

# Navy Hill: What Went Wrong?

A majority of City Council believes that Richmonders want the city to focus on our biggest problems.

by Richard Meagher

**I**n late 2017, Richmond Mayor Levar Stoney triumphantly announced “the largest economic development project in the city’s history.” The billion-dollar Navy Hill development would transform downtown, adding new apartments and offices, retail shops and restaurants, and a brand-new Richmond coliseum.

Two years later, the project is all but dead. What happened?

The apparent death blow came from City Council, whose approval the mayor needed to make Navy Hill a reality. At the Jan. 27 meeting, five of the city’s nine council members introduced a resolution asking Stoney to withdraw the Navy Hill proposal and start over.

The council resolution contained at least four major complaints.

## 1. Navy Hill arose out of a flawed process.

According to the resolution, the mayor rushed the proposal process, only allowing 92 days for developers to respond. More importantly, the city tailored its request for proposals to the Navy Hill development group’s plans, which were already in place long before the request was issued.

The developers tried to gin up the appearance of public support by flooding the internet with ads, possibly even paying residents to attend a council meeting. The resolution’s authors seemed to realize that much of the support claimed by the developers actually came from people with financial stakes in the project.

While the council resolution didn’t name him, the development proposal process did not reflect civic needs so much as the interests of one man in particular: Navy Hill’s leader and Dominion Energy’s chief executive, Tom Farrell, who has been arguing for a new Richmond arena for almost a decade.



The resolution calls for better planning and real public input. Council especially seems to want to connect any development with the city’s Richmond300 planning process, which does a much better job of gathering community ideas and needs than Navy Hill ever did.

## 2. Navy Hill’s benefits aren’t so beneficial.

The council resolution reflects concern over some of the supposed benefits of the project, especially its affordable housing component. The Stoney administration negotiated the addition of affordable housing units to the deal, but council wants tougher requirements built directly into a new request.

The Navy Hill math on affordable housing was always fuzzy, with the originally 600 units now down to around 280 with some 200 additional units. Few of these units would be accessible to low-income residents, thanks to the generous way developers calculate affordability. New market-rate apartments already are being built in downtown that would rent at the same rates.

Other supposed benefits were not mentioned in the resolution, but many of these were of questionable worth to the proposal. For example, if there is such a strong business case for more convention space, it seems like developers should be lining up to build a convention hotel no matter whether a new arena pops up down the street or not.

## 3. A new coliseum may not be necessary.

The developers and city administration have argued from the beginning that a

new arena would have synergistic effects on the downtown area: Restaurants and retail spending, increased hotel stays and occupants of new offices and apartments would bring in more than enough tax revenue to cover the costs. Critics, myself included, are skeptical of these claims, citing economists and similar developments in other cities that have not produced the promised revenues. One thing even the developers admit is that arena revenue alone is nowhere near enough to cover construction costs, so a new coliseum requires a hefty public investment.

The council resolution acknowledges this skepticism by making the new coliseum optional. It calls for a proposal request that lets the city see if alternative visions of downtown development — that is, those without a costly arena rebuild — can offer a better return on investment for the city.

## 4. The costs are too high.

The plan controversially uses tax-increment financing to pay for arena construction. Such funding can be a useful development tool for cities — when properly implemented, it merely uses future revenue from a construction project to pay for that project, at no current cost to the taxpayer.

But the arena-construction project is so expensive that the Navy Hill version had to draw on tax revenue from existing properties, thus robbing the general fund of money that would otherwise go to schools, salaries and other city priorities. Even if the developers were successful getting the General Assembly to throw state sales taxes into the deal, the project hinged on using revenues from properties outside of

the development area, especially a newly built Dominion Energy tower.

The council resolution calls for any tax-increment funding to instead be limited to the development area. Plus council wants to appraise the land that the city was essentially going to give away to the Navy Hill developers. City residents cannot know how much the project would actually cost unless we know how much we would gain from just selling the land slated for development.

**W**hile the developers did all they could to bring public pressure to bear on the City Council, none of it seems to have overcome the skepticism of a majority of council or constituents. What happens next is anyone’s guess. The council may have asked the mayor to withdraw the proposal, but he initially refused to do so. We still may see a vote. Also, we still may see some tinkering to the proposal that helps it rise from the dead. But with five of nine council members clearly opposed to Navy Hill, the math is against it.

