



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

REVISED

MUNICIPAL BUILDING

September 21, 2021

7:00 P.M.

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS: James B. Buckner
L.G. "Larry" Campbell, Jr.
Bryant Hood
Barry P. Mayo

Dr. Gary P. Miller, Vice Mayor
Sherman M. Saunders
J. Lee Vogler, Jr.,
Madison J. Whittle

STAFF: Ken F. Larking, City Manager
Earl B. Reynolds, Jr., Deputy City Manager

W. Clarke Whitfield, Jr., City Attorney
Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting

The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors

Communication from Visitors is an opportunity for citizens to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address. Each individual speaker shall have five uninterrupted minutes. A representative of a group may have up to ten uninterrupted minutes to make a presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There

shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - J. Lee Vogler, Jr.

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITION

Proclamation:	CROP Walk
Presented to:	Sherri Tuck Danville Area CROP Hunger Walk
Proclamation:	National Adult Education and Family Literacy Week
Presented to:	Danville School Board
Proclamation:	Constitution Week
Presented to:	Dawn Davis, Regent Dorothea Henry Chapter Daughters of the American Revolution
SOVAH Update	Alan Larson, CEO SOVAH Danville
Virginia Cooperative Extension	Daniel Hale, Extension Agent, 4-H Youth Development Introduction of New City of Danville Extension Agent

COMMUNICATIONS FROM VISITORS

Citizens who desire to speak on matters not listed on the agenda will be heard at this time. Citizens who desire to speak on agenda items will be heard when the agenda item is considered.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

- A. Public Hearing
- B. Consideration of Approval of the Minutes from the Regular Council Meeting held on August 17, 2021.
Council Letter Number CL - 2626.

- C. Consideration of the Fiscal Year 2022 Aviation Promotion Grant.
Council Letter Number CL - 2606.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for a State Department of Aviation Grant for the Purpose of Providing Funding to Promote Aviation Awareness at the Danville Regional Airport in the Amount of \$7,500 and for the Local Share in the Amount of \$7,500 to be Provided by the General Fund Support of Grants for a Total Appropriation of \$15,000 and Appropriating Same.

FINAL ADOPTION

- D. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for a Virginia Commission for the Arts Grant.
Council Letter Number CL - 2608.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for a Virginia Commission for the Arts Grant in the Amount of \$4,500 and Local Share in the Amount of \$5,000 for a Total of \$9,500.

FINAL ADOPTION

- E. Consideration of Amending the Fiscal Year 2022 Budget Appropriation for Economic Development Incentives.
Council Letter Number CL - 2614.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance for One Tobacco Region Opportunity Fund Grant from the Virginia Tobacco Region Revitalization Commission in the Amount of \$330,000 and One Tobacco Region Opportunity Fund Loan from the Virginia Tobacco Region Revitalization Commission in the Amount of \$330,000 for a Total of \$660,000 as Economic Development Incentives for Taxable Capital Investments and Job Creation in the Commonwealth of Virginia.

FINAL ADOPTION

NEW BUSINESS

- A. Review of General Fund Financial Results as of August 31, 2021.
Council Letter Number CL - 2602.

- B. Consideration of an Amendment to the Grant Agreement with River District Development and Approval of Lease Agreements.
Council Letter Number CL - 2635.

1. A Resolution Approving and Authorizing a Third Amendment to the Grant Agreement by and Among, the City of Danville, Virginia, River District Development, LLC, and the Industrial Development Authority of Danville, Virginia.
2. A Resolution Approving and Authorizing a Real Estate Purchase Option Agreement for Acree's Warehouse and 317 & 319 Craghead Street by and between the Industrial Development Authority of Danville, Virginia and River District Development, LLC, with the City of Danville, Virginia Joining in Said Agreement to Evidence its Consent and Agreement to Certain Rights and Obligations of the Real Estate Purchase Option Agreement, Including the Form of the Lease Agreement with the City Attached Hereto.

3. A Resolution Approving and Authorizing a Lease Agreement By and Between the Industrial Development Authority of Danville, Virginia and River District Development, LLC, with the City of Danville Virginia Joining in Said Lease to Evidence its Consent and Agreement to Certain Rights and Obligations of the Lease Agreement.

C. Consideration of Approving Resolutions of Support to the Virginia Department of Transportation for Project Funds for Fiscal Year 2027 and Fiscal Year 2028.
Council Letter Number CL - 2598.

1. A Resolution of the City Council of the City of Danville, Virginia Endorsing Richmond Boulevard Pedestrian Access.
2. A Resolution of the City Council of the City of Danville, Virginia Endorsing Replacement of Structure 1816 on Riverside Drive Over Apple Branch.

D. Consideration of Approving Resolutions of Support to the Virginia Department of Transportation for Transportation Alternative Program Funds for Fiscal Year 2023 and Fiscal Year 2024.
Council Letter Number CL - 2599.

1. A Resolution for the City Council of the City of Danville, Virginia Endorsing Construction of Kemper Road Sidewalks Phase 2.
2. A Resolution for the City Council of the City of Danville, Virginia Endorsing Construction of Pedestrian Improvements at Piney Forest Road and Arnett Boulevard.

E. Consideration of Canceling the October 5, 2021 City Council Meeting.
Council Letter Number CL - 2630.

A Resolution Canceling the Regular Meeting of City Council Scheduled for Tuesday, October 5, 2021 and Scheduling a Special Meeting of City Council on Thursday, October 7, 2021.

F. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for the DMV Highway Safety Selective Enforcement - Alcohol Grant Program in the Amount of \$18,570.
Council Letter Number CL - 2611.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Increasing Revenue from Virginia Department of Motor Vehicles Highway Safety Selective Enforcement – Alcohol Grant Program in the Amount of \$18,570 and Appropriating Same.

FIRST READING

G. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Virginia Department of Motor Vehicles Highway Safety Office Enforcement - Speed Grant Program.
Council Letter Number CL - 2612.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Increasing Revenue from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement – Speed Grant Program in the Amount of \$9,100 and Appropriating Same.

FIRST READING

- H. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Virginia Department of Motor Vehicles Occupant Protection Grant.
Council Letter Number CL - 2613.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Increasing Revenue from Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement – Occupant Protection Grant Program in the Amount of \$5,250 and Appropriating Same.

FIRST READING

- I. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Older American Act Grant Funds.
Council Letter Number CL - 2625.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Increasing Certain Revenues to Provide for Title III-B Grant Funds and Local Share for Senior Citizen Transportation Services and Appropriating the Same.

FIRST READING

- J. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Grant Funds from the Virginia Department of Emergency Management.
Council Letter Number CL - 2605.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for a Grant from the Virginia Department of Emergency Management in an Amount of \$102,200 and a Local Share in the Amount of \$37,800 for Equipment Upgrades to the Emergency Management Shelter for a Total Appropriation in the Amount of \$140,000, and Appropriating Same.

FIRST READING

COMMUNICATIONS FROM:

- A. City Manager
- B. Deputy City Manager
- C. City Attorney
- D. City Clerk
- E. Roll Call

ADJOURNMENT

Council Letter

City of Danville, Virginia



CL-2626

Consent Agenda B.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

Consideration of Approval of the Minutes from the Regular Council Meeting held on August 17, 2021.
Council Letter Number CL - 2626.

Attachments

Meeting Minutes

August 17, 2021

The Second Regular August meeting of the Danville City Council was held on August 17, 2021, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

Staff Members present were: City Manager Ken F. Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi.

INVOCATION

The Invocation was given by Sherman M. Saunders, followed by the Pledge of Allegiance.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Jones recognized members of American Legion Post Auxiliary 1097, who presented a 9/11 Freedom Flag to the City of Danville in memory of those who lost their lives. Council Members thanked Post 1097 members for coming to Council and for the Freedom Flag.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Crystal Cobbs, representing Black Brand Dan River Region, and introduced members Cynthia Terry, Petrina Carter and Lashawn Farmer. Ms. Cobbs noted the month of August was National Black Business Month, highlighting the role of African American businesses to the black community and overall national economy. Black Brands was a black chamber of commerce throughout Hampton Roads and the Dan River Region, and they were actively recruiting members to reach their goal of 100 founding members in the next ninety days. Citizens who were interested can visit their website at www.blackbrand.biz, or call 434-421-5040.

Mayor Jones recognized Tommy Bennett, President of the Danville Chapter of the NAACP, who thanked the Mayor and Council members who attended the funeral of Norma Brower in Atlantic City, and thanked Deputy City Manager Earl Reynolds for reading the Resolution at the funeral. Mr. Bennett introduced Ms. Brower's sister, and noted Ms. Brower's memorial service for Danville will be at 11:00 a.m. on August 28th in the field of Westmoreland.

Mayor Jones recognized Louis Garnett, 607 Fairhaven Circle who stated about four months ago there was a small altercation at his house, he had to take an ambulance and a charge was put on his child which should not have been there; the charge was dismissed. Mr. Garnett voiced his complaints against the prosecutor on this case.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding the Budget Appropriation Items. Notice of the Public Hearing was published in the *Danville Register & Bee* on August 10, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Vogler **moved** for adoption of the following Consent Agenda items:

Approval of Minutes from Regular Council Meeting and Regular Work Session held on July 20, 2021. Draft copies of the Minutes had been distributed prior to the meeting.

August 17, 2021

Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Additional State Aviation Funding

An Ordinance entitled, Ordinance No. 2021-08.03, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for Additional State Aviation Funding for the Purpose of Completing Design Services to Develop an Aircraft Parking Ramp and Automobile Parking Lot for Future Corporate Hangar Development in the Amount of \$71,116 plus Local Share in the Amount of \$17,779 to be Provided by a Transfer from the Support of General Funds and Appropriating Same.

Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance in the Amount of \$200,000 for the Purchase of 53.45 Acres at Anglers Park

An Ordinance entitled, Ordinance No. 2021-08.04, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for an Award from the Virginia Outdoors Foundation in the Amount of \$200,000 for the Purchase and Development of 53.45 Acres at Anglers Park and Appropriation of Same.

Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Economic Development Incentives in the Amount of \$1,025,000

An Ordinance entitled, Ordinance No. 2021-08.05, Amending the Fiscal Year 2022 Budget Appropriation Ordinance for One Commonwealth Opportunity Fund Grant from the Virginia Economic Development Partnership in the Amount of \$135,000, Two Tobacco Region Opportunity Fund Grants from the Virginia Tobacco Region Revitalization Commission in the Amounts of \$350,000 and \$270,000, and One for a Total of Tobacco Region Opportunity Fund Loan from the Virginia Tobacco Region Revitalization Commission in the Amount of \$270,000 for a Total of \$1,025,000 as Economic Development Incentives for Taxable Capital Investments and Job Creation in the Commonwealth of Virginia.

The Motion was **seconded** by Council Member Mayo and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

APPOINTMENTS

Vice Mayor Miller **moved** for adoption of the following Appointment Resolutions:

Resolution No. 2021-08.03 – Reappointing Janet Gwynn to the Community Improvement Council.

Resolution No. 2021-08.04 - Appointing Kasey Cunningham to the Community Improvement Council.

Resolution No. 2021-08.05 – Appointing Sonja Ingram to the Commission of Architectural Review to fill an Unexpired Term.

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Resolution No. 2021-08.06 – Appointing Kathryn Waters to the Commission of Architectural Review to fill an Unexpired Term.

Resolution No. 2021-08.07 – Appointing Carolyn Evans to the Danville Pittsylvania Community Services Board.

The Motion was **seconded** by Council Member Campbell and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL RESULTS AS OF JUNE 30, 2021

Director of Finance Michael Adkins reviewed the General Fund results noting the City's fiscal year ended on June 30th. There were still some small items staff cannot adjust until the end of August but feels they have made all the significant adjustments for the fiscal year. It should not change a lot from where they were now.

General Fund Revenues performed very well, ending the year at 101% of budget; that extra percent gave the City \$1.3M more than they had budgeted in revenues for the year. The two main categories seeing the overages were in property taxes and local consumer taxes. Property taxes came in at about \$1.2M over budget; that was split between Real Estate and Personal Property. Real Estate came in at about \$450,000 over budget. Staff did anticipate some increase in property values; they increased about a percent more than anticipated. With Personal Property, speaking to the Commissioner of Revenue, a lot of vehicles held their value, and did not depreciate as much as they usually do. This was probably related to the pandemic and automotive production, and resulted in \$750,000 more in overall budget. Also related to that was the delinquent collection of Personal Property; the City has used an outside collection agency for about a year and half now for personal property, and that has brought in some additional revenue.

Under Local Taxes, Sales Tax outperformed budget for most of the year. This was due to the State's enforcement of sales tax on on-line sales and the City generated about \$1M more than they budgeted from this past year. Despite the pandemic, Meals Tax actually exceeded target by \$244,000; this may be in direct relation to the capacity limits being opened up for restaurants towards the end of the fiscal year. There was also a surge in Recordation Taxes; some corporate entities in the City took advantage of lower interest rates and did some refinancing. When they do that and it was linked to property, they have to file documents with the Courts; the City saw that happen which drove up the Recordation income. Business Licenses exceeded budget by \$163,000 and Bank Stock Taxes also exceeded budget by \$110,000. Lodging was really the only local tax that was significantly below budget, but not by quite as much as staff thought it would be. By the end of the year, the City was only \$87,000 under budget for lodging; that has been doing well since and staff had good expectations for the current year.

As far as shortages in revenue, the Charges for Services were running short, about \$700,000 under budget; the primary two places this was seen was in Parks & Recreation, they were not able to offer as many opportunities for the community this past year, and the lower census seen at the Adult Detention Facility and the Juvenile Detention Facility. In both cases, there was less

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revenue, but less costs involved as well. State Aid was short in the Department of Social Services, that was a reimbursement issue; the more that was expended in Social Services, the more the State reimburses. The only other item was Interest Earnings; interest rates have fallen quite a bit over the last couple of years. When staff prepared the FY 2021 budget, they assumed a half a percent interest rate on CDs and bonds they invest in; in reality that rate was between .1 and .3%, lower than they anticipated. In total, the Revenues came in \$1.3M over budget.

On the Expenditure side, in total, they expended about 90% of budget, which was quite a bit less than usual; the driving force behind that was schools. They had limited face to face instruction, so they did not need to draw down the budgeted funding from the City as quickly as usual; they drew down about 75% during the fiscal year. They do have purchase orders that were issued in FY21, they will be paid for in July or August or subsequent months; once that was in, they will have spent about 86% of their budget for last year. The City does allow the schools to carry this money over, so they will be using that for immediate capital and operating needs; that money does not fall into the City's unassigned fund balance. Most of the City departments expended about 95% of their budget which was lower than normal; normally they spend about 98% of budget. There were two exceptions, Parks & Rec's expenditures were about 85% of budget and Social Services was also about 85% of budget. Once they weigh in the extra revenue and the reduction in spending, the City ended up with a surplus; Mr. Adkins estimated adding \$725,000 to the Unassigned Fund Balance. This will bring the City up to about \$34M in the unassigned fund balance; the original budget had the City drawing from the Unassigned Fund Balance. Regarding Fund Balance, that was about 30% of their annual budget; their policy was a minimum of no less than 20%, but having it above that mark plays well with the credit rating agencies. The voters will be deciding this fall about the 1% sales tax option and the borrowing for school's capital improvements. The City may want to consider raising the fund balance policy sometime in the future, if the City can sustain this level. That would help offset the extra debt the City will be taking on, if it was approved by the voters. It would score well with the credit rating agencies; it would at least keep the City where it was and may help to increase the credit rating in the future.

CONSIDERATION OF ADOPTING A CITIZEN PARTICIPATION PLAN

Council Member Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2021-08.08

AUTHORIZING THE CITY TO ADOPT A CITIZEN PARTICIPATION PLAN.

The Motion was **seconded** by Council Member Mayo and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

APPROVAL OF THE APPOINTMENT OF DEPUTY CITY CLERKS FOR THE DANVILLE CITY COUNCIL

Council Member Vogler **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2021-08.09

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A RESOLUTION APPOINTING W. CLARKE WHITFIELD, JR., AND AMANDA ALLEN AS DEPUTY CITY CLERKS FOR THE CITY OF DANVILLE, VIRGINIA.

The Motion was **seconded** by Council Member Buckner and carried by the following vote:

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

AUTHORIZING AND APPROVING THE VIRGINIA ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING

Council Member Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2021-08.10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING AND APPROVING, AND CONFIRMING AUTHORIZATION AND APPROVAL, OF THE VIRGINIA ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING

The Motion was **seconded** by Council Member Campbell and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, and Vogler (8)
NAY: Whittle

COMMUNICATIONS

City Manager Ken Larking stated regarding the Census information that came out recently and was reported in the paper, the population for the City of Danville did decrease, but nowhere near what it was projected. He thinks that was a testament to the things the City was doing in the community and would like to thank Ken Gillie, the Community Development Director. He was the representative from the City, with a lot of help from his team, who reached out to neighborhoods and helped them with their census forms. Mr. Larking thanked the community for taking the time to fill out their forms; he understands there were some under counts in certain neighborhoods, so there was work to be done. Based on the data the City received, he feels they have flattened out and were on a path to having an increased population for the next census. Mr. Larking thanked all those involved for their work.

There were no communications from the Deputy City Manager, City Attorney or City Clerk.

Vice Mayor Miller noted most of that population loss occurred after the loss of Dan River; in the last few years the City has held its own. Every indicator says that with all the industry coming in, they will be attracting more people to come live here; he predicts a big increase over the next few years. Dr. Miller noted there were fourteen people in intensive care on ventilators, twelve have COVID and none vaccinated. Dr. Miller encouraged citizens who haven't gotten the vaccine to get it now.

Council Member Saunders asked citizens to remember Officer Bonnie Jones, and her family. Mr.

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Saunders noted he has heard about booster shots for COVID and qualifying for those boosters, and if they become available he would encourage those eligible to receive the booster. Mr. Saunders encouraged citizens who haven't had the vaccine to get it.

Council Member Vogler noted his agreement with what has been said regarding COVID. He got his vaccine this year and strongly encouraged citizens to get it. He has not regretted getting the vaccine, if there was a booster shot, he will get that as well.

