire region, ranging from new visitors attracted to the waterfront, associated retail spending and commercial activity in nearby businesses downtown and in Manchester, new jobs supported by increased commercial activity, as well as increased real estate values. As this map of relative property values within 1/2 mile of the Riverfront study area demonstrates, a significant proportion of sites adjacent to the

Riverfront study area are privately-owned, and many of those outside of downtown have relatively low property values. Particularly on the Manchester side of the river as well as further downriver, several vacant or underutilized properties have the potential to be redeveloped. Public investment in the Riverfront is likely to catalyze new private development and raise overall property values, not only improving neighborhoods but also supporting tax increment financing mechanisms that can generate up-front capital funds and/or ongoing operations and maintenance funds.

10% VALUE UPLIFT FROM PUBLIC REALM IMPROVEMENTS
+ 10% VALUE UPLIFT FROM CATALYZED NEW DEVELOPMENT

\$7 MILLION INCREASE IN ANNUAL TAX REVENUE

\$90 MILLION SUPPORTABLE BOND OFFERING

INCREASED TAX REVENUE

Investments in the Riverfront would catalyze new value on adjacent properties that could be captured through the use of a tax-increment financing (TIF) structure or other mechanisms that could be leveraged to provide significant Riverfront funding that would be beneficial to both the public sector and private owners. The public realm investments proposed by the Riverfront Plan would likely increase the value of existing properties and catalyze new development on currently vacant and underutilized parcels. In many similar downtown public realm projects around the country, real estate values and infill development has led to tremendous value creation. Using conservative assumptions and based upon the current property values in the study area, the Riverfront Plan could generate upwards of \$90 million for investment in the Riverfront system.