One thing is clear: a majority of City Council believes that Richmonders want the city to focus on our biggest problems, and not the next big, shiny project.

The mayor appears to have believed otherwise and now he’s paying the price. **S**

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COMMENTARY

# Slow Change

This year's City Council elections may seem like a lost opportunity.

by Richard Meagher

As we approached this year's elections for Richmond City Council, it felt like change was in the wind. And yet now that the votes have been counted, the results suggest that not all that much is different.

Blue wave elections over the past few years brought young reform candidates to the state legislature. Many Richmond residents, including me, wondered if similar changes would come to the council this year. The big question was whether existing political machines were strong enough to withstand challenges from the city's growing progressive coalition.

The answer was a resounding yes. Every incumbent who ran for re-election won.

Cynthia Newbille and Ellen Robertson fended off challenges from young progressives, and it wasn't even close. I actually thought Robertson would be more vulnerable since this was her second time in a row facing a young upstart, but she got a higher percentage of the vote in her district than the safer Newbille. And in the city's most hotly contested and expensive race, long-time incumbent Reva Trammell survived an almost-maniacal campaign from local entrepreneur Amy Wentz.

Challengers likely were hurt by the pandemic. Some national pundits are attributing the disappointing results for Democrats in congressional races to the coronavirus, as tra-  
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## **Elections** *from page 2*

ditional outreach like door knocking and rallies were limited by those willing to follow pandemic guidelines. Here in Richmond, council candidates were more active door knockers, but it's still hard to get your face out in the district when that face is masked. At the same time, the still-robust political networks and institutions that helped return Mayor Levar Stoney to office helped council incumbents retain their seats.

There will be new faces on the council, with Katherine Jordan – pending some vote discrepancies – and Ann-Frances Lambert taking over vacated seats. As The Richmond Times-Dispatch recently noted, their victories mean 2021 will feature a record number of women on the council with seven. Both candidates are relative unknowns, although Lambert comes from a political family and used the same networks as incumbents did to win. As a result, Jordan is the safer bet to be more reform-minded, possibly in the mold of 5th District representative Stephanie Lynch, who easily won her second election in two years. Still, both are newcomers and, even if Lambert joins them, are far from a majority on the council.

Replacing the outgoing Kim Gray and

Chris Hilbert with change-oriented legislators may make for some more active policymaking. There are no clear ideological factions. Pragmatic figures like Kristen Larson, Andreas Addison and especially Mike Jones can be recruited for specific issues. Jones particularly has been an outspoken advocate of policing reform, and it will be interesting to see how new voices affect the currently divided vision of how to proceed.

Gray seems to be doing her best to highlight what new voices could mean. At the last meeting, she and Trammell voted against maintaining the city's property tax rate. This rate is currently at a historic low, but an austerity-minded state law requires the council to actively vote for it each year or it reverts to an even lower rate, which would require drastic cuts to existing city services. Gray's vote was largely symbolic, but it suggests a model of governing that avoids active problem solving.

This episode underscores why this year's elections may seem like a lost opportunity. A stronger, more active legislative branch would help in a city where our arcane election rules produce a mayor supported by barely a third of the electorate. Stoney's victory is legitimate

based on current rules – a statement that, unfortunately, needs to be emphasized thanks to our current national conversation about elections, but does not offer a clear mandate. Our legislative representatives, elected by majorities in each of the city's districts, are supposed to better reflect the will of the people. But the culture of the current council seems to produce members inclined to interpret this will very narrowly, often directed towards the interests of the loudest – and wealthiest? – voices in their district.

And so the return of most of the current council suggests another four years of deferring to the city's executive branch for policymaking direction. As their defeat of the Navy Hill development project showed, there are worse things than having a council that acts as a check on the mayor's power. But those unhappy with Stoney's leadership might wish for a more active voice countering his priorities.

Council, like the city, is changing, but slowly. It may take another four years before we see a more active policy voice coming out of the legislative chambers. We might sum up the results of the election as “meet the new boss, same as the old boss” – only there's not likely to be a lot of bossing.

A stronger, more active legislative branch would help in a city where our arcane election rules produce a mayor supported by barely a third of the electorate.