Council Member Campbell noted he has repeated his story many times, to have experienced having the virus, feeling you were going die and in the process of being sick, never seeing his wife again, that she was gone. He has heard Council Members many times encouraging people to get the vaccine and he encouraged everyone to get it to protect themselves, their family and friends.

Council Member Hood acknowledged the school board and administration, keeping the students safe during this first week of school and encouraged people to keep them in prayer; these were difficult times. The Southside Area Tennis Association has sign ups for tennis teams, the deadline was August 23rd, and league dates are from September 9 through October 24th, from 6:30 to 8:00 p.m., Thursday evenings at the GWHS.

Council Member Mayo noted his agreement with Council Members; hearing stories of people getting COVID, and others dying, if citizens haven't taken the vaccine, they need to get it. These were trying times, and he continued to pray for the schools. Mr. Mayo noted it was good to see Ms. Brower's sister at Council, they will all miss Norma Brower.

Mayor Jones noted Ms. Cobbs' group, Black Brand, if citizens want to join, go to www.BlackBrand.biz or call 434-421-5040. Mayor Jones encouraged citizens to keep Officer Bonnie Jones in their prayers; their prayers and thoughts were with her and her family. He and Mr. Buckner had an opportunity to be at the schools, went to GLH Johnson, and they had a great time greeting the children coming back to school. Mayor Jones encouraged citizens to apply to serve on City Boards and Commissions, and also to get the COVID vaccine. Mayor Jones thanked all the city staff for all they do.

ADJOURNED: 8:10 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2606

Consent Agenda C.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Aviation Promotion Grant

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: 09/07/2021

Final Adoption 09/21/2021

SUMMARY

The Virginia Department of Aviation has approved an Aviation Promotion grant to support an Airport Open House and Young Eagles Rally for children at the Danville Regional Airport. The event is scheduled for Saturday, October 30th, 2021.

Young Eagle rallies are completed nationwide by local aircraft chapters, that offer children ages 8 to 17 the opportunity to complete a free plane ride. The last rally held at the airport occurred in 2019.

The Young Eagles event will be held in conjunction with Airport Open House activities including a program provided by the Danville Science Center. In addition, tours of the Operations Tower, Civil Air Patrol building and Averett University's Flight Center will be completed. The local match requirement for the Aviation Promotion Grant is \$7,500 that involves a total project budget of \$15,000.

BACKGROUND

The Danville Regional Airport will hold an Airport Open House and Free Fly Day for children on October 30, 2021. An aircraft chapter located in Apex, North Carolina will coordinate a Young Eagles Rally that offers children ages 8 to 17 the opportunity to complete a free plane ride. In addition, facility tours and educational activities will be completed by staff representing the airport, Civil Air Patrol, Danville Science Center and Averett University's Flight Center to facilitate aviation awareness.

An Aviation Promotion Grant has been approved by the Virginia Department of Aviation to provide funding for this special event. Related eligible expenses include refreshments for the public, aviation fuel for pilots offering free airplane rides for children and advertising charges. The Airport Open House and Free Fly Day is scheduled for October 30th, 2021, from 9 am until 2 pm.

RECOMMENDATION

It is recommended that City Council approve the attached Budget Appropriation Ordinance appropriating Aviation Promotion grant funds to support an Airport Open House and Free Fly Day for children at the Danville Regional Airport.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-_____ - _____

AN ORDINANCE AMENDING THE FISCAL FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A STATE DEPARTMENT OF AVIATION GRANT FOR THE PURPOSE OF PROVIDING FUNDING TO PROMOTE AVIATION AWARENESS AT THE DANVILLE REGIONAL AIRPORT IN THE AMOUNT OF \$7,500 AND FOR THE LOCAL SHARE IN THE AMOUNT OF \$7,500 TO BE PROVIDED BY THE GENERAL FUND SUPPORT OF GRANTS FOR A TOTAL APPROPRIATION OF \$15,000 AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended by increasing revenues for a grant from the Commonwealth of Virginia, Department of Aviation, in an amount of \$7,500 for promotion activities at the Danville Regional Airport, and the local share for said grant in an amount of \$7,500 to be provided by the General Fund Support of Grants for an aggregate amount of \$15,000, such funds to be appropriated as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Airport Promotion – 2022 Categorical Aid –State:	61706000-45712	\$7,500
Local Share: General Fund Support of grants	61706000-6101	<u>\$7,500</u>
	TOTAL	<u>\$15,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Outside Services	61706000-52349	\$9,000
Advertising	61706000-52275	<u>\$6,000</u>
	TOTAL	<u>\$15,000</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2608

Consent Agenda D.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Creative Communities Partnership Grant

From: Charlene Presley, Div Director of Special Recreation

COUNCIL ACTION

First Reading: 09/07/2021

Final Adoption: 09/21/2021

SUMMARY

In the past, the City of Danville has participated in the Creative Communities Partnership Grant, formerly known as the Local Government Challenge Grants program, through the Virginia Commission for the Arts. The City has received notification from the Commission that a grant of \$4,500 has been awarded for Fiscal Year 2022.

BACKGROUND

The local match of \$5,000 has been provided in the Fiscal Year 2022 Budget, General Fund Support Grants account. With these funds, assistance is provided to local arts organizations. Some of the local groups that have been assisted under this program over the years include: The Danville Area Choral Arts Society, Danville Art League and River District Association, Danville Concert Association, Danville Museum of Fine Arts and History, and Danville Symphony Orchestra. The advertising for availability of funding and submittal for funding requests will begin immediately. A public notice will be advertised in the Register and Bee on Sunday, September 26, 2021, soliciting applications. Agencies listed above will be sent letters advising them of the funding opportunity and informing them that they must complete an application. The applications are due back no later than October 15, 2021. City staff reviews the applications and makes award recommendations to a local arts grant task force, who vote on the final awards. Award recipients are notified by letter of their grant amount, and funds must be spent prior to June 30, 2022.

RECOMMENDATION

It is recommended that the City Council adopt the accompanying Ordinance providing funds for a Creative Communities Partnership Grant from the Virginia Commission for The Arts, and required share.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A VIRGINIA COMMISSION FOR THE ARTS GRANT IN THE AMOUNT OF \$4,500 AND LOCAL SHARE IN THE AMOUNT OF \$5,000 FOR A TOTAL OF \$9,500.

NOW THEREFORE, BE IT ORDANINED, by the council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues for grant in the amount of \$4,500 from the Commonwealth of Virginia, Virginia Commission for the Arts, and the local share of the grant in the amount of \$5,000, all for its support of the local arts, such funds to be appropriated in the Special Grants fund and to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Virginia Commission for the Arts Categorical Aid-State	60139000-47520	\$4,500
Transfer from General Fund	60139000-6101	<u>\$5,000</u>
	TOTAL	<u>\$9,500</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Virginia Commission for the Arts	60139999-50	<u>\$9,500</u>

AND BE IT FUTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriations Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until thereafter further amended or repealed.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2614

Consent Agenda E.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Economic Development Incentive Appropriation

From: Corrie Bobe, Director of Economic Development

COUNCIL ACTION

First Reading: 09/07/2021

Final Adoption 09/21/2021

SUMMARY

The Virginia Tobacco Region Revitalization Commission (VTRRC) provides incentives for economic development projects resulting in new taxable capital investment and net new employment to the VTRRC footprint.

The City of Danville and Essel Propack (now EPL America, Inc.) executed a Tobacco Region Opportunity Fund performance agreement on December 12, 2018 in the amount of \$330,000. This grant will be provided to the Company in arrears as it meets the performance goals outlined in the agreement.

The City of Danville and Essel Propack (now EPL America, Inc.) will soon execute a Tobacco Region Opportunity Fund loan agreement in the amount of \$330,000. This loan will be provided to the Company in arrears as it meets the performance goals outlined in the agreement.

BACKGROUND

On December 17, 2018, Governor Ralph Northam announced that Essel Propack of America, LLC would invest \$31.2 million and create 45 new jobs in the Airside Industrial Park to expand its manufacturing operations. The business is a global specialty packaging company serving the consumer goods and pharmaceutical sectors.

RECOMMENDATION

Staff recommends that City Council approve the attached Ordinance Amending the Fiscal Year 2022 Budget to anticipate revenues from grant and loan funds from the Virginia Tobacco Region Revitalization Commission to the City of Danville for the purpose of providing an incentive for economic development activities to the aforementioned company located in the City of Danville.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021- _____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE FOR ONE TOBACCO REGION OPPORTUNITY FUND GRANT FROM THE VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION IN THE AMOUNT OF \$330,000 AND ONE TOBACCO REGION OPPORTUNITY FUND LOAN FROM THE VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION IN THE AMOUNT OF \$330,000 FOR A TOTAL OF \$660,000 AS ECONOMIC DEVELOPMENT INCENTIVES FOR TAXABLE CAPITAL INVESTMENTS AND JOB CREATION IN THE COMMONWEALTH OF VIRGINIA.

WHEREAS, the City of Danville will receive grant and loan funds from the Tobacco Region Opportunity Fund for economic development projects that result in new taxable capital investment and job creation.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended to anticipate revenues from one grant in the amount of \$330,000 and one loan in the amount of \$330,000 from the Virginia Tobacco Region Revitalization Commission (VTRRC) for the purpose of providing economic development incentives to Essel Propack (now EPL America, Inc.). Such revenue and appropriation to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
VTRRC Tobacco Region Opportunity Fund – Grant (Essel Propack – now EPL America, Inc.)	60920000-46030	\$330,000
VTRRC Tobacco Region Opportunity Fund – Loan (Essel Propack – now EPL America, Inc.)	60920000-46030	<u>\$330,000</u>
	TOTAL	<u>\$660,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Essel Propack (now EPL America, Inc.)	60920999-50	\$330,000
Essel Propack (now EPL America, Inc.)	60920999-50	<u>\$330,000</u>
	TOTAL	<u>\$660,000</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and such appropriations shall carry forward from year to year until such funds are expended for the purpose for which they were appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the FiscalYear 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2602

New Business A.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: General Fund Financial Report as of August 31, 2021

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

A brief overview of the General Fund financial results through August 31, 2021, will be presented. Financial statements are attached.

Attachments

Financial Statements



To: Ken F. Larking, City Manager
From: Michael L. Adkins, Chief Financial Officer
Date: September 3, 2021

Subject: Summary of Preliminary General Fund Financial Results for August 31, 2021

After completing the first two months of the new fiscal year, revenues are comparable to the previous year. As of August 31, General Fund revenues were \$12,692,206. This represents 11.06% of our FY 2022 budget. Last year, at this time, we had collected \$12,653,019 or 11.3% of budget. The timing of revenues from the Commonwealth resulted in a temporary decrease of about \$700,000 in Non-Categorical Aid (State) which should be received in September.

We continue to see steady performance in the collection of delinquent real estate taxes this year with \$352,518 realized in the first two months of this fiscal year. This accounts for 33.3% of the current year budget. Tax bills for FY 2022 will be mailed in November and we will begin realizing collection of current real estate and personal property taxes at that time. Local taxes collected through August 31, were \$4,339,267, or 14.9% of budget. This exceeds FY 2021 collections by \$455,587. Sales tax collections through August amounted to \$1,773,624, or 17.5% of budget, an increase of \$109,732 from last year. Meals taxes collected for the first two months of the fiscal year amounted to \$1,606,794 or 19.0% of budget, an increase of \$243,729 from last year. Business Licenses realized at the end of August were \$296,430, an increase of \$20,088 from the prior year. Lodging taxes received as of August 31, were \$351,928 or 23% of budget, an increase of \$111,889 from the prior year. Local consumer taxes have rebounded beyond pre-pandemic levels. Nearly all other revenue categories are at or near the prior year and are tracking well with budget at this point.

Expenditures at August 31 were \$20,938,921 or 17.0% of budget. This is an increase of \$70,675 compared to August 31, 2020. The net decrease in transfers to others is offset by increases in departmental expenditures. Departmental expenditures at the end of August show an increase of about \$517,000 from last year with a small decrease in general government attributed to the timing of expenditures offset by an increase in public safety and essentially all other departments. The most significant reason for the increase is allocating one month of public safety salaries to CARES Act funding in the prior fiscal year. Fund expenditures exceeded revenues by \$8,246,715, which is almost identical to the prior fiscal year. This is typical for the start of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. At this point, the General Fund is performing as expected.

CITY OF DANVILLE, VIRGINIA

GENERAL FUND REPORT

17% OF YEAR LAPSED AS OF AUGUST 31, 2021

PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
REVENUES:						
Property Taxes	\$ 35,212,000	\$ 1,703,945	4.84%		\$ 33,508,055	\$ 1,581,392
Other Local Taxes	29,064,030	4,339,267	14.93%		24,724,763	3,883,681
License Permits & Privilege Fees	1,196,690	41,718	3.49%		1,154,972	35,112
Fines & Forfeitures	338,050	37,596	11.12%		300,454	42,659
Revenue From Use Money & Property	865,730	108,609	12.55%		757,121	117,657
Charges For Services	3,295,520	546,665	16.59%		2,748,855	380,622
Miscellaneous Revenue	305,170	65,451	21.45%		239,719	53,317
Recovered Cost	8,128,990	1,037,038	12.76%		7,091,952	1,032,676
Non-Categorical Aid	5,726,620	459,830	8.03%		5,266,790	1,220,248
Shared Expenses (Categ. Aid State)	5,260,160	787,078	14.96%		4,473,082	788,155
Categorical Aid (State)	9,587,440	980,175	10.22%		8,607,265	958,668
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	-	-			-	-
Transfers From Utilities	15,709,000	2,584,833	16.45%		13,124,167	2,558,833
TOTAL REVENUES	\$ 114,716,420	\$ 12,692,206	11.06%		\$ 102,024,214	\$ 12,653,019
EXPENDITURES:						
General Government Administration	\$ 12,133,477	\$ 2,513,579	20.72%	\$ 321,709	\$ 9,298,190	\$ 2,592,402
Judicial Administration	7,546,002	1,207,951	16.01%	250	6,337,801	1,157,365
Public Safety	32,949,488	4,662,512	14.15%	471,686	27,815,290	4,343,232
Public Works	4,641,926	706,665	15.22%	223,738	3,711,524	563,821
Health, Education, Welfare & Soc. Svc.	9,358,540	974,875	10.42%	107,363	8,276,302	982,173
Parks, Recreation & Cultural	5,484,032	755,087	13.77%	83,993	4,644,953	620,035
Community Development	2,050,985	234,680	11.44%	200,379	1,615,926	279,921
Non-Departmental	12,809,810	2,015,472	15.73%	-	10,794,338	1,882,024
Transfer to Schools - Operating	32,945,937	7,712,986	23.41%	3,323,320	21,909,631	6,333,430
Transfer to Capital Projects	1,963,230	-	0.00%	-	1,963,230	-
Transfer to Other Funds	1,614,940	155,114	9.60%	-	1,459,826	2,113,843
TOTAL EXPENDITURES	\$ 123,498,369	\$ 20,938,921	16.95%	\$ 4,732,437	\$ 97,827,011	\$ 20,868,245
Revenue over(under) Expenditures		<u>\$ (8,246,715)</u>				<u>\$ (8,215,226)</u>
FUND BALANCE:						
Beginning Fund Balance 07/01/2021		\$ 47,097,840				\$ 43,311,090
Revenue over(under) Expenditures		(8,246,715)				(8,215,226)
Ending Fund Balance 08/31/2021		<u>\$ 38,851,125</u>				<u>\$ 35,095,864</u>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 12,481,310				\$ 12,528,563
Unassigned		26,369,815				22,567,301
TOTAL FUND BALANCE 08/31/2021		<u>\$ 38,851,125</u>				<u>\$ 35,095,864</u>

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending August 31, 2021

Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	\$ 10,115,880	\$ 1,773,624	17.53%	\$ 9,150,000	\$ 1,663,892	18.18%
Business Licenses	5,450,000	296,430	5.44%	5,250,000	276,342	5.26%
Meals Tax	8,471,320	1,606,794	18.97%	8,645,000	1,363,065	15.77%
Utility Taxes	940,000	86,427	9.19%	967,000	157,151	16.25%
Vehicle License Fees	1,000,000	89,109	8.91%	990,000	76,546	7.73%
Bank Stock Tax	940,000	-	0.00%	900,000	-	0.00%
Recordation Tax	200,000	71,435	35.72%	180,000	55,259	30.70%
Hotel Motel Tax	1,511,630	351,928	23.28%	1,600,000	240,039	15.00%
Daily Property Rental Tax	13,200	4,127	31.26%	15,000	2,518	16.79%
Motor Vehicle Tax	162,000	36,362	22.45%	175,000	29,782	17.02%
DMV Fees	260,000	23,031	8.86%	245,000	19,086	7.79%
TOTAL	\$ 29,064,030	\$ 4,339,267	14.93%	\$ 28,117,000	\$ 3,883,681	13.81%