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CONCLUSION

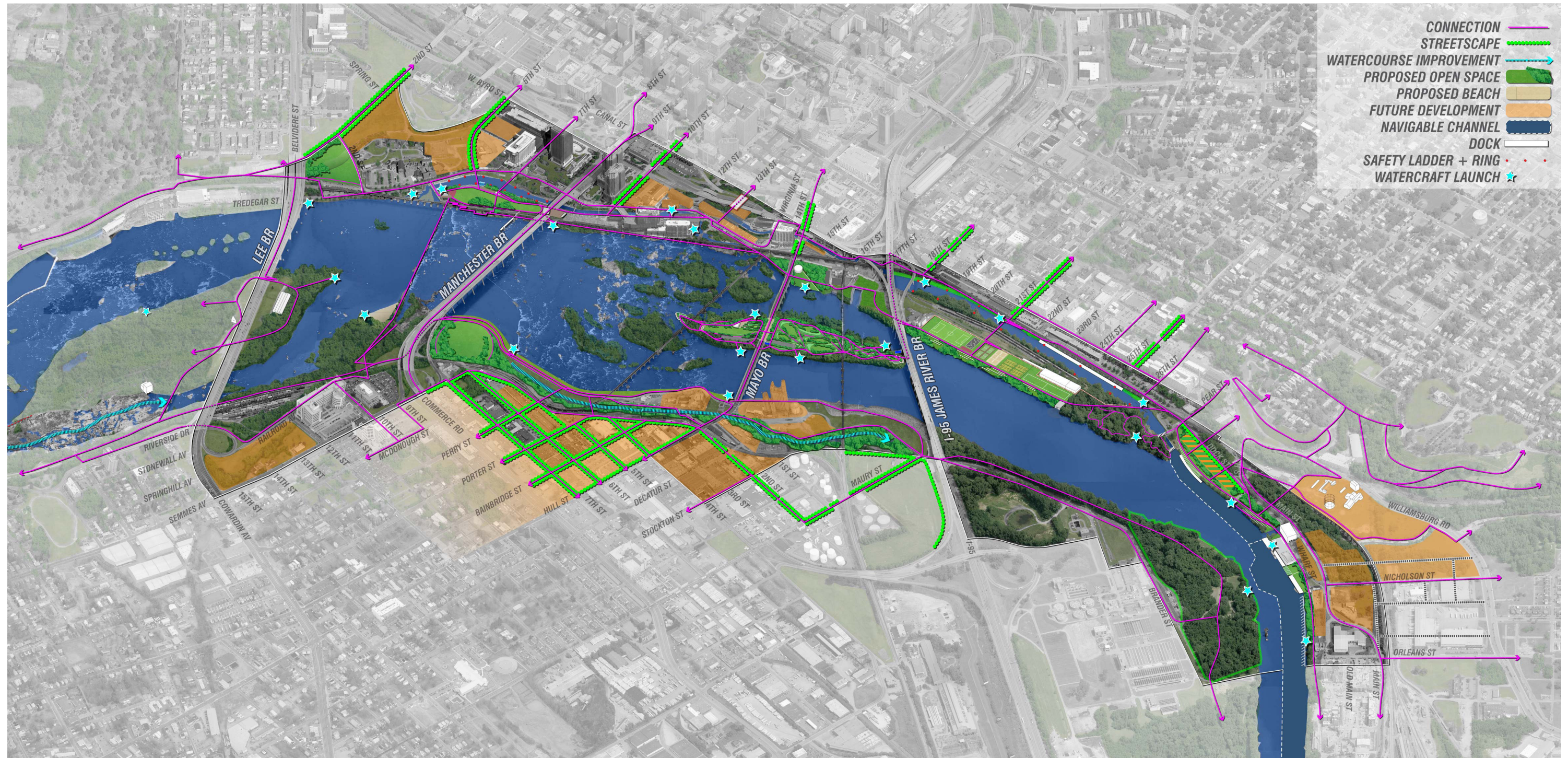


CONCLUSION

The Richmond Riverfront Plan recognizes the value of the existing natural resource that is the James River. The river has endured generations of cultural change and environmental damage. Decades of post-industrial decline and changing market trends have shifted away from the river, allowing for a slow environmental rebound, and an increasing recognition that this river corridor holds great promise for Richmond's future. The natural resource and recreation advocates have collaboratively drawn increasing attention to the James River as a singular landscape coursing through the historic and cultural heart of Richmond, and the Riverfront needs investment to realize the full potential as a regional and national attraction. Building upon the wealth of existing natural, cultural, historic, and recreational resources requires both public and private investment, as well as balanced conservation and development. To paraphrase the mayor of Oklahoma City, the vibrancy of the core is directly proportionate to the quality of life of those outside the core: investing in the James River will catalyze further investment and improvements. Expanding awareness and access to the James Riverfront will draw more visitors and residents alike, strengthening Richmond.

The Richmond Riverfront Plan was sparked by the 2009 Downtown Plan to bring further attention to the Riverfront. This effort has brought further clarity to opportunities and challenges, pointing the way forward for further investigation and action. Among the efforts to engage, in unranked order:

- *Develop the individual priority projects further to refine anticipated capital costs, and construction detailing*
- *Coordinate short- and long-term City infrastructure projects to ensure integrated public access, and cost sharing opportunities*
- *Refine maintenance and operations expectations, prioritizing levels of service and attention for specific Riverfront areas*
- *Initiate preliminary coordination meetings with local, regional, Commonwealth and Federal agencies to ensure smooth transition from planning to regulatory approvals and permitting*
- *Explore acquisition of privately held property with pivotal future Riverfront potential*
- *Investigate strategic potential of applying Commonwealth conservation easements across assorted private and public parcels*
- *Maximize, capitalize and leverage the anticipated media exposure of the 2015 World Cycling Championships to improve the Riverfront*
- *Improve access to the James River with an expanded diversity of types and locations, particularly emphasizing access enabling physical touching, entering or moving across the water sheet, and recreational watercraft access in the canals*
- *Accelerate comprehensive reform and coordination of downtown parking policies, including lots, garages, and on-street spaces to open up an ample supply to meet peak Riverfront demands*
- *Encourage private investment in properties that reinforce public access to and along the Riverfront*
- *Adopt a coordinated branding and wayfinding system to replace the multiple systems now in place, effectively rebranding the Riverfront identity as a singular landscape*



- CONNECTION ———
- STREETSCAPE - - - - -
- WATERCOURSE IMPROVEMENT →
- PROPOSED OPEN SPACE ■
- PROPOSED BEACH ■
- FUTURE DEVELOPMENT ■
- NAVIGABLE CHANNEL ■
- DOCK ▭
- SAFETY LADDER + RING •••
- WATERCRAFT LAUNCH ★

RICHMOND RIVERFRONT PLAN A SINGLE, UNIFIED, COHESIVE SYSTEM



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