

June 23, 2009

Statement by the Shockoe Center
and Boulevard Development Teams

Our team has made the difficult decision to suspend our involvement in the Shockoe Bottom/Main Street Station and the Boulevard projects. We have carried these projects as far as our collaborative team can under the present circumstances.

For the past two-and-a-half years, our team, led by Highwoods Properties as the Master Development Advisor, has been focused on developing a plan to revitalize two underdeveloped areas of our City, Shockoe Bottom and the Boulevard. We believe the revitalization of these two areas would bring approximately \$800 million of new economic development to our community and would be a significant tax revenue generator in our City for generations. Unfortunately, discussion of these opportunities was overshadowed by the debate over a ballpark.

The Davenport study validated our fundamental premise that a self-financing ballpark in Shockoe Bottom, supported by TIF revenue from surrounding private development, is *highly feasible*. Davenport also found, as we have said consistently, that such a plan is not possible in *today's* revenue bond market. We are convinced, however, that the coming economic recovery would allow revenue bonds to be sold *without* the City's general obligation backing, possibly as early as next year. We have always maintained that the City's debt capacity should be used for public projects like schools, streets, and a new jail, and *not* for a new ballpark.

Since presenting our conceptual plan in response to a City RFP to redevelop Shockoe Bottom in October 2007 and the subsequent response to a second RFP for the Boulevard, there have been many changes impacting our proposals, principally high speed rail and the baseball team ownership. In our opinion, the most exciting change is the prospect for high-speed rail at Main Street Station. We agree with City leaders that this is a significant economic opportunity for Shockoe Bottom and the City of Richmond.

Further, the good faith effort by a group of local investors to buy a baseball team did not succeed. That has fundamentally altered the way minor league baseball will now return to Richmond. The City will need to negotiate directly with any new team owner on such issues as location, timing and financing of a new ballpark.

Our plan proposed a Transit-Oriented Development in Shockoe Bottom that could accommodate a major GRTC presence. We reached an agreement in principle with GRTC on utilizing the Train Shed for its bus Transfer Center; both groups (the development team and GRTC) made concessions to enable this agreement. While there is no conflict between high-speed rail and the proposed Shockoe Bottom project, it is unclear if it will be possible to accommodate both high-speed rail and a major bus Transfer Center that would serve half of GRTC's routes from the Train Shed.

Another of our key components for Shockoe Bottom was respecting the African American historic and cultural heritage opportunities by making them integral features of the proposed development. While the Slave Trail Commission's vision was not made public, we understood the outline of its property interests and we adjusted the boundaries of the project to enable the preservation of this important area.

We believe heritage is compatible with baseball, high-speed rail, and some level of bus transit. However, all of these issues require further research and important decisions must be made by all stakeholders before the private sector can be truly effective in the process.

We continue to believe that both Shockoe Bottom and the Boulevard area hold enormous untapped potential for economic and community enhancing development. It was an honor to have been selected to lead this effort to bring large-scale, private development back into our City in these two under-performing gateway areas.