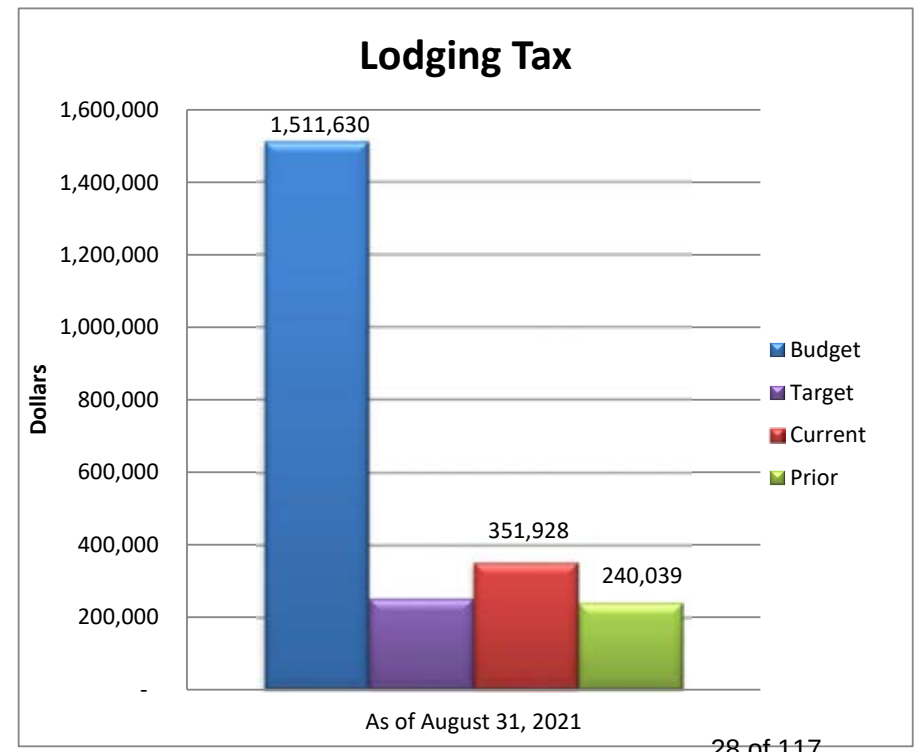
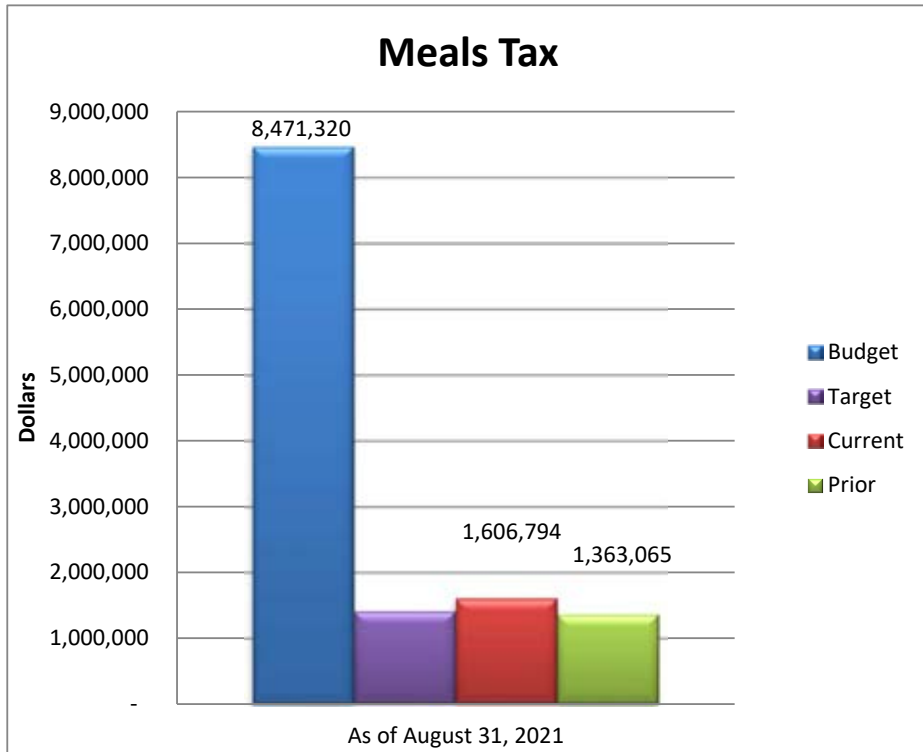
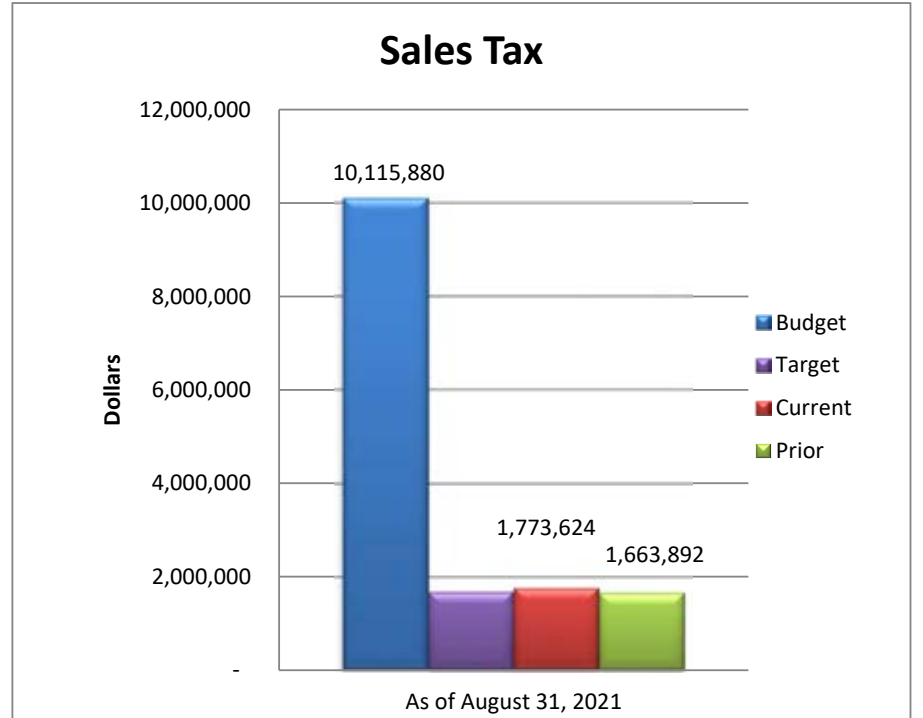
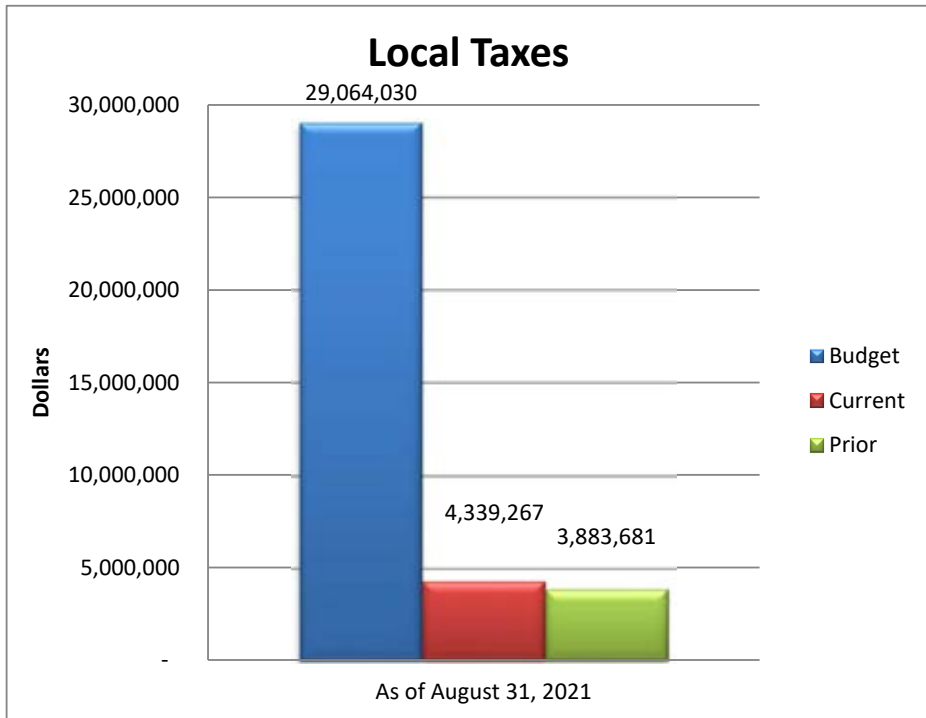
**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF AUGUST 31, 2021**

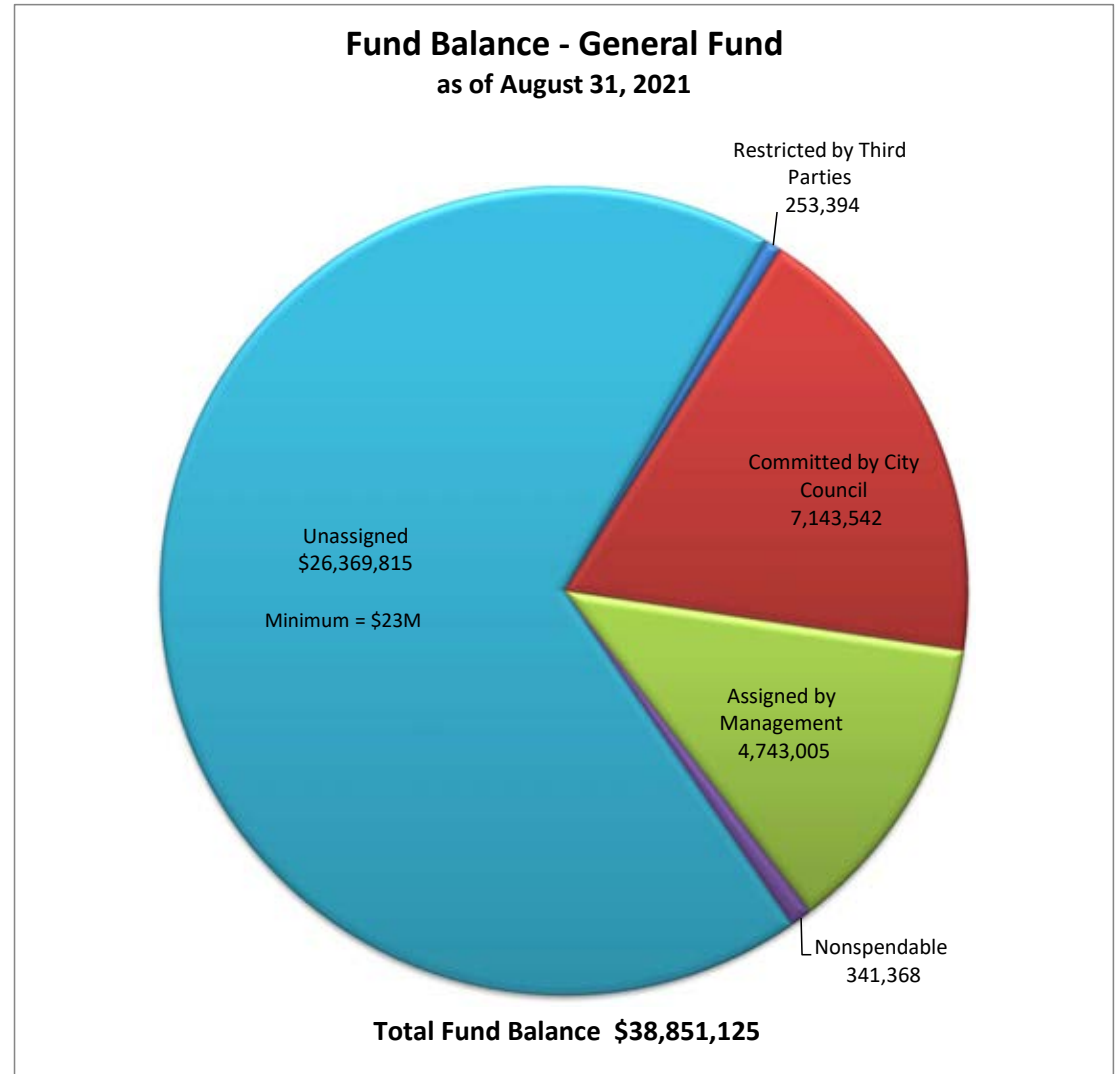
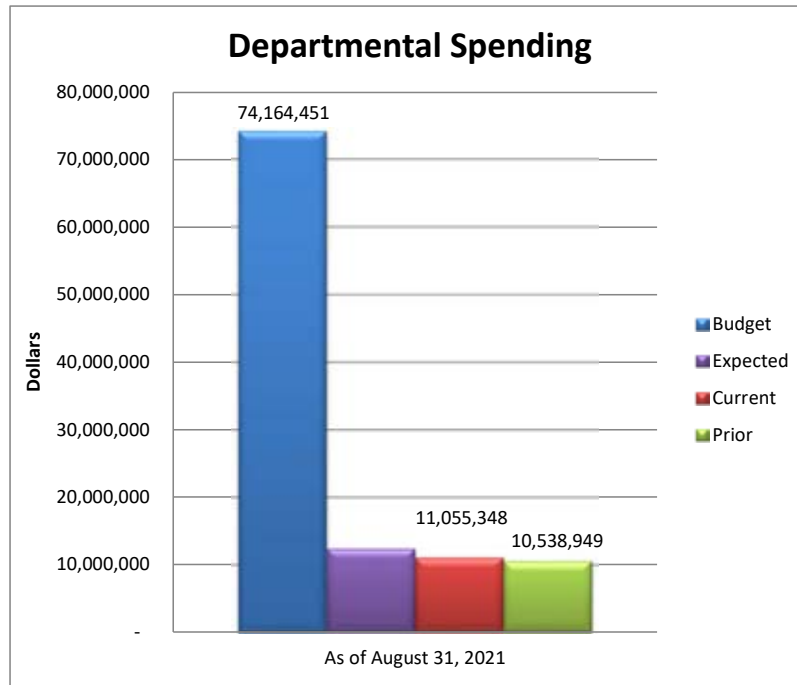
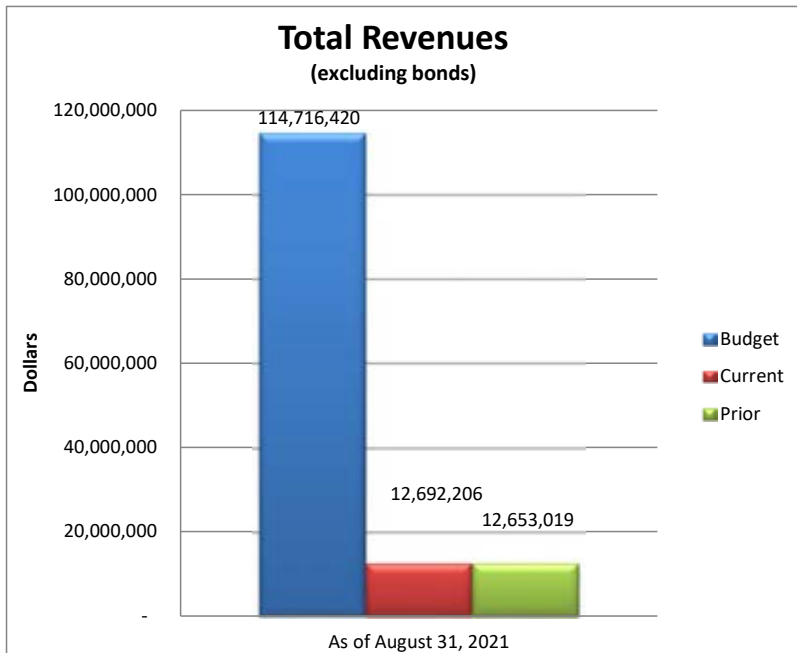
Beginning Total Fund Balance, July 1, 2021	47,097,839.89
Add: General Fund Revenues	12,692,205.59
Deduct: General Fund Expenditures	<u>(20,938,920.64)</u>
Ending Total Fund Balance, August 31, 2021	<u><u>38,851,124.84</u></u>

Composition of Fund Balance:

Restricted for Commonwealth Attorney	102,056.79
Restricted for Police Department	33,612.66
Restricted for Fire Department	117,724.87
Committed for Sheriff's Department	115.34
Committed to Schools	4,143,427.05
Committed to Budget Stabilization	3,000,000.00
Assigned to Community Development	10,568.12
Assigned for Encumbrances	4,732,436.59
Nonspendable (Inventory and Prepaids)	341,368.17
UNASSIGNED	<u>26,369,815.25</u>
Total Fund Balance, August 31, 2021	<u><u>38,851,124.84</u></u>

Unassigned fund balance from above	26,369,815.25
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2021 budget	<u>22,943,284.00</u>
Current surplus (deficit) over (under) minimum	3,426,531.25





Council Letter

City of Danville, Virginia



CL-2635

New Business B.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Consideration of an Amendment to Grant Agreement with River District Development and Approval of Lease Agreements for Acree's Parking

From: Ken F. Larking, City Manager

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

In 2014, the City and IDA amended its grant agreement with River District Development (RDD) for the redevelopment of the former Dan River Research Building. The grant agreement included an option for RDD to purchase the former Fire Station and Utility Building adjacent to their property for a nominal amount. RDD exercised their option to purchase these buildings and now owns them. The performance agreement stipulated that RDD had to develop and utilize the buildings within two years. The deadline was July 31, 2021. RDD has requested to transfer ownership of the properties to another development group, Cobbled Holdings, which is prepared to immediately begin development of the Fire Station, and has verbally committed to a timeline to develop the Utility Building. The timelines for these developments will be included in separate performance agreements, which are scheduled to be in place before the end of this month.

BACKGROUND

RDD was recently granted a 60-day extension to the performance agreement with the City and IDA, in order to negotiate an amendment to the agreement which would allow RDD to see their ownership of the former Fire Station and Utility Building to Cobbled Holdings. City staff and RDD completed these negotiations and developed the following:

- Third Amendment to the Grant Agreement with RDD, which allows RDD to sell their rights to the former Utility Building and former Fire Station on Bridge Street to Cobbled Holdings, and provides a framework for an option agreement for the Acree's Warehouse and leases for parking at the property. It also allows the IDA to continue to collect rent from the tenants at 317 and 319 Craghead Street until February 26, 2027;
- A lease agreement between the City, the Industrial Development Authority, and RDD for parking in the Acree's Warehouse, which will be in place while the property is owned by the IDA. The parking will be reserved for use by the tenants of River District Tower between the hours of 7:30 a.m. and 5:00 p.m.;
- An option agreement that allows RDD to purchase the Acree's Warehouse property for \$500,000, which must be exercised within 90 days of February 26, 2027. This is a \$125,000 increase from the original performance agreement; and
- A lease agreement between the City, the IDA, and RDD for the parking in the Acree's

Warehouse, which will be in place for the ten years following the date RDD takes ownership of the property. There is a provision to negotiate in good faith for an additional ten years. The parking area will be available for public use outside of normal business hours for the tenants of River District Tower (7:30 a.m. - 5:00 p.m.)

RECOMMENDATION

Staff recommends approval of the third amendment to the performance agreement with RDD, the two lease agreements for the parking in the Acree's Warehouse, and the option agreement for the Acree's Warehouse.