# Danger to Democracy

Absentee ballots will help, but the coronavirus still threatens the health of our elections.

by Richard Meagher

**W**hen it comes to challenging our way of life, COVID-19 has a little something for everyone. The global pandemic threatens public health, obviously. But the resulting quarantine also has produced widespread unemployment, endangered small businesses and undermined the goals of public education. The virus even has further hardened the ideological and partisan divides in our country as the crisis has become more politicized.

Let's add one more possible victim to the list: the health of our democracy, both here in Virginia and in America as a whole.

It may be hard to remember, but this is a presidential election year. The polarizing Donald Trump presidency has driven turnout way up in recent elections, both local and national. Yet the Virginia Department of Elections reported an almost 75% drop in April voter registrations as compared to 2016. Americans already vote at extremely low levels compared to other democracies. When going out in public is dangerous, the decision to vote becomes even less likely.

The turnout drop may already have affected local elections in hundreds of towns across Virginia. While these elections were originally scheduled for early May, Gov. Ralph Northam delayed them the maximum two weeks he could by law to try and encourage more absentee voting. The governor had asked the General Assembly to move these elections all the way to November. But the Senate refused to do so during its April session, with Republicans especially reiterating the usual defense of spring elections: Let's keep them separate from national politics. For example, GOP Sen. Mark Obenshain warned against "subordinat[ing] local issues to the furor and din of a Presidential election."

I am not a big fan of these arguments. Keeping out partisanship in our current polarized environment is a fool's errand.



Last fall we even had a self-declared Trump Republican candidate for Washington County commissioner of the revenue, whatever that is. Plus anything that makes people less likely to vote is an obstacle to a functioning, participatory democracy. The lack of partisan cues in local elections makes it even harder for voters to know how to choose. I would worry more about partisanship and national influence if turnout wasn't criminally low in off-month, local elections.

The good news is that while the state legislature ignored the governor's call to fix the spring elections, it had already done a lot to make voting easier earlier this year. During the regular session, the Democrat-controlled assembly made Election Day a holiday, repealed the unnecessary voter ID requirement, and -- most importantly for the current crisis -- allowed no-excuse absentee voting. Salem, which holds its city council elections this spring, has seen more absentee ballot requests than total voters for the last election. So these reforms may help offset the quarantine's effects on turnout.

Not everyone is as hopeful, though. Republicans have argued that the Democratic reforms also promote voter fraud. House Minority Leader Todd Gilbert told voters this month that "the integrity of the

system is put in peril" by increased absentee voting. Republicans across the country have made similar claims about ballot access for years, despite the lack of any evidence for voter fraud beyond the rare isolated incident. And during a quarantine, the GOP is only hurting itself by telling voters not to trust absentee ballots: For many folks, that's the only safe option for voting.

And make no mistake: In a state where the Republicans are already facing an uphill battle against an ongoing Blue Wave, the quarantine hurts their party much more than their opponents.

Take one prominent local race: the 7th Congressional District, where first-time incumbent Abigail Spanberger was set to face a tough opponent in a purple district. But the quarantine has made it difficult for her main challengers, Delegates Nick Freitas and John McGuire, to raise money and campaign. The party had to postpone a district convention, so the delegates are still concentrating on each other instead of Spanberger.

Sen. Mark Warner is another winner here. Even before the pandemic, the most prominent Republican to announce a run against him was former Rep. Scott Taylor. But Taylor reconsidered, thinking it better to try to win back his old House of Representatives seat than to take on a Democratic

senator in an increasingly blue state. Now the winner of the Republican primary will be a little-known candidate who has had to build name recognition and campaign funds during a quarantine. Despite an extremely narrow victory in 2014, Warner was always going to be tough to unseat. The pandemic might have made it impossible.

In general, any kind of limits on campaign activity can only help incumbents. Spanberger, Warner and other folks in office can act officially, stockpile cash and wait for the race to really start. This is great if you like the incumbents, but it's not so great for democratic participation and a functioning electoral system.

Absentee ballots will help. Republicans encouraging their voters to use them instead of fearmongering about fraud might help even more. When it comes to meeting the challenges brought on by the pandemic, it will take all of us to preserve not just public health, but our democratic health as well. **S**

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