Attachments

Resolution
3rd Amendment
Resolution
Option Agreement
Lease
Resolution
Parking Facility Lease

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-_____._____

A RESOLUTION APPROVING AND AUTHORIZING A THIRD AMENDMENT TO THE GRANT AGREEMENT BY AND AMONG, THE CITY OF DANVILLE, VIRGINIA, RIVER DISTRICT DEVELOPMENT, LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

WHEREAS, on or about February 2, 2012 the City of Danville, Virginia, River District Development, LLC, and the Industrial Development Authority of Danville, Virginia (the "Parties") entered that certain Grant Agreement concerning RDD's acquisition and redevelopment of property located at 109 Main Street, Parcel ID 21326, Danville, Virginia, and addressing grants and other incentive obligations by and among the City, IDA, and RDD concerning the acquisition and redevelopment of the Property, all as more particularly set forth in the Grant Agreement; and

WHEREAS, a First Amendment to the Grant Agreement was made as of the 29th day of June, 2012, and a Second Amendment to the Grant Agreement was made as of the 22nd day of August, 2014; and

WHEREAS, the Parties desire to again amend the Grant Agreement, as amended by the Amendments, to memorialize modifications to the Grant Agreement which the Parties believe are appropriate to accommodate necessary changes as they relate to certain undertakings and obligations under the Agreement.

NOW THEREFORE, BE IT RESOLVED, by the Council of Danville, Virginia, that it hereby authorizes and approves a Third Amendment to the Grant Agreement, substantially in the form attached hereto, and made a part hereof, as if fully set out herein, by and among the City of Danville, Virginia, River District Development, LLC, and the Industrial Development Authority of Danville, Virginia; and

BE IT FURTHER RESOLVED, that the Council of the City of Danville, Virginia, hereby authorizes the City Manager, Kenneth F. Larking, to execute on behalf of the City this Third Amendment to the Grant Agreement along with any and all documents as may be necessary to complete the transaction described in this resolution.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

THIRD AMENDMENT TO GRANT AGREEMENT

This THIRD AMENDMENT TO GRANT AGREEMENT ("**Third Amendment**") is made effective as of September _____, 2021, by and among the **CITY OF DANVILLE, VIRGINIA**, and **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, both political subdivisions of the Commonwealth of Virginia (hereinafter the "**City**" and the "**IDA**", respectively), and **RIVER DISTRICT DEVELOPMENT, LLC**, a Virginia limited liability company (hereinafter "**RDD**"). (The City, IDA and RDD are collectively referred to herein as the "**Parties**".)

WITNESSETH

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1 - RECITALS. The Parties recite the following facts:

A. The Parties entered into that certain Grant Agreement made as of the 2nd day of February, 2012 (the "**Grant Agreement**"), concerning RDD's acquisition and redevelopment of property located at 109 Main Street, Parcel ID 21326, Danville, VA, and addressing grants and other incentive obligations by and among the City, IDA, and RDD concerning the acquisition and redevelopment of the Property, all as more particularly set forth in the Grant Agreement.

B. By First Amendment to Grant Agreement made as of the 29th day of June, 2012, and Second Amendment to Grant Agreement made as of the 22nd day of August, 2014 (collectively, the "**Amendments**"), the Parties agreed to certain amendments to the Grant Agreement, all as more particularly set forth in the Amendments.

C. The Parties desire to again amend the Grant Agreement, as amended by the Amendments, to memorialize modifications to the Grant Agreement which the Parties believe are appropriate to accommodate necessary changes as they relate to certain undertakings and obligations under the Agreement.

Section 2 - AMENDMENTS REGARDING GRANT OBLIGATIONS. The Grant Agreement, as previously amended by the Amendments, is further amended and modified as follows:

A. Paragraph E, Use of Adjacent Properties, of the Grant Agreement as amended by the Amendments is hereby deleted and replaced with the following new paragraph:

"E. Transfer and Development of Adjacent Properties: RDD acquired the adjacent properties (as referenced and described in Paragraph D of the Grant Agreement [the "**Adjacent Properties**"]) effective as of July 31, 2019. In connection with the contemplated and planned redevelopment of the Adjacent Properties, the City hereby authorizes and approves their transfer by RDD to Cobbled Holdings, LLC ("**CH**"), and/or Cobbled Holdings I, LLC ("**CHI**"), with development terms for those Adjacent Properties as agreed to separately by the City and CH and/or CHI. Conditioned upon the City confirming to RDD that such

an agreement for the development terms is in place between it and CH and/CHI, RDD may proceed to transfer to CH and/or CHI the Adjacent Properties accordingly. Upon such transfer of the Adjacent Properties, the City acknowledges and agrees that RDD is relieved, released and discharged of any continuing responsibility or liability for development of the Adjacent Properties or their potential “claw-back”, if any, by the City.”

B. Paragraph G, Parking Facility, of the Grant Agreement as amended by the Amendments is hereby deleted and replaced with the following new paragraph:

“G. Parking Facility: The IDA has purchased the existing warehouse and buildings at 321 Craghead Street, Danville (the entirety of tax parcel ID 21419), and redeveloped it as a parking facility ("**Acree's Warehouse**"), as well as two retail spaces located at 317 and 319 Craghead Street, Danville (tax parcel ID's 26831 and 26832) ("**317 & 319 Craghead**"). RDD has completed the acquisition and renovation of 109 Main Street (now known as 109 Bridge Street), Danville ("**River District Tower**"), placed it in service, and substantial portions thereof are occupied and used for medical and other professional offices as contemplated by and being a condition to certain obligations of the IDA and City under the Agreement related to Acree's Warehouse and 317 & 319 Craghead. The parties have agreed to enter into two agreements setting forth their respective modified, amended and restated rights and obligations concerning Acree's Warehouse and 317 & 319 Craghead, as follows: a lease for Acree's Warehouse by and between the IDA and RDD and in which the City joins to evidence its consent and agreement to various provisions affecting it (the "**Acree's Lease**"), and a real estate purchase option agreement for Acree's Warehouse and 317 & 319 Craghead by and between the IDA and RDD (the "**Option Agreement**") and in which the City joins to evidence its consent and agreement to the form agreement, attached to the Option Agreement and to be executed between RDD (or its permitted assign) and City in conjunction with RDD's possible acquisition of Acree's Warehouse under the Option Agreement, which agreement will address “after-hours” use of Acree's Warehouse for public parking and cost-sharing for the same (the "**Form of the Public Parking Agreement**"). The Parties have agreed that the following summarizes the material terms of each of the foregoing agreements:

1. Acree's Lease:

- a. Term – October 1, 2021 – February 26, 2027 ("**Term**").
- b. Premises – Acree's Warehouse, 312 Bridge St., Danville, Virginia (PIN 21419).
- c. 317 & 319 Craghead Carve-Out – Acknowledgement that 317 & 319 Craghead are carved out and not included in the lease from the IDA to RDD (as originally contemplated in the Grant Agreement). IDA retains control of and collects rent from 317 & 319 Craghead throughout the Term.
- d. Rent – \$10.00/year to be paid by RDD to the IDA.

e. City's Public Parking Rights – City to have non-exclusive right to use Acree's parking facility for public parking after normal business hours (7:30 a.m. – 5:00 p.m. Monday through Friday) and on weekends and holidays. If the parties' respective parking rights as set forth herein are interfered with by parking of the other party's guests or invitees, the parties shall work cooperatively to address and install parking control systems. If the primary interference is from public parking, the City shall be solely responsible for costs of such parking control systems, and if the primary interference is from another source, the costs of such parking control systems shall be borne equally by the City and RDD; provided, however, that if such parking control systems selected and installed by the parties includes the City charging for public parking at the premises, the City shall solely bear the costs of such parking control systems. Nothing herein shall prevent RDD from imposing charges, as it deems appropriate, for the use of the Premises during normal business hours, whether by the public or otherwise, nor the City from imposing charges, as it deems appropriate, for the use of the Premises by the general public outside of normal business hours; provided, however, that without the written consent of RDD, City shall not impose charges upon tenants, occupants, or invitees, of River District Tower for parking in the Premises outside of normal business hours if such parking is in connection with a business or activity conducted from or at River District Tower.

f. Taxes and Assessments – RDD contributes thirty (30%) toward applicable real taxes and assessments.

g. Insurance – RDD maintains public liability coverage \$1MM/\$2MM which names IDA and City as additional insureds. IDA maintains all risk casualty coverage on Acree's at replacement value naming RDD as an additional insured. IDA and/or City, as determined between them, maintain public liability coverage \$1MM/\$2MM naming RDD as additional insured. All policies waive subrogation and require notice of cancellation/modification to additional insureds.

h. Operating, Maintenance and Repair Costs - IDA maintains and repairs Premises and parking facility at its cost and expense. City to ensure that parking facility is maintained and operated in a fashion that meets or exceeds other parking lots or facilities which it owns or operates.

i. Assignment and Subletting - RDD shall have the right to assign the lease or sublet the Premises, at any point during the Term as RDD deems appropriate, upon written notice to the IDA (with a copy to the City) but only to (a) any purchaser, or an entity owned or controlled by such purchaser, of one or more individual condominium units comprising a part of River District Tower, or (b) to a unit owner's association or similar entity created to own or control the common elements of River District Tower (including future additions thereto as permitted by applicable law) or the parking facility on such association's behalf; provided, however, that such assignment and subletting shall be subject to and shall not materially interfere with the City's rights and ability to the non-exclusive public parking rights outside of normal business hours, as set forth subparagraph e above.

j. Default – IDA cannot terminate Acree’s Lease for nonpayment of rent only but pursue judgment and collection as sole remedy. Lease can be terminated for repeated (three strikes) notice of noncompliance to RDD which are not timely cured. Any party may perform obligation of other party which remains uncured following thirty (30) days’ notice of non-compliance and bill the responsible party for charges incurred in fulfilling obligation.

k. Fire or Casualty – Unless otherwise agreed to by the IDA, RDD and City, in the event of any destruction or damage to the Premises by fire or other casualty, the IDA agrees to restore or repair the premises to the extent that there are casualty or other insurance proceeds to cover the costs of the same.

l. Miscellaneous – Additional terms and conditions typically included in a commercial lease of this type and which are standard and consistent with local practice and custom.

2. Option Agreement:

a. Property – Acree’s Warehouse and 317 & 319 Craghead.

b. Option Exercise Period – Commences on the date ninety (90) days before, and ends on, February 26, 2027.

c. Option Price - \$500,000.00 payable by RDD or its Permitted Assign to the IDA.

d. IDA’s Representations and Covenants – standard representations and covenants concerning IDA’s authority to enter agreement, its ownership of fee simple title, status of current leases, no other options or other purchase arrangements, and taking of no action during the term that would result in a change in use without RDD’s consent.

e. Due Diligence – RDD to have right to perform due diligence on property prior to exercising its option and to protect and indemnify IDA for activities in furtherance of same.

f. City’s Right to Lease-Back - IDA’s obligation to close on transfer of property to RDD or its Permitted Assign pursuant to the exercise of RDD’s option is conditioned upon RDD executing and delivering the Public Parking Agreement in substantially the form attached to the Option Agreement in a schedule (the material terms of that agreement are outlined in subparagraph 3 below).

g. IDA’s Right to Repurchase Property – If RDD or its Permitted Assign exercises option to and purchases the property, IDA shall have a right of first refusal to repurchase it upon receipt of a bona fide offer which RDD or its Permitted Assign is willing to accept (a “**Bona Fide Offer**”) for the sale or other disposition by RDD or its Permitted Assign during the ten (10) year period following closing on option purchase (the “**ROFR**”); provided, however, that the ROFR does not apply to (i) a proposed sale or any other

disposition of Acree's Warehouse transferred in connection with the sale of (A) the property located at 109 Bridge Street, Danville, Virginia (the "**River District Tower**"), or (B) one or more individual condominium units comprising a part of River District Tower, subject to the further condition that the transfer of Acree's Warehouse is to the purchaser or transferee of the property referenced in (A) and (B) above or an entity owned or controlled by such purchaser or transferee; or (ii) any transfer of Acree's Warehouse to a unit owner's association or similar entity created for purposes of owning and operating the parking facility on the Acree's Warehouse property or any of the common elements of the condominium (or future additions thereto) of River District Tower. If a sale or transfer excepted from the ROFR (in (i) and (ii) above) occurs, the ROFR is extinguished. If the IDA exercises the ROFR during the first five (5) years of ten (10) year period, the purchase price is lesser of Appraised FMV and \$500,000.00, and after the first five (5) years the purchase price is lesser of the price of the Bona Fide Offer and the Appraised FMV. "**Appraised FMV**" is to mean the fair market value determined by a licensed appraiser agreed to by the IDA and RDD or if no agreement by average of three (3) appraisals (one licensed appraiser selected by the IDA, one by RDD and third by the other two). The costs of such appraisal(s) are to be shared equally.

h. Closing Provisions – For both RDD's purchase option and IDA repurchase rights, closing requirements, deliveries, expenses and prorations are to be standard and consistent with local practice and custom.

i. Assignment - RDD may assign the Option Agreement upon written notice to the IDA (with a copy to the City) but only to (a) any purchaser, or an entity owned or controlled by such purchaser, of the River District Tower or one (1) or more individual condominium units comprising a part of River District Tower, or (b) to a unit owner's association or similar entity created to own or control the common elements of River District Tower (including future additions thereto as permitted by applicable law) or the parking facility on the Acree's Warehouse property on such association's behalf ((a) and (b) above, collectively, a "**Permitted Assign**"). Except as expressly provided above, neither RDD nor the IDA may assign the agreement without the consent of the other party, joined by the City, as applicable, which consent may not be unreasonably withheld, conditioned or delayed by the IDA or City. The agreement and the parties' respective obligations to survive any permitted assignment, and the parties may request documents evidencing assumption of the obligations of an assignee.

j. Miscellaneous – Additional miscellaneous terms and conditions typically included in an option agreement of this type and which are standard and consistent with local practice and custom.

3. Form of the Public Parking Agreement:

a. Term – Ten (10) years (the "**Term**") beginning with acquisition of Acree's Warehouse by RDD or its Permitted Assign (the "**Owner**") with a provision that the parties negotiate in good faith for an extension.

b. Premises - Acree's Warehouse, 312 Bridge St., Danville, Virginia (PIN 21419).

c. Rent - \$10.00/year to be paid by City to Owner.

d. City's Public Parking Rights - City to have non-exclusive right to use Acree's parking facility for public parking after normal business hours (7:30 a.m. – 5:00 p.m. Monday through Friday) and on weekends and holidays. If the parties' respective parking rights as set forth herein are interfered with by parking of the other party's guests or invitees, the parties shall work cooperatively to address and install parking control systems. If the primary interference is from public parking, the City shall be solely responsible for costs of such parking control systems, and if the primary interference is from another source, the costs of such parking control systems shall be borne equally by the City and RDD; provided, however, that if such parking control systems selected and installed by the parties includes the City charging for public parking at the premises, the City shall solely bear the costs of such parking control systems. Nothing herein shall prevent RDD from imposing charges, as it deems appropriate, for the use of the Premises during normal business hours, whether by the public or otherwise, nor the City from imposing charges, as it deems appropriate, for the use of the Premises by the general public outside of normal business hours; provided, however, that without the written consent of RDD, City shall not impose charges upon tenants, occupants, or invitees, of River District Tower for parking in the Premises outside of normal business hours if such parking is in connection with a business or activity conducted from or at River District Tower.

e. Insurance – City and owner will each maintain public liability coverage \$1MM/\$2MM which names the other party as an additional insured. Both such policies waive subrogation and require notice of cancellation/modification to additional insureds.

f. Operating and Maintenance Cost and Major Repairs – During the Term, RDD shall maintain and repair the Premises and keep them in good condition, with reasonable diligence, as and when necessary. All repairs and replacements to the Premises, including Major Repairs, shall be of like kind and quality to the original composition. All Operating and Maintenance Costs shall initially be split thirty percent (30%)/seventy percent (70%) between RDD and City, respectively, with RDD billing City and City reimbursing RDD for seventy percent (70%) of such costs until such point that there is (a) some means in place, reasonably acceptable to both RDD and City, for accurately determining the percentage of use of the Premises by (i) RDD and the Tenant Parties, and (ii) for public parking as permitted under subsection e above, in order for the parties to establish in good faith a different cost-sharing percentage, or (b) the parties otherwise mutually agree to a different cost-sharing arrangement, for the Operating and Maintenance Costs. For purposes of the Public Parking Agreement, "**Operating and Maintenance Costs**" to mean all taxes and assessments, utilities (including water, sewer, gas, electricity and any related services required for the operation of the parking facility), all risk casualty coverage on the property at its replacement value, the aggregate total of all Capitalized Costs for Major Repairs to be included as an annual charge for that

particular calendar year, operation and maintenance of any lighting and parking control systems currently or subsequently necessary, and maintenance, repair and replacement of major systems, such as plumbing, electrical, lighting, ventilation, and fire suppression systems, and all similar costs and expenses in operating, maintaining or repairing the property as necessary for it to continue to serve as a parking facility, with the exception of Major Repairs; “**Major Repairs**” to mean significant material repairs to and/or replacements of the roof, exterior walls, structural supports and other structural elements or portions thereof; and “**Capitalized Costs for Major Repairs**” to mean one twenty-fifth (1/25th) of the costs of Major Repairs incurred in any given year during the term to be included on an annual basis in the Operating and Maintenance Costs for the following twenty five (25) years, inclusive of the year in which such cost was incurred; provided, however, that during the year in which the costs were incurred, the one twenty-fifth (1/25th) of such costs will be prorated by the number of months from the month in which costs were incurred to the end of such calendar year divided by twelve (12) and in the twenty fifth (25th) year by the number of months from the beginning of the year in which such costs were incurred to the month in which costs were incurred divided by twelve (12).

g. Default - Owner cannot terminate Public Parking Agreement for nonpayment of rent only but may pursue judgment and collection as sole remedy. Agreement can be terminated for repeated (three strikes) notice of noncompliance to City which are not timely cured. Any party may perform obligation which remains uncured following thirty (30) days’ notice of non-compliance and bill the responsible party for charges incurred in fulfilling obligation.

h. Miscellaneous – Additional terms and conditions typically included in a license or lease of this type and which are standard and consistent with local practice and custom.”

C. Paragraph L, Governing Law, of the Grant Agreement as amended by the Amendments is hereby deleted and replaced with the following new paragraph:

“L. Governing Law: This Grant Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia. **To the maximum extent permitted by applicable law, the parties waive their respective rights to trial by jury in any action arising from or related to this Agreement.**”

Section 3 - EFFECT ON GRANT AGREEMENT. Except as amended in this Third Amendment, all other terms, provisions, and conditions of the Grant Agreement and the Amendments shall remain in full force and effect, and the Parties ratify and confirm that the Grant Agreement, as amended by the Amendments and this Third Amendment, is and remains in full force and effect.

Section 4 - AUTHORIZATION. The Parties represent, warrant and agree that the execution and delivery of this Third Amendment has been duly and properly authorized by all necessary and appropriate action.

Section 5 - COUNTERPARTS. This Third Amendment may be executed in multiple counterparts and by facsimile and/or pdf signature, each of which shall, for all purposes, be deemed an original, but which together shall constitute one and the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, witness the following signature to this Third Amendment to Grant Agreement as of the date first written above:

CITY OF DANVILLE, VIRGINIA

By: _____

Ken Larking
City Manager

ATTEST:

City Clerk

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IN WITNESS WHEREOF, witness the following signature to this Third Amendment to Grant Agreement as of the date first written above:

INDUSTRIAL DEVELOPMENT AUTHORITY OF
DANVILLE, VIRGINIA

By: _____

T. Neal Morris
Chairman

ATTEST:

Secretary

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

IN WITNESS WHEREOF, witness the following signature to this Third Amendment to Grant Agreement as of the date first written above:

RIVER DISTRICT DEVELOPMENT, LLC

By: _____

Mark C. Hermann

Manager

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-_____._____

A RESOLUTION APPROVING AND AUTHORIZING A REAL ESTATE PURCHASE OPTION AGREEMENT FOR ACREE'S WAREHOUSE AND 317 & 319 CRAGHEAD STREET BY AND BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND RIVER DISTRICT DEVELOPMENT, LLC, WITH THE CITY OF DANVILLE, VIRGINIA JOINING IN SAID AGREEMENT TO EVIDENCE ITS CONSENT AND AGREEMENT TO CERTAIN RIGHTS AND OBLIGATIONS OF THE REAL ESTATE PURCHASE OPTION AGREEMENT, INCLUDING THE FORM OF THE LEASE AGREEMENT WITH THE CITY ATTACHED HERETO.

WHEREAS, the Industrial Development Authority of Danville, Virginia ("IDA") is the record owner of those certain parcels of real property, together with improvements, located at (i) 312 Bridge Street (PIN 21419) ("Acree's Warehouse"), (ii) 317 Craghead Street (PIN 26831), and (iii) 319 Craghead Street (PIN 26832); and

WHEREAS, the City, the IDA, and River District Development, LLC ("RDD") entered into that certain Grant Agreement dated February 2, 2012, as subsequently amended and modified by amendments dated June 29, 2012 and August 24, 2014 which addressed, among other things, supporting grants in connection with RDD's acquisition and redevelopment of property located at 109 Bridge Street, Danville, Virginia; and

WHEREAS, the Original Grant Agreement provided, among other things, that the IDA would acquire the Property, redevelop Acree's Warehouse for use as a parking facility and other purposes, ultimately to be leased to Tenant who would also have an option to purchase the Property, all as more particularly set forth in the Original Grant Agreement; and

WHEREAS, the parties hereto have agreed to certain revisions to the Original Grant Agreement in order to accommodate concessions by all of the parties related to some other provisions set forth in the Original Grant Agreement and have

entered into another amendment (the "Third Amendment"), to the Original Grant Agreement, which, among other things, modifies the parties' rights and obligations concerning the Property; and

WHEREAS, the parties desire to enter into this Real Estate Purchase Option Agreement to reflect the parties' amended agreement as set forth in the Third Amendment concerning RDD's right and option to purchase the Property and other obligations of RDD and the City should RDD, or its Permitted Assign exercise the right to and ultimately purchase the Property from the IDA.

NOW THEREFORE, BE IT RESOLVED, by the Council of Danville, Virginia, that it hereby authorizes and approves both the Real Estate Purchase Option Agreement and the Lease Agreement, attached as Schedule B, substantially in the form attached hereto, and made a part hereof, as if fully set out herein, by and between the Industrial Development Authority of Danville, Virginia and River District Development, LLC, with the City of Danville joining in said agreement to evidence its consent and agreement to certain rights and obligations of the Real Estate Purchase Option Agreement, including the form of the Lease Agreement with the City attached hereto and;

BE IT FURTHER RESOLVED, that the Council of the City of Danville, Virginia, hereby authorizes the City Manager, Kenneth F. Larking, to execute on behalf of the City both the Real Estate Purchase Option Agreement and the Lease Agreement along with any and all documents as may be necessary to complete the transaction described in this resolution.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

Deputy City Attorney

**REAL ESTATE PURCHASE OPTION AGREEMENT –
ACREE’S WAREHOUSE AND 317 & 319 CRAGHEAD**

THIS REAL ESTATE PURCHASE OPTION AGREEMENT – ACREE’S WAREHOUSE AND 317 & 319 CRAGHEAD (this “**Agreement**”) is made and entered into effective as of _____ 2021, by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**IDA**”); and **RIVER DISTRICT DEVELOPMENT, LLC**, a Virginia limited liability company (“**RDD**”). The **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**City**”), for the consideration recited and provided herein, joins in this Agreement to evidence its consent and agreement to certain rights and obligations hereunder, including the form of the agreement with the City attached hereto in **Schedule B**.

Recitals:

A. The IDA is the record owner of those certain parcels of real property, together with improvements thereon and appurtenances thereunto belonging, located in the City of Danville, Virginia, at (i) 312 Bridge Street (PIN 21419) (“**Acree’s Warehouse**”), (ii) 317 Craghead Street (PIN 26831), and (iii) 319 Craghead Street (PIN 26832) ((ii) and (iii) collectively referred to as “**317 & 319 Craghead**”), all as more particularly described in **Schedule A**, attached hereto and incorporated by reference (**Acree’s Warehouse** and **317 & 319 Craghead** are collectively referred to herein as the “**Property**”).

B. The City, the IDA, and RDD entered into that certain Grant Agreement dated February 2, 2012, as subsequently amended and modified by amendments dated June 29, 2012, and August 24, 2014 (collectively, the “**Original Grant Agreement**”), which addressed, among other things, supporting grants in connection with RDD’s acquisition and redevelopment of property located at 109 Bridge Street, Danville, Virginia.

C. The Original Grant Agreement provided, among other things, that the IDA would acquire the Property, redevelop Acree’s Warehouse for use as a parking facility and other purposes, ultimately to be leased to Tenant who would also have an option to purchase the Property, all as more particularly set forth in the Original Grant Agreement.

D. The parties hereto have agreed to certain revisions to the Original Grant Agreement in order to accommodate concessions by all of the parties related to some other provisions set forth in the Original Grant Agreement and have entered into another amendment dated _____, 2021 (the “**Third Amendment**”), to the Original Grant Agreement, which, among other things, modifies the parties’ rights and obligations concerning the Property.

E. The parties desire to enter into this Agreement to reflect the parties’ amended

agreement as set forth in the Third Amendment concerning RDD's right and option to purchase the Property and other obligations of RDD and the City should RDD, or its Permitted Assign (as herein defined), exercise the right to and ultimate purchase the Property from the IDA.

Agreement:

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of Option.** The IDA hereby grants to RDD, or its Permitted Assign (as herein defined), the exclusive right and option ("**Option**") to purchase the Property, upon the terms and conditions contained in this Agreement.

2. **Option Exercise Period.** RDD shall have the Option to purchase the Property which Option may be exercised during the period beginning on the date ninety (90) days before, and ending at 11:59 p.m. Eastern time on, February 26, 2027 (the "**Option Exercise Period**"). If RDD has not exercised the Option during the Option Exercise Period, then the Option shall terminate, and this Agreement shall be null and void and of no further force and effect.

3. **Price and Terms of Payment.** If the Option herein granted is exercised in the manner set forth in this Agreement, the purchase price for the Property shall be Five Hundred Thousand and 00/100 Dollars (\$500,000.00) (the "**Purchase Price**"), payable in immediately available funds at Closing (as herein defined).

4. **Exercise of Option.** RDD may exercise the Option by providing written notice to the IDA, with a copy to the City, during the Option Exercise Period. Notification shall be made in one or more of the manners prescribed in Section 18 below. Neither party shall have any recourse at law or in equity in the event that RDD fails to timely exercise the Option, or in the event the IDA refuses to convey the Property due to RDD's failure to timely exercise the Option.

5. **IDA's Representations and Warranties.** The IDA represents and warrants to RDD as follows:

(a) The IDA alone has (and at Closing will have) good, marketable and indefeasible fee simple title to the Property, free and clear of all lien and encumbrances other than (i) the lien for real estate taxes not yet due and payable (which will be prorated at Closing), (ii) the lease between the IDA and RDD for Acree's Warehouse entered or to be entered into in conjunction with this Agreement (the "**Acree's Lease**"), and (iii) the current leases with the tenants of 317 & 319 Craghead (which will be assigned and assumed at Closing) (the "**Craghead Leases**").

(b) The IDA has full right, power and authority to execute and deliver this Agreement and to consummate the transactions provided for herein without obtaining any further consents or approvals from, or the taking of any other action with respect to, any third parties.

(c) At Closing, the IDA will be able to convey to RDD, or its Permitted Assign, good marketable and indefeasible fee simple title to the Property, free and clear of all liens, leases, and other encumbrances, subject only to the existing encumbrances of record, which do not interfere with the Property as it is currently used, and the Craghead Leases.

(d) No other options to purchase, purchase agreements, rights of refusal, or similar other options or rights exist with respect to the Property other than as set forth in this Agreement.

(e) To the IDA's knowledge, there are no pending or contemplated proceedings affecting the Property, or any part thereof, nor is the IDA aware of any such contemplated proceedings or any material changes that affect the nature or use of the Property.

6. **IDA's Covenants.** Until such time as the Option Exercise Period expires without the exercise of the Option by RDD, or it Permitted Assign, or this Agreement otherwise terminates, the IDA shall not, without the prior written consent of RDD or its Permitted Assign, which consent shall not be unreasonably withheld or delayed:

(a) Enter into any agreement for the use, sale, or lease of the Property which would survive Closing, otherwise affects the use, operation or enjoyment of the Property after Closing, or materially and adversely affects the value of the Property.

(b) Commit, or permit to be committed, any waste or change in the use of the Property.

(c) Perform or consent to any zoning or re-zoning of the Property.

7. **RDD's Inspections.** Until such time as the Option Exercise Period expires without exercise of the Option by RDD or this Agreement otherwise terminates, the IDA grants RDD access to the Property at RDD's own cost and expense, to cause its agents, consultants or representatives to enter upon the Property for the purpose of making or performing any surveys, engineering or architectural studies, environmental, topographic and/or other similar tests, investigations, or studies as RDD may desire (collectively referred to as the "**Inspections**"), provided, that RDD, at its expense, repairs and remediates any physical damage to the Property caused by the conduct of such Inspections. RDD indemnifies and agrees to hold the IDA harmless from claims by third parties for bodily injury or property damage caused by the negligence of RDD or its agents, consultants or contractors in conducting such Inspections.

8. **Closing.**

(a) After RDD has duly given notice of and exercised its Option hereunder, closing and settlement of the purchase of the Property hereunder (the “**Closing**”) shall take place on a date selected by RDD that is not a Saturday, Sunday or holiday for City employees and that is within forty five (45) days following February 26, 2027. Settlement shall occur at the offices of Clement Wheatley, 549 Main Street, Danville, Virginia, or at another location chosen by RDD within Danville, Virginia. Until settlement occurs, RDD shall be deemed a holdover tenant of Acree’s Warehouse and shall hold the same pursuant to the terms and conditions of the Acree’s Lease until Closing at which time such lease shall be terminated.

(b) At Closing, the IDA shall convey RDD good and marketable fee simple title to the Property in its “AS IS” condition “WITH ALL FAULTS” by special warranty deed (the “**Deed**”), free of all monetary liens and subject only to (i) customary restrictions and easement of record that do not affect the use of the Property as currently used, (ii) the non-exclusive right of the City to use Acree’s Warehouse for public parking as described in the form of that document attached hereto in **Schedule B**, and (iii) the IDA’s right of first refusal to repurchase the Property as more particularly set forth in Section 9 below.

(c) At Closing, the IDA agrees to pay the expense of preparing the Deed, the recordation tax applicable to grantors, if any, and its own attorneys’ fees. Except as otherwise provided herein, all other expenses incurred by RDD or its Permitted Assign in connection with the purchase of the Property, including without limitation title examination, title insurance, recording costs, loan document preparation costs and fees, and its attorneys’ fees, shall be borne solely by RDD or its Permitted Assign. Real estate taxes and rents for the Craghead Leases shall be prorated as to the Closing date.

(d) At Closing, the IDA shall deliver to the settlement agent duly executed releases from all lienholders having liens against the Property, the Deed, an affidavit in the form required by Section 1445 of the Internal Revenue Code to establish that the IDA is not a foreign person, affidavits reasonably required by RDD’s title insurer, assignments and assumptions of the Craghead Leases, a termination of the Acree’s Lease, a countersigned settlement statement, and such other instruments and documents as are customarily executed and delivered to consummate the type of transaction contemplated by this Agreement.

(e) At Closing, RDD or its Permitted Assign, as applicable, shall deliver to the settlement agent the Purchase Price in immediately available funds, assignments and assumptions of the Craghead Leases, a termination of the Acree’s Lease, the agreement with the City for City’s non-exclusive after-hours public parking use and cost-sharing concerning Acree’s Warehouse in the form substantially attached hereto in **Schedule B** (the “**City Lease**”), a countersigned settlement statement, and such other instruments and documents as are customarily executed and delivered to consummate the type of transaction contemplated by this Agreement.

(f) The obligation of the IDA to complete Closing and transfer of the Property to RDD or its Permitted Assign in accordance herewith shall be contingent and conditioned upon RDD or its Permitted Assign, as applicable, making those deliveries at Closing as set forth in Section 8(e) above, including, without limitation the execution and delivery of the City Lease.

(g) At Closing, the IDA shall deliver possession of the Property to RDD or Permitted Assign, as applicable, subject only to the City Lease and Craghead Leases.

9. **IDA's Right of First Refusal to Repurchase Property.**

(a) If the Property is purchased by RDD or its Permitted Assign as set forth in and contemplated by this Agreement (such purchasing entity referred to in this Section 9 as the “**Owner**”), the IDA shall have the right of first refusal to repurchase the Property (the “**ROFR**”) upon receipt of a *bona fide* offer for a sale of the Property which Owner is willing to accept (a “**Bona Fide Offer**”); provided, however, that such ROFR shall not apply to (i) a proposed sale or any other disposition of Acree's Warehouse transferred in connection with the sale of (A) the property located at 109 Bridge Street, Danville, Virginia (the “**River District Tower**”), or (B) one or more individual condominium units comprising a part of River District Tower, subject to the further condition that the transfer of Acree's Warehouse is to the purchaser or transferee of the property referenced in (A) and (B) above or an entity owned or controlled by such purchaser or transferee, or (ii) any transfer of Acree's Warehouse to a unit owner's association or similar entity created for purposes of owning and operating the parking facility on the Acree's Warehouse property or any of the common elements of the condominium (or future additions thereto) of River District Tower. Further, upon a transfer or other disposition of Acree's Warehouse which is exempt from the ROFR rights as set forth above in (a)(i) and (a)(ii), the ROFR shall automatically terminate and be of no further force and effect; provided, that such ROFR right shall survive a transfer as contemplated by (a)(ii) above if such transfer is made by RDD as a matter of operational convenience and not in connection or conjunction with, in preparation for, or required by terms of a sale of a transfer of an interest to a third party in the River District Tower property as contemplated by (a)(i) above.

(b) If at any time during the period commencing on the date of Closing under and pursuant to this Agreement and ending on the ten (10) year anniversary thereof (the “**ROFR Period**”), Owner receives a bona fide offer for the purchase of the Property, or the Acree's Warehouse portion thereof, which qualifies for the ROFR rights set forth in Section 9(a) above and Owner is willing to accept such offer (a “**Qualifying Offer**”), Owner shall notify the IDA in writing of the Qualifying Offer (the “**Offer Notice**”). In order to exercise its right to repurchase the Property, the IDA must give written notice of exercise of its repurchase rights within sixty (60) days of delivery of an Offer Notice by Owner as provided for herein. The IDA's failure to timely give written notice following an Offer Notice shall be a waiver and constitute a release of any and all repurchase rights with respect to the Property. If the IDA timely gives notice of its exercise of its repurchase rights in response to an Offer Notice, the purchase price for the IDA's repurchase of the Property (the “**Repurchase Price**”) shall be determined as follows: (a) if the

IDA timely provides written notice in response to an Offer Notice from Owner within the first five (5) years of the ROFR Period, the Repurchase Price shall be the lesser of (i) the Appraised Fair Market Value of the Property (as herein defined), and (ii) the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00); and (b) if the IDA timely provides written notice in response to an Offer Notice from Owner after the first five (5) years of the ROFR Period, the Repurchase Price shall be the lesser of (i) the purchase price set forth in the Bona Fide Offer, and (ii) the Appraised Fair Market Value thereof. For purposes of this Agreement, the “**Appraised Fair Market Value**” shall mean the value determined by a licensed and qualified appraiser agreed to by the IDA and Owner, or if they are unable to agree, by the average of three (3) appraisals, one from a licensed appraiser selected by the IDA, one from a licensed appraiser selected by Owner, and the third from a licensed appraiser selected by the other two appraiser. The costs of such appraiser(s) shall be borne equally by the IDA and Owner.

(c) The closing of the ROFR (the “**ROFR Closing**”) shall occur on the date selected by the IDA, which date shall be no later than ninety (90) days after the Offer Notice, at the office of the settlement agent or attorney selected by the IDA, and subject to the following terms and conditions:

(i) At the ROFR Closing, the Owner shall convey fee simple title to the Property to the IDA in its then current “AS IS” condition “WITH ALL FAULTS”, by warranty deed, subject to all matters of survey and title existing as of the Offer Notice which do not affect the Property as it is currently used, but free and clear of any monetary liens arising during the Owner’s period of ownership. The Owner is obligated to cure or satisfy all monetary liens at or prior to or in conjunction with the ROFR Closing, which may include use of the proceeds of the Repurchase Price for such purpose.

(ii) Owner shall pay its own attorneys’ fees, the cost of preparing the special warranty deed, and the grantor’s tax on the deed of the Property and all other costs and expenses incurred by the Owner in connection with the ROFR Closing. The IDA shall pay the other recordation taxes, if any, on the deed, its attorneys’ fees, title insurance premiums and expenses and all other costs and expenses incurred by the IDA in connection with the ROFR Closing. Prepaid items, rents, and property taxes shall be prorated between the Owner and the IDA as of the date of the ROFR Closing and shall, if applicable, be payable with the proceeds of the ROFR Closing.

(iii) Owner and the IDA agree to execute and deliver to the other such documents as may be reasonably necessary to carry out the terms of this Section 9 and complete the ROFR Closing pursuant to similar commercial real estate transactions, including without limitation title insurance affidavits reasonably required by the IDA’s title insurer, assignments and assumption of any leases, and

an affidavit in the form required by Section 1445 of the Internal Revenue Code to establish that Owner is not a foreign person.

10. **Risk of Loss.** Risk of damage or destruction of the Property by fire or casualty shall remain with the IDA until title to the Property has been conveyed and transferred to RDD or its Permitted Assign. If, after the exercise of the Option, all or any part of the Property is damaged or destroyed, taken by eminent domain or subject to condemnation proceedings, the IDA shall provide notice of the same to RDD. If RDD does not elect to terminate this Agreement following such notice, all right, title and interest in and to any and all insurance and condemnation proceeds shall be assigned and delivered to RDD at Closing or thereafter when received.

11. **Brokers.** Each party warrants and represents to the other that no real estate broker or agent has been involved in negotiations leading to the execution of this Agreement and that no commission is owed to any broker or agent as a result of the action of such party. Each party agrees to hold the other harmless from any loss, cost or charge (including reasonable attorneys' fees), arising from the assertion by any broker or agent that any fee or commission is owed because of the acts or agreement of such party.

12. **Assignment.** RDD shall have the right, at any point prior to the expiration or termination of this Agreement as RDD deems appropriate, to assign this Agreement upon written notice to the IDA (with a copy to the City) but only to (a) any purchaser, or an entity owned or controlled by such purchaser, of the River District Tower or one (1) or more individual condominium units comprising a part of River District Tower, or (b) to a unit owner's association or similar entity created to own or control the common elements of River District Tower (including future additions thereto as permitted by applicable law) or the parking facility on the Acree's Warehouse property on such association's behalf ((a) and (b) above, collectively, a "**Permitted Assign**"). This Agreement shall survive such transfer and RDD's Permitted Assign shall assume all of the obligations of RDD hereunder to the IDA (and City), and RDD shall be deemed released from further liability or obligation hereunder. Except as expressly provided above, RDD shall not assign this Agreement or rights hereunder except upon written consent of the IDA, joined in by the City, which consent may not be unreasonably withheld, conditioned or delayed by the IDA or the City. The IDA shall not assign this Agreement or rights hereunder except upon written consent of RDD or its Permitted Assign, as applicable, which consent may not be unreasonably withheld, conditions or delayed by RDD or the Permitted Assign.

14. **Other Documents.** The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

15. **Default.** In the event that a party (including, but not limited to, the City) to this Agreement defaults in the performance of any of the terms or obligations imposed upon such

party by this Agreement or the transactions contemplated hereby and such default is not cured within thirty (30) days after written notice from the non-defaulting party, the non-defaulting party (including, but not limited to, the City) may institute legal proceeding to enforce the provisions of this Agreement including without limitation any remedies at law and in equity including actions for specific performance. In such instance, each party shall be responsible for its own attorneys' fees and costs incurred in such action. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

16. **Entire Agreement.** This Agreement and schedules attached hereto (together with the Original Grant Agreement as finally amended by the Third Amendment (the “**Grant Agreement**”) and related documents referenced therein) contain the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated herein; and this Agreement and the exhibits attached hereto supersede all prior understandings and agreements, with the exception of the Grant Agreement and related documents referenced therein, with respect to the subject matter hereof. In the event of a conflict between the Grant Agreement and this Agreement concerning the Property and rights and obligations thereto, this Agreement shall control.

17. **Headings.** The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

18. **Notices.** Any notice required or contemplated to be given to any of the parties by any other party shall be in writing and shall be given by hand delivery, or certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to the IDA:

Industrial Development Authority of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

If to RDD:

River District Development, LLC
c/o W. Joe Foster
2309 Riverside Drive
P. O. Box 11896
Danville, VA 24543

With copy to: Edward F. Hodges, Jr.
Clement Wheatley
549 Main Street
P. O. Box 8200
Danville, VA 24543

If to City:

City of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, five (5) days following deposit with the United States Postal Service properly addressed and postage prepaid, or the next business day following delivery to a courier service properly addressed with all charges prepaid, as appropriate.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, the exclusive venue therefore shall lie in the City of Danville, Virginia. **To the maximum extent permitted by applicable law, the parties waive their respective rights to trial by jury in any action arising from or related to this Agreement.**

20. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

21. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to or who has otherwise been joined in the execution of this Agreement.

22. **Non-Waiver.** No course of dealing between the parties or any delay on the part of RDD, IDA, or the City in exercising its remedies hereunder shall operate as a waiver of those remedies or the exercise of other rights hereunder nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition or covenant other than the one specified in such waiver and then only for the time and in the manner specifically stated.

23. **Amendment and Modification.** The parties to this Agreement may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties,

provided such amendment, modification and/or supplement is reduced to writing and signed by the parties to this Agreement or their successors in interest.

24. **Time of the Essence.** Time shall be of the essence in the performance of all obligations under this Agreement.

25. **Recordation.** This Agreement, or a memorandum thereof, may be recorded among the land records and each party will execute such documents and memoranda necessary for recordation. The cost to record the Agreement, or a memorandum thereof, shall be borne by the party requesting or seeking such recordation.

26. **Gender and Number.** Throughout this Lease, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

27. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement.

28. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

29. **Survival.** Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

[SIGNATURE PAGES FOLLOW]

IN TESTIMONY WHEREOF, witness the following signatures and seals to this **REAL ESTATE PURCHASE OPTION AGREEMENT – ACREE’S WAREHOUSE AND 317 & 319 CRAGHEAD** as of the date first above written.

IDA:

INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: _____

Name: _____

Title: _____

COMMONWEALTH OF VIRGINIA, AT LARGE
CITY OF DANVILLE, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by _____ in his/her capacity as _____ of the INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, a political subdivision of the Commonwealth of Virginia.

My commission expires: _____.

Registration No. _____

Notary Public

RDD:

RIVER DISTRICT DEVELOPMENT, LLC,
a Virginia limited liability company

By: _____

Name: _____

Title: _____

COMMONWEALTH OF VIRGINIA, AT LARGE
CITY OF DANVILLE, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____
2021, by _____ in his/her capacity as
_____ of RIVER DISTRICT DEVELOPMENT, LLC, a Virginia
limited liability company.

My commission expires: _____.

Registration No. _____

Notary Public

CITY:

CITY OF DANVILLE, VIRGNIA, a political
subdivision of the Commonwealth of Virginia

By: _____

Name: _____

Title: _____

COMMONWEALTH OF VIRGINIA, AT LARGE
CITY OF DANVILLE, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____,
2021, by _____ in his/her capacity as _____
of the CITY OF DANVILLE, VIRGNIA, a political subdivision of the Commonwealth of
Virginia.

My commission expires:_____.

Registration No. _____

Notary Public

Schedule A

(Legal Description)

All that certain lot or parcel of land, together with improvements thereon and appurtenances thereunto belonging, situate in the City of Danville, Virginia, and more particularly described as follows:

TRACT 2, fronting 202.93 feet on the northeast margin of Craghead Street, as shown on Map Showing Division of Property for Danville Warehouse Co. Inc., dated February 27, 1971, prepared by H. S. Pierce, Land Surveyor, recorded in the Clerk's Office of the Circuit Court of the City of Danville, Virginia (the "**Clerk's Office**"), in Map Book 7, at page 37; and

BEING, IN FACT, the same property conveyed to the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia, by deed dated August 31, 2011, from Davis Storage & Warehouse, Inc., a Virginia corporation, recorded in the Clerk's Office on November 22, 2011, as Instrument No. 11-3240, to which map and deed referenced is here made for a more particular description of the aforesaid property.

(TAX PIN's 21419 – 312 Bridge Street, 26831 - 317 Craghead Street, and 26832 – 319 Craghead Street)

Schedule B

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Agreement**”), is made and entered into effective as of [_____, 20___], by and between **RIVER DISTRICT DEVELOPMENT, LLC**, a Virginia limited liability company (“**RDD**”), and the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**City**”).

Recitals:

A. RDD and the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “**IDA**”), entered into that certain Real Estate Purchase Option Agreement dated _____, 2021 (the “**Option Agreement**”), covering, among others, property located at 321 Craghead Street (Tax PIN 21419), Danville, Virginia (the “**Acree’s Warehouse Property**”), which provided, among other things, that if RDD purchased the Acree’s Warehouse Property, RDD would enter into an agreement with the City for use of the Acree’s Warehouse Property for after-hours public parking, the form of which agreement was attached to the Option Agreement.

B. RDD has purchased and now owns the Acree’s Warehouse Property, and RDD and the City enter into this Agreement as contemplated and set forth in the Option Agreement.

Agreement:

NOW, THEREFORE, in consideration of the rent and mutual covenants and agreements hereinafter recited, the sufficiency of which are hereby acknowledged, RDD does hereby lease and license unto City, and City does hereby take from RDD, the Demised Premises (as herein defined), for City’s use upon the following terms and conditions:

1. **Term.** The term of this Agreement shall be for a period of ten (10) years commencing on _____, 20___ (the “**Commencement Date**”) and ending at 11:59 p.m. _____, 20___ (the “**Term**”), unless sooner terminated as provided herein. The parties hereto agree, upon the City’s request, to negotiate in good faith and a commercially reasonable manner for an extension of this Agreement upon the expiration of the initial Term.
2. **Demised Premises.** The demised premises under this Agreement shall consist of those premises commonly known and located at 312 Bridge Street, Danville, Virginia, being PIN 21419 and consisting of approximately 1.74 acres, formerly known as “Acree’s Warehouse”, and on which is situated a parking garage, together with all other improvements thereon and appurtenances thereunto belonging (the “**Demised Premises**”).
3. **Rent.** Beginning on the Commencement Date, City shall pay to RDD annual rent for the Demised Premises in the amount of Ten Dollars (\$10.00) per year, payable in advance on the Commencement Date and on each anniversary thereof occurring during the Term.

4. **Rights to Use of the Demised Premises.** During the Term, RDD expects to use and operate the Demised Premises primarily for parking for the benefit of the tenants and occupants (including their respective employees, clients, patients, invitees and licensees [collectively, the “**Tenant Parties**”]) of property owned or controlled by RDD or its affiliates located at 109 Bridge Street, Danville, Virginia (the “**River District Tower**”). RDD grants to the City a license to use or otherwise make available, on a non-exclusive basis, the Demised Premises outside of normal business hours (which, for purposes hereof, run 7:30 a.m. to 5:00 p.m. Monday through Friday [“**Normal Business Hours**”]) and on weekends and holidays for parking by the general public. RDD shall have the right to post the Demised Premises and all or part of the parking spaces for use as provided above and enforce its right to maintain use of the Demised Premises during Normal Business Hours accordingly. In the event that during the Term, the parties’ respective parking rights as set forth herein are interfered with by parking of the other party’s guests or invitees or Tenant Parties, as applicable, RDD and the City shall work cooperatively to address or eliminate such interference, which may include installation of parking control system(s) prohibiting or limiting the use of the Demised Premises by those guests and invitees causing the interference. If the primary interference is from public parking, the City shall be solely responsible for the costs of such parking control systems, and if the primary interference is from another source, the costs of such parking control systems shall be borne equally by the City and RDD; provided, however, that if such parking control systems selected and installed by the parties includes the City charging for public parking at the Demised Premises, the City shall solely bear the costs of such parking control systems. Nothing herein shall prevent RDD from imposing charges, as it deems appropriate, for the use of the Demised Premises during Normal Business Hours, nor the City from imposing charges, as its deems appropriate, for the use of the Demised Premises by the general public outside of Normal Business Hours; provided, however, that without the written consent of RDD, City shall not impose charges upon Tenant Parties for parking in the Demised Premises outside of Normal Business Hours if such parking is in connection with a business or activity conducted from or at River District Tower.

5. **Use of Demised Premise; No Warranties.** City shall use the Demised Premises as provided herein for parking of motor vehicles and related incidental purposes and no other purpose without the written consent of RDD. City shall not use the Demised Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein. Except as expressly provided herein to the contrary, City acknowledges that RDD (a) has not made, and does not hereby make, any representations regarding the physical condition of the Demised Premises; and (b) that there are no warranties, either express or implied, regarding the condition of the Demised Premises. Except for the prospective obligations of RDD and City specifically set forth herein, City hereby accepts the Demised Premises for purposes of the use permitted herein “**AS IS**”, “**WHERE IS**”, and “**WITH ALL FAULTS**”.

6. **Compliance with Governmental Regulations.** In the performance of any acts required or permitted of RDD or City under any provision of this Agreement, RDD and City shall comply with all federal, state, and local laws, regulations, rules, and requirements existing at any time during the continuance of such performance in any way affecting the Demised Premises or the use of the Demised Premises.

7. **Personal Property Placed on or Located Upon Demised Premises.** All property placed on the Demised Premises by, at the direction of, or with the consent of the City, their respective employees, agents, licensees, or invitees, shall be at the risk of the City or the owner of such property. RDD shall not be liable for any loss of or damage to such property resulting from any cause whatsoever unless such loss or damage is the result of RDD's gross negligence or willful misconduct or the negligence of RDD's employees or agents while on the Demised Premises as permitted herein.

8. **Insurance.** RDD and City each agree to maintain at its own cost and expense at all times during the Term comprehensive commercial general liability insurance covering all parking and related operations and conditions on or upon the Demised Premises, with minimum coverage in the amount of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily and personal injury to, or death of, one or more persons and consequential damages therefrom and One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for property damage, with an annual aggregate of Two Million and 00/100 Dollars (\$2,000,000.00) for all coverages (the "**Liability Insurance**"). Liability Insurance shall be provided by an insurance carrier licensed to issue such coverage in the Commonwealth of Virginia. Such party's Liability Insurance shall name the other party to this Agreement as additional insured and contain endorsements for or otherwise waive rights of subrogation and require at least thirty (30) days notification to the additional insured prior to cancellation or material modification. If City desires insurance coverage on its personal property located in, on or about the Demised Premises, such coverage shall be the sole responsibility of City. RDD and City each hereby waives any claim or right of action which it may have against the other party hereto for any loss or damage covered by such Liability Insurance.

9. **Operating and Maintenance Costs and Major Repairs.** During the Term, RDD shall maintain and repair the Demised Premises and keep them in good condition, with reasonable diligence, as and when necessary. All such repairs to and replacements of the Demised Premises, including Major Repairs (as herein defined), shall be of like kind and quality to the original composition. All Operating and Maintenance Costs shall initially be split thirty percent (30%)/seventy percent (70%) between RDD and City, respectively, with RDD billing City and City reimbursing RDD for seventy percent (70%) of such costs until such point that there is (a) some means in place, reasonably acceptable to both RDD and City, for accurately determining the percentage of use of the Demised Premises by (i) RDD and the Tenant Parties, and (ii) for public parking as permitted under Section 4 above, in order for the parties to establish in good faith a different cost-sharing percentage, or (b) the parties otherwise mutually agree to a different cost-sharing arrangement, for the Operating and Maintenance Costs. For purposes of this Agreement, "**Operating and Maintenance and Costs**" shall mean all property taxes and assessments, utilities (including water, sewer, gas, electricity and any related services required for the operation of the parking facility), all risks casualty coverage on the Demised Premises at replacement value, the aggregate total of all Capitalized Costs for Major Repairs to be included as an annual charge for that particular calendar year, operation and maintenance of any lighting and parking control systems currently or subsequently necessary, and maintenance, repair and/or replacements of major systems, such as plumbing, electrical, lighting, ventilation, and fire suppression systems, and all similar costs and expenses in operating, maintaining or repairing the

property as necessary for it to continue to serve as a parking facility, with the exception of Major Repairs; “**Major Repairs**” shall mean significant material repairs to and/or replacements of the roof, exterior walls, structural supports and other structural elements or portions thereof; and “**Capitalized Costs for Major Repairs**” shall mean one twenty-fifth (1/25th) of the costs of Major Repairs incurred in any given year during the Term to be included on an annual basis in the Operating and Maintenance Costs for the following twenty five (25) years, inclusive of the year in which the cost was incurred; provided, however, that during the year in which such cost was incurred, the one twenty-fifth (1/25th) of such costs will be prorated by the number of months from the month in which such costs was incurred to the end of such calendar year divided by twelve (12) and in the twenty fifth (25th) year by the number of months from the beginning of the year in which such costs were incurred to the month in which costs were incurred divided by twelve (12). Invoices for Operating, Maintenance, and Repair Costs shall be due and payable by the City within thirty (30) days of receipt and any overdue charges shall accrue interest at the rate of one percent (1%) per month until paid.

10. **Alterations.** City shall make no alterations or additions to the Demised Premises without the prior written consent of RDD, which consent shall not be unreasonably withheld, conditioned or delayed. All alterations or additions made by, for, or at the direction of City shall, when made, become the property of RDD and shall remain upon and be surrendered with the Demised Premises as a part thereof at the expiration or earlier termination of this Agreement. Notwithstanding the foregoing, City may remove any parking controls, signage, and similar equipment or fixtures installed by, for, or at the direction of City, provided that City, at its expense, repairs any damage caused by such removal. Upon the expiration or any earlier termination of this Agreement, City shall promptly reimburse RDD for any expense or cost incurred by RDD in repairing damage to the Demised Premises caused by City, its patrons, guests, or invitees.

11. **Right of Entry.** In addition to those rights contemplated by Section 4 above, RDD and City shall have the right to enter the Demised Premises at any time: (i) to inspect the Demised Premises; (ii) to make maintain or repair the Demised Premises in accordance with this Agreement and to store necessary materials, tools, and equipment for such maintenance and repairs, provided such storage does not unreasonably interfere with the operations or other party’s use of the Demised Premises as set forth herein; or (iii) to abate any condition which constitutes a violation of any covenant or condition of this Agreement. No such entry by RDD or the City shall in any manner affect the other obligations and covenants under this Agreement.

12. **End of Term.** Upon the expiration of the Term or other termination of this Agreement, City shall suspend its use of the Demised Premises as provided for herein and remove, or caused to be removed, any of its property, or property placed thereon in connection with City’s permitted use, from the Demised Premises, free from damage caused thereby.

13. **Assignment and Subletting.**

(a) **RDD.** RDD shall have the right to assign this Agreement or sublet the Demised Premises, at any point during the Term as RDD deems appropriate, upon written notice to City, but only to (a) any purchaser, or an entity owned or controlled by such purchaser, of one

or more individual condominium units comprising a part of River District Tower, or (b) to a unit owner's association or similar entity created to own or control the common elements of River District Tower (including future additions thereto as permitted by applicable law) or the parking facility on such association's behalf; provided, however, that such assignment and subletting shall be subject to and shall not materially interfere with the City's rights and ability to the non-exclusive use of Demised Premises for public parking outside of Normal Business Hours as set forth in Section 4 above. Upon such assignment, RDD and its assignee or sublessee, as the case may be, shall enter into a written instrument evidencing the assignment or sublease. Should the arrangement take the form of an assignment, this Agreement shall survive such assignment, and RDD's assignee shall assume all obligations of RDD hereunder to the City, and RDD shall be released from further liability to either under this Agreement. Should the arrangement take the form of a sublease, RDD shall remain liable and responsible, in addition to its assignee, for all of the obligations of RDD hereunder to City, as applicable.

(b) City. In addition to the right to charge for use of the Demised Premises as set forth in Section 4 above, City shall have the right to assign this Agreement or sublet or sub-license its use of the Demised Premises upon written notice to RDD. Should such arrangement take the form of an outright assignment of this Agreement, this Agreement shall survive such assignment, the City's assignee shall assume all obligations of City hereunder to RDD, and unless RDD consented in writing to such assignment, the City shall remain liable and responsible, in addition to its assignee, for all of the obligations of City hereunder to RDD.

14. **Quiet Enjoyment.** RDD agrees that City, upon paying the rent and performing all terms and conditions of this Agreement, shall have quiet enjoyment of the Demised Premises for the Term subject to the non-exclusive rights of RDD to use the same as provided for in this Agreement.

15. **Default.**

(a) City's Default. The occurrence of one or more of the following events (each, a "City Event of Default") shall constitute a default by City:

- (i) Failure to pay rent when due and which remains unpaid for ten (10) days after notice from RDD to City that such rent is past due; or
- (ii) Failure to perform any other provision of this Agreement if the failure to perform is not cured within thirty (30) days after written notice thereof has been given to City.

(b) RDD's Remedies Upon Default by City. RDD shall have the following remedies if there exists a City Event of Default which has not been cured by City.

(i) For City's failure to pay rent, RDD shall have, as its sole remedy for such failure, the right to sue to collect and otherwise enforce the monetary judgment against the City as provided by law. In no event shall RDD have the right to terminate this Agreement

for City's failure to pay rent, and RDD hereby waives any and all such related rights and remedies for such default.

(ii) For City's failure on three (3) or more occasions over the Term of this Agreement to properly cure and perform any material provisions of this Agreement within thirty (30) days following written notice from RDD, RDD shall have the right (a) to terminate this Agreement by written notice to City, (b) to terminate City's rights to use and possession of the Demised Premises as provided in Section 4 above, or (c) to pursue RDD's remedies at law or in equity to recover from City all amounts then due or thereafter accruing and such other damages as are caused by City's default.

(c) Other Rights Upon Default or Nonperformance. Notwithstanding anything contained herein to the contrary, both RDD and City shall have the right, but not the obligation, upon the failure of the other party to perform or observe any provisions or conditions of this Agreement if such failure is not cured within thirty (30) days after written notice thereof has been given to such party responsible for the performance under this Agreement, to incur any reasonable expense necessary or otherwise take action to perform the obligation(s) as specified in such notice and bill and recover from the party responsible therefor the costs to perform the same. The foregoing remedy is in addition to, and not in lieu of, any other remedies as set forth in this Agreement or available at law or in equity.

16. Fire or Other Casualty. Unless otherwise agreed to by RDD and the City, in the event of any destruction of the buildings or improvements comprising a part of the Demised Premises by fire or other casualty, RDD agrees to restore or repair such building or improvements with reasonable diligence but only to the extent that there are casualty or other insurance proceeds available to cover the costs of such restorations or repairs.

17. Subordination. Upon the request of RDD, City shall subordinate its rights hereunder to a lien of mortgage or mortgages, deeds of trust, or liens resulting from any other method of financing or refinancing now or hereafter in force against the real estate and/or buildings of which the Demised Premises are a part or against any buildings hereafter placed upon real estate of which the Demised Premises are a part, provided that the holder of such mortgage, deed of trust, or lien executes, along with City, an attornment and non-disturbance agreement which permits the City to continue its non-exclusive use of the Demised Premises as provided in Section 4 above for the Term of this Agreement so long as City pays all rent and other charges due hereunder as such holder may direct, and provided that City is not otherwise in default under this Agreement. In the event that RDD sells or disposes of RDD's interest in the Demised Premises, the purchaser shall take the property subject to all of the terms and conditions of this Agreement, and RDD shall provide notice of this Agreement to any prospective purchaser of the Demised Premises so that such prospective purchaser shall only acquire the Demised Premises subject to the terms and conditions of this Agreement.

18. Recording. At the election and upon the request of the City, RDD shall join in the execution of a memorandum of this Agreement for the purpose of recordation. Such memorandum shall describe the parties, the Demised Premises, and the Term, and shall incorporate this Agreement by reference and include such other portions which the City deems

appropriate to effectuate the purpose of such recordation. The costs of recording such memorandum shall be borne by the City.

19. **No Third-Party Beneficiaries.** Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to or who has otherwise been joined in the execution of this Agreement.

20. **Non-Waiver.** No course of dealing between the parties or any delay on the part of RDD or the City in exercising any rights it may have under this Agreement shall operate as a waiver of any of the rights of RDD or the City, as the case may be, hereunder nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

21. **Other Documents.** The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

22. **Attorneys' Fees.** In the event that legal proceedings are instituted to enforce the terms or obligations of this Agreement, each party shall be responsible for its own attorneys' fees and costs incurred in connection with such action.

23. **Entire Agreement.** This Agreement contains the entire agreement and understanding of the parties to this Agreement with respect to the transactions contemplated hereby; and this Agreement and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof.

24. **Headings.** The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

25. **Notice.** Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to RDD: River District Development, LLC
Attention: W. Joe Foster
2309 Riverside Drive
P. O. Box 11896
Danville, VA 24543

With copy to: Clement Wheatley
Attention: Edward F. Hodges, Jr.
549 Main Street
Danville, VA 24543

If to City: City of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, five (5) days following deposit with the United States Postal Service properly addressed and postage prepaid, or the next business day following delivery to a courier service properly addressed with all charges prepaid, as appropriate.

26. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state court located in Danville, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division or, in the event such courthouse is closed or unavailable, the Lynchburg Division), in any action or proceeding arising out of, or related to this Agreement, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. **To the maximum extent permitted by applicable law, the parties waive their respective rights to trial by jury in any action arising from or related to this Agreement.** The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement.

27. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

28. **Amendment, Modification and/or Supplement.** The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest to be bound thereby.

29. **Gender and Number.** Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

30. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. A facsimile or scanned copy (*.pdf) signature to this Agreement shall have the same effect as an original for all purposes.

31. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

32. **Survival.** Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

[SIGNATURES ON FOLLOWING PAGE]

IN TESTIMONY WHEREOF, witness our signatures and seals to this **LEASE AGREEMENT** as of the date first above written:

RDD:

RIVER DISTRICT DEVELOPMENT, LLC,
a Virginia limited liability company

By: _____(SEAL)
Name: _____
Title: _____

CITY:

CITY OF DANVILLE, VIRGINIA, a political
subdivision of the Commonwealth of Virginia

By: _____(SEAL)
Name: _____
Title: _____

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-_____._____

A RESOLUTION APPROVING AND AUTHORIZING A LEASE AGREEMENT BY AND BETWEEN THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA AND RIVER DISTRICT DEVELOPMENT, LLC, WITH THE CITY OF DANVILLE VIRGINIA JOINING IN SAID LEASE TO EVIDENCE ITS CONSENT AND AGREEMENT TO CERTAIN RIGHTS AND OBLIGATIONS OF THE LEASE AGREEMENT.

WHEREAS, the City, Industrial Development Authority ("IDA"), and River District Development, LLC ("RDD") entered into that certain Grant Agreement dated February 2, 2012, as subsequently amended and modified by amendments dated June 29, 2012 and August 24, 2014 which addressed, among other things, RDD's acquisition and redevelopment of property located at 109 Bridge Street, Danville, Virginia; and

WHEREAS, the Original Grant Agreement provided, among other things, that the IDA would acquire property located at 321 Craghead Street (the entirety of then-tax PIN 21419) (the "Acree's Warehouse Property") and redevelop it for use as a parking facility and other purposes, ultimately to be leased to RDD who would also have an option to purchase the Acree's Warehouse Property; and

WHEREAS, the Parties desire to enter into this Lease for the Acree's Warehouse Property as contemplated and set forth in the Original Grant Agreement as further amended by the Third Amendment thereto.

NOW THEREFORE, BE IT RESOLVED, by the Council of Danville, Virginia, that it hereby authorizes and approves the Lease Agreement, substantially in the form attached hereto, and made a part hereof, as if fully set out herein, by and between the Industrial Development Authority of Danville, Virginia and River District Development, LLC, with the City of Danville joining in said lease to evidence its consent and agreement to certain rights and obligations of the lease agreement; and

BE IT FURTHER RESOLVED, that the Council of the City of Danville, Virginia, hereby authorizes the City Manager, Kenneth F. Larking, to execute on behalf of the City this Lease Agreement along with any and all documents as may be necessary to complete the transaction described in this resolution.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”) is made and entered into effective as of **[September __, 2021]**, by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (“**Landlord**”); and **RIVER DISTRICT DEVELOPMENT, LLC**, a Virginia limited liability company (“**Tenant**”). The **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**City**”), for the consideration recited and provided herein, joins in this Lease to evidence its consent and agreement to certain rights and obligations hereunder.

Recitals:

A. The City, Landlord, and Tenant entered into that certain Grant Agreement dated February 2, 2012, as subsequently amended and modified by amendments dated June 29, 2012, and August 24, 2014 (collectively, the “**Original Grant Agreement**”), which addressed, among other things, Tenant’s acquisition and redevelopment of property located at 109 Bridge Street, Danville, Virginia.

B. The Original Grant Agreement provided, among other things, that the Landlord would acquire property located at 321 Craghead Street (the entirety of then-tax PIN 21419)(the “**Acree’s Warehouse Property**”) and redevelop it for use as a parking facility and other purposes, ultimately to be leased to Tenant who would also have an option to purchase the Acree’s Warehouse Property, all as more particularly set forth in the Original Grant Agreement.

C. The parties hereto have agreed to certain revisions to the Original Grant Agreement in order to accommodate concessions by all of the parties related to some other provisions set forth in the Original Grant Agreement and have entered into another amendment dated _____, 2021 (the “**Third Amendment**”), to the Original Grant Agreement, which, among other things modifies the parties’ rights and obligations concerning the Acree’s Warehouse Property and other properties.

D. The parties desire to enter into this Lease for the Acree’s Warehouse Property as contemplated and set forth in the Original Grant Agreement as further amended by the Third Amendment (the “**Grant Agreement**”).

Agreement:

NOW, THEREFORE, in consideration of the rent and mutual covenants and agreements hereinafter recited, the sufficiency of which are hereby acknowledged, Landlord does hereby lease and demise unto Tenant, and Tenant does hereby lease and take as tenant from Landlord, the Demised Premises (as herein defined), for Tenant to have and hold the same upon the following terms and conditions:

1. **Term.** The term of this Lease shall be for a period commencing on October 1, 2021 (the “**Commencement Date**”), and ending at 11:59 p.m. on February 26, 2027 (the “**Term**”), unless sooner terminated as provided herein.

2. **Demised Premises.** The demised premises under this Lease shall consist of those premises commonly known and located at 312 Bridge Street, Danville, Virginia, being PIN 21419 and consisting of approximately 1.74 acres, formerly known as “Acree’s Warehouse”, and on which is situated a parking garage, together with all other improvements thereon and appurtenances thereunto belonging (the “**Demised Premises**”).

3. **Landlord Ownership and Control of 317 & 319 Craghead.** Notwithstanding anything contained in the Original Grant Agreement to the contrary, during the Term of this Lease, Landlord shall retain possession of and control over (including collecting of rents therefrom) those certain premises commonly known and located at (a) 317 Craghead Street, Danville, Virginia, being PIN 26831 and consisting of approximately 0.04 acres, and (b) 319 Craghead Street, Danville, Virginia, being PIN 26832 and consisting of approximately 0.06 acres, together with all improvements thereon and appurtenances thereunto belonging unto (a) and (b) above (collectively, “**317 & 319 Craghead**”), to utilize and lease those premises as it deems appropriate; provided, however, that the lease or license of any portion of 317 & 319 Craghead the terms of which extend, or may extend, beyond the Term of this Lease shall require the written consent of Tenant, which consent shall not be unreasonably withheld.

4. **Rent.** Beginning on the Commencement Date, Tenant shall pay to Landlord annual rent for the Demised Premises in the amount of Ten Dollars (\$10.00) per year, payable in advance on the Commencement Date and on each anniversary thereof occurring during the Term.

5. **City’s Non-Exclusive Right to Use the Demised Premises.** Prior to the Commencement Date, the Demised Premises were operated for the benefit of the public, including the occupants and tenants of the building owned by River District Tower, LLC, an affiliate of Tenant, located at 109 Bridge Street, Danville, Virginia (the “**River District Tower**”). During the Term, Tenant shall have the right to operate the Demised Premises primarily for the benefit of the tenants and occupants of property owned or controlled by Tenant and its affiliates, including River District Tower, and the respective employees, clients, patients, invitees, and licensees of such tenants or occupants (collectively, the “**Tenant Parties**”). Tenant grants to the City a license to use or otherwise make available, on a non-exclusive basis, the Demised Premises outside of normal business hours (which, for purposes hereof, run 7:30 a.m. to 5:00 p.m. Monday through Friday [“**Normal Business Hours**”]) and on weekends and holidays for parking by the general public. Tenant shall have the right to post the Demised Premises and all or part of the parking spaces for use as provided above and enforce its right to maintain use of the Demised Premises during Normal Business Hours accordingly. In the event that during the Term, the parties’ respective parking rights as set forth herein are interfered with by parking of the other party’s guests or invitees or Tenant Parties, as applicable, the Landlord, Tenant, and City shall work cooperatively to address or eliminate such interference, which may include installation of parking control system(s) prohibiting or limiting the use of the Demised Premises by those guests and invitees causing the interference. If the primary interference is from public parking, the City shall be solely responsible for the costs of such parking control systems, and if the primary interference is from another source, the costs of such parking control systems shall be borne equally by the City and Tenant; provided, however, that if such parking control systems

selected and installed by the parties includes the City charging for public parking at the Demised Premises, the City shall solely bear the costs of such parking control systems. Nothing herein shall prevent Landlord from imposing charges, as it deems appropriate, for the use of the Demised Premises during Normal Business Hours, whether by the public or otherwise, nor the City from imposing charges, as its deems appropriate, for the use of the Demised Premises by the general public outside of Normal Business Hours; provided, however, that without the written consent of Tenant, City shall not impose charges upon Tenant Parties for parking in the Demised Premises outside of Normal Business Hours if such parking is in connection with a business or activity conducted from or at River District Tower.

6. **Use of Demised Premise; No Warranties.** Tenant and the City shall use the Demised Premises as provided herein for parking of motor vehicles and related incidental purposes and no other purpose without the written consent of the other parties hereto. Neither Tenant, Landlord, nor the City shall use the Demised Premises or any portion thereof for any illegal or unlawful purpose and will not cause or permit a nuisance to be created or maintained therein. Except as expressly provided herein to the contrary, Tenant acknowledges that Landlord (a) has not made, and does not hereby make, any representations regarding the physical condition of the Demised Premises; and (b) that there are no warranties, either express or implied, regarding the condition of the Demised Premises. Except for the prospective obligations of Landlord and City specifically set forth herein, Tenant hereby accepts the Demised Premises as of the date hereof “AS IS”, “WHERE IS”, and “WITH ALL FAULTS”.

7. **Compliance with Governmental Regulations.** In the performance of any acts required or permitted of Landlord, Tenant, or City under any provision of this Lease, Landlord, Tenant, and City shall comply with all federal, state, and local laws, regulations, rules, and requirements existing at any time during the continuance of such performance in any way affecting the Demised Premises or the use of the Demised Premises.

8. **Property Taxes.** During the Term, Tenant shall make a contribution of thirty percent (30%) of the real estate taxes payable upon the Demised Premises to either the Landlord or the City as determined and communicated by the City to Tenant. Tenant will be provided with an invoice for the foregoing contribution and will pay such invoices in accordance with and subject to the terms and conditions applicable to payment of other charges as set forth in this Lease.

9. **Personal Property Placed on or Located Upon Demised Premises.** All property placed on the Demised Premises by, at the direction of, or with the consent of either Landlord, Tenant, or the City, their respective employees, agents, licensees, or invitees, shall be at the risk of the party directing or causing such placement or the owner of such property. Neither Landlord, Tenant, nor City shall be liable for any loss of or damage to such property resulting from any cause whatsoever unless such loss or damage is the result of the negligence of such party’s employees or agents while on the Demised Premises as permitted or provided herein or the gross negligence or willful misconduct of such party.

10. **Insurance.**

(a) **Tenant.** Tenant agrees to maintain at Tenant's sole cost and expense at all times during the Term comprehensive commercial general liability insurance covering all conditions and operations on or upon the Demised Premises, with minimum coverage in the amount of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily and personal injury to, or death of, one or more persons and consequential damages therefrom and One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for property damage, with an annual aggregate of Two Million and 00/100 Dollars (\$2,000,000.00) for all coverages (the "**Tenant Insurance**"). The Tenant Insurance shall be provided by an insurance carrier licensed to issue such coverage in the Commonwealth of Virginia. The Tenant Insurance shall name Landlord and the City as additional insureds and contain endorsements for or otherwise waive rights of subrogation and require at least thirty (30) days notification to the additional insured prior to cancellation or material modification. If Tenant desires insurance coverage on its personal property located in, on or about the Demised Premises, such coverage shall be the sole responsibility of Tenant. Tenant hereby waives any claim or right of action which it may have against Landlord and/or the City for any loss or damage covered by the Tenant Insurance.

(b) **Landlord and City.** Landlord agrees to maintain at Landlord's sole cost and expense at all times during the Term fire and extended coverage (property) insurance on the Demised Premises in the amount of the full replacement value of the building or buildings comprising the Demised Premises (the "**Landlord Property Insurance**"). Landlord and/or City, as determined between them, shall maintain at such party's or the parties' expense comprehensive commercial general liability insurance covering all public parking operations and related conditions on or upon the Demised Premises, with minimum coverage in the amount of One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for bodily and personal injury to, or death of, one or more persons and consequential damages therefrom and One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for property damage, with an annual aggregate of Two Million and 00/100 Dollars (\$2,000,000.00) for all coverages which shall provide coverage for, among other things, the general public's use of the parking facility as permitted herein (the "**Public Parking Liability Insurance**"). The Landlord Property Insurance and the Public Parking Liability Insurance shall be provided by insurance carriers licensed to issue such coverage in the Commonwealth of Virginia, contain an endorsement for or otherwise waive rights of subrogation, name Tenant as an additional insured, and contain an endorsement for or otherwise require at least thirty (30) days notification to the additional insured prior to cancellation or material modification. If Landlord or City desire insurance coverage on their respective personal property located in, on or about the Demised Premises, such coverage shall be the sole responsibility of such party. Landlord and City, as the case may be, hereby waive any claim or right of action which it may have against Tenant for any loss or damage covered by the Landlord Property Insurance and Public Parking Liability Insurance.

11. **Maintenance and Repair and Related Costs.** During the Term, Landlord shall be responsible, at its expense, for all Operating, Maintenance and Repair Costs for purposes of keeping the Demised Premises in good condition and repair, with reasonable diligence, as and when necessary. All such repairs to and replacements of the Demised Premises shall be of like kind and quality to the original composition. For purposes of this Lease, "**Operating,**

Maintenance and Repair Costs” shall mean all utilities (including water, sewer, gas, electricity and any related services required for the operation of the parking facility), operation and maintenance of any exhaust, lighting, fire suppression, and parking control systems currently or subsequently necessary, repairs to and/or replacements of the roof, exterior walls, structural supports and other structural elements, windows, and major systems, such as plumbing, electrical, lighting, ventilation, and fire suppression systems, and all similar costs and expenses in operating, maintaining or repairing the property as necessary for it to continue to serve as a parking facility. In addition to, and without limiting the foregoing, the City shall maintain, or cause to be maintained, the Demised Premises in a condition that meets or exceeds the standards set by the City for other parking lots and parking facilities located in the City owned or maintained by the City.

12. **Alterations.** Tenant shall make no alterations or additions to the Demised Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All alterations or additions made by, for, or at the direction of Tenant shall, when made, become the property of Landlord and shall remain upon and be surrendered with the Demised Premises as a part thereof at the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Tenant may remove any parking controls, signage, and similar equipment or fixtures installed by, for, or at the direction of Tenant, provided that Tenant, at its expense, repairs any damage caused by such removal. Upon the expiration or any earlier termination of this Lease, Tenant shall promptly reimburse Landlord for any expense or cost incurred by Landlord in restoring the Demised Premises to the condition in which the Demised Premises were at the time Tenant shall have occupied the same, except for ordinary wear and tear, casualty or damage not caused by Tenant, conditions existing as a result of the failure of Landlord and/or or the City to perform those obligations under Section 11 above, and alterations or additions to the Demised Premises consented to in writing by Landlord. Tenant shall promptly pay and discharge any and all licenses, imposts, liens or other charges arising out of or in connection with the performance of any act of Tenant permitted hereunder. Tenant shall keep the Demised Premises free and clear from any and all such liens or charges.

13. **Right of Entry.** In addition to those rights contemplated by Section 5 above, Landlord and City shall have the right to enter the Demised Premises at any time: (i) to inspect the Demised Premises; (ii) to maintain or make repairs to the Demised Premises in accordance with this Lease and to store necessary materials, tools, and equipment for such maintenance and repairs, provided such storage does not unreasonably interfere with the operations of Tenant on, or the use of the Demised Premises by Tenant and City as set forth herein; or (iii) to abate any condition which constitutes a violation of any covenant or condition of this Lease. No such entry by Landlord or the City shall in any manner affect Tenant’s obligations and covenants under this Lease.

14. **End of Term.** Upon the expiration of the Term or other termination of this Lease, unless Tenant has exercised its option to purchase the Demised Premises as set forth in that certain Real Estate Purchase Option Agreement – Acree’s Warehouse and 317 and 319 Craghead Street, of even date herewith, by and among Landlord, Tenant and the City (the “**Option Agreement**”), Tenant shall quit and surrender to Landlord the Demised Premises free

from damage caused by Tenant, and Tenant shall remove, or caused to be removed, any of its property from the Demised Premises.

15. **Assignment and Subletting.** Tenant shall have the right to assign this Lease or sublet the Demised Premises, at any point during the Term as Tenant deems appropriate, upon written notice to Landlord (with a copy to the City) but only to (a) any purchaser, or an entity owned or controlled by such purchaser, of one or more individual condominium units comprising a part of River District Tower, or (b) to a unit owner's association or similar entity created to own or control the common elements of River District Tower (including future additions thereto as permitted by applicable law) or the parking facility on such association's behalf; provided, however, that such assignment and subletting shall be subject to and shall not materially interfere with the City's rights and ability to the non-exclusive use of Demised Premises for public parking outside of Normal Business Hours as set forth in Section 5 above. Upon such assignment, Tenant and its assignee or sublessee, as the case may be, shall enter into a written instrument evidencing the assignment or sublease. Should the arrangement take the form of an assignment, this Lease shall survive such assignment, and Tenant's assignee shall assume all obligations of Tenant hereunder to Landlord and the City, as applicable, and Tenant shall be released from further liability to either under this Lease. Should the arrangement take the form of a sublease, Tenant shall remain liable and responsible, in addition to its assignee, for all of the obligations of Tenant hereunder to Landlord and the City, as applicable. Except as expressly provided for above (including, but not limited to, Tenant's right to impose parking charges as provided in Section 5 above), Tenant shall not assign or sublease the Demised Premises during the Term except upon the written consent of Landlord, which may be withheld in Landlord's sole discretion.

16. **Quiet Enjoyment.** Landlord agrees that Tenant, on paying the rent and performing all the terms and conditions of this Lease, shall have quiet enjoyment of the Demised Premises for the Term subject to the City's non-exclusive rights to use the same as provided in Section 5 above.

17. **Default.**

(a) **Tenant's Default.** The occurrence of one or more of the following events (each, a "**Tenant Event of Default**") shall constitute a default by Tenant:

(i) Failure to pay rent when due and which remains unpaid for ten (10) days after notice from Landlord to Tenant that such rent is past due; or

(ii) Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice thereof has been given to Tenant.

(b) **Landlord's Remedies Upon Default by Tenant.** Landlord shall have the following remedies if there exists a Tenant Event of Default which has not been cured by Tenant.

(i) For Tenant's failure to pay rent, Landlord shall have, as its sole remedy for such failure, the right to sue to collect and otherwise enforce the monetary judgment against the Tenant as provided by law. In no event shall Landlord have the right to terminate this Lease for Tenant's failure to pay rent, and Landlord hereby waives any and all such related rights and remedies for such default.

(ii) For Tenant's failure on three (3) or more occasions over the Term of this Lease to properly cure and perform any material provisions of this Lease within thirty (30) days following written notice from Landlord, Landlord shall have the right (a) to terminate this Lease by written notice to Tenant, (b) to terminate Tenant's rights to possession of the Premises and to re-enter the Premises and operate or relet them, or (c) to pursue Landlord's remedies at law or in equity to recover from Tenant all amounts of rent then due or thereafter accruing and such other damages as are caused by Tenant's default.

(c) Other Rights Upon Default or Nonperformance. Notwithstanding anything contained herein to the contrary, both Landlord and Tenant shall have the right, but not the obligation, upon the failure of the other party or the City to perform or observe any provisions or conditions of this Lease if such failure is not cured within thirty (30) days after written notice thereof has been given to such party responsible for the performance under this Lease, to incur any reasonable expense necessary or otherwise take action to perform the obligation(s) as specified in such notice and bill and recover from the party responsible therefor the costs to perform the same. The foregoing remedy is in addition to, and not in lieu of, any other remedies as set forth in this Lease or available at law or in equity.

18. **Fire or Other Casualty.** In the event of any destruction of the buildings or improvements comprising a part of the Demised Premises by fire or other casualty, unless other agreed to by Landlord, Tenant, and City, Landlord agrees to restore or repair such building or improvements with reasonable diligence but only to the extent that there are casualty or other insurance proceeds to cover the costs of the same.

19. **Subordination.** Upon request of Landlord, Tenant shall subordinate its rights hereunder to a lien of mortgage or mortgages, deeds of trust, or liens resulting from any other method of financing or refinancing now or hereafter in force against the real estate and/or buildings of which the Demised Premises are a part or against any buildings hereafter placed upon real estate of which the Demised Premises are a part, provided that the holder of such mortgage, deed of trust, or lien executes, along with Tenant, an attornment and non-disturbance agreement which permits Tenant to remain in possession of the Demised Premises for the term of this Lease, and recognizes and subordinates its rights to the Option Agreement, so long as Tenant pays all rent and other charges due hereunder as such holder may direct, and provided that Tenant is not otherwise in default under this Lease. In the event that Landlord sells or disposes of Landlord's interest in the Demised Premises, the purchaser shall take the property subject to all of the terms and conditions of this Lease, and Landlord shall provide notice of this Lease to any prospective purchaser of the Demised Premises so that such prospective purchaser shall only acquire the Demised Premises subject to the terms and conditions of this Lease and the Option Agreement. Any such sale or transfer of the Demised Premises by Landlord shall not relieve the Landlord or the City of any obligations under this Lease.

20. **Recording.** Tenant or Landlord, upon the request of the other party, shall join in the execution of a memorandum of this Lease for the purpose of recordation. Such memorandum shall describe the parties, the Demised Premises, and the Term, and shall incorporate this Lease by reference and include such other portions which Landlord deems appropriate to effectuate the purpose of such recordation. Such memorandum shall be in such form as will be sufficient for recordation in the Commonwealth of Virginia and as may be reasonably required by Landlord's lender, which memorandum may be recorded at the election of either party. The costs of recording such memorandum shall be borne by the party requesting or seeking such recordation.

21. **No Third-Party Beneficiaries.** Nothing in this Lease is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party to or who has otherwise been joined in the execution of this Lease.

22. **Non-Waiver.** No course of dealing between the parties or any delay on the part of Landlord, Tenant, or City in exercising any rights it may have under this Lease shall operate as a waiver of any of the rights of Landlord, Tenant, or City, as the case may be, hereunder nor shall any waiver of a prior default operate as a waiver of any subsequent default or defaults and no express waiver shall affect any condition, covenant, rule or regulation other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

23. **Other Documents.** The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Lease.

24. **Attorneys' Fees.** In the event that legal proceedings are instituted to enforce the terms or obligations of this Lease, each party shall be responsible for its own attorneys' fees and costs incurred in connection with such action.

25. **Entire Agreement.** This Lease (together with the Grant Agreement as finally amended and the Option Agreement) contains the entire agreement and understanding of the parties to this Lease with respect to the transactions contemplated hereby; and this Lease and the schedules hereto supersede all prior understandings and agreements of the parties with respect to the subject matter hereof with the exception of the Grant Agreement as finally amended and those matters specifically addressed in the Option Agreement.

26. **Headings.** The descriptive headings in this Lease are inserted for convenience only and do not constitute a part of this Lease.

27. **Notice.** Any notice required or contemplated to be given to a party by the other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, as follows:

If to Landlord: Industrial Development Authority of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

If to Tenant: River District Development, LLC
Attention: W. Joe Foster
2309 Riverside Drive
P. O. Box 11896
Danville, VA 24543

With copy to: Clement Wheatley
Attention: Edward F. Hodges, Jr.
549 Main Street
Danville, VA 24543

If to City: City of Danville, Virginia
Attention: City Attorney
427 Patton Street
P. O. Box 3300
Danville, VA 24543

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, five (5) days following deposit with the United States Postal Service properly addressed and postage prepaid, or the next business day following delivery to a courier service properly addressed with all charges prepaid, as appropriate.

28. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties hereby submit to the exclusive jurisdiction of the state courts located in Danville, Virginia, or the U.S. District Court for the Western District of Virginia (Danville Division or, in the event such courthouse is closed or unavailable, the Lynchburg Division), in any action or proceeding arising out of, or related to this Lease, and the parties hereby agree that all claims in respect of any action or proceeding shall be heard or determined only in either of these courts. **To the maximum extent permitted by applicable law, the parties waive their respective rights to trial by jury in any action arising from or related to this Lease.** The parties agree that a final judgment in any action or proceeding shall, to the extent permitted by applicable law, be conclusive and may be enforced in other jurisdictions by suit on the judgment, or in any other manner provided by applicable law related to the enforcement of judgments. If any ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Lease.

29. **Binding Effect.** This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

30. **Amendment, Modification and/or Supplement.** The parties may amend, modify, and/or supplement this Lease in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest to be bound thereby.

31. **Gender and Number.** Throughout this Lease, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

32. **Counterparts.** This Lease may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Lease. A facsimile or scanned copy (*.pdf) signature to this Agreement shall have the same effect as an original for all purposes.

33. **Severability.** The invalidity or unenforceability of any particular provision of this Lease shall not affect the other provisions hereof, and this Lease shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

34. **Survival.** Any termination, cancellation or expiration of this Lease notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

[SIGNATURES ON FOLLOWING PAGE]

IN TESTIMONY WHEREOF, witness our signatures and seals to this **LEASE AGREEMENT** as of the date first above written:

LANDLORD:

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF DANVILLE, VIRGINIA**, a political
subdivision of the Commonwealth of Virginia

By: _____(SEAL)
Name: _____
Title: _____

TENANT:

RIVER DISTRICT DEVELOPMENT, LLC,
a Virginia limited liability company

By: _____(SEAL)
Name: _____
Title: _____

CITY:

CITY OF DANVILLE, VIRGINIA, a political
subdivision of the Commonwealth of Virginia

By: _____(SEAL)
Name: _____
Title: _____

Council Letter

City of Danville, Virginia



CL-2598

New Business C.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Virginia Department of Transportation - Fiscal Year 2027 & 2028 Revenue Sharing Program Applications

From: Brian Dunevant, Assistant Public Works Director & City Engineer

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

The Public Works Engineering Division has prepared Revenue Sharing Applications to request Revenue Sharing Program funds for Fiscal Year 2027 and Fiscal Year 2028 for construction of two projects as identified below:

- Richmond Boulevard Pedestrian Access Improvements from Moffett Street to Justin Lane.
- Replace Structure 1816 on Riverside Drive over Apple Branch.

BACKGROUND

The Virginia Department of Transportation (VDOT) has requested cities and counties submit applications for Fiscal Year 2027 and Fiscal Year 2028 Revenue Sharing Program Funds. Applications are due October 1, 2021, and the program follows a biennial application cycle. The Revenue Sharing funds must be matched 50/50 with local Capital Improvement funds. Pre-applications were required to be submitted by July 1, 2021 for proposed projects. VDOT has reviewed the pre-applications for the aforementioned projects and has approved the applications to proceed. A Resolution of Support from City Council is required to be submitted with each application.

RECOMMENDATION

It is recommended that City Council approve the accompanying Resolutions requesting the Virginia Department of Transportation to allocate Fiscal Year 2027 and Fiscal Year 2028 Revenue Sharing Program funds for the listed projects in the City of Danville.

Attachments

Resolution

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE,
VIRGINIA ENDORSING RICHMOND BOULEVARD PEDESTRIAN ACCESS.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City requests the Commonwealth Transportation Board to establish a project for improving pedestrian access along Richmond Boulevard from Moffett Street to Justin Lane; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to provide its share of the total cost for preliminary engineering, right-of-way acquisition, and construction of this project in accordance with the project financial documents; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design, right-of-way acquisition, and construction of the project; and

BE IT FURTHER RESOLVED, that the City of Danville will be responsible for maintenance and operating costs of the facility as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED; that if the City of Danville subsequently elects to cancel the project and the City of Danville hereby agrees to reimburse VDOT for the total

amount of costs expended by VDOT through the date VDOT is notified of such cancellation;
and

BE IT FURTHER RESOLVED that the City of Danville also agrees to repay
any funds previously reimbursed that are later deemed ineligible by the Federal Highway
Administration or VDOT; and

BE IT FINALLY RESOLVED, that the City Council of the City of Danville
hereby grants authority for the City Manager to apply for funds and execute project
administration agreements, as well as other documents necessary for approved projects.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE,
VIRGINIA ENDORSING REPLACEMENT OF STRUCTURE 1816 ON RIVERSIDE DRIVE
OVER APPLE BRANCH.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City requests the Commonwealth Transportation Board to establish a project for the replacement of structure 1816 on Riverside Drive over Apple Branch; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to provide its share of the total cost for preliminary engineering, right-of-way acquisition, and construction of this project in accordance with the project financial documents; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design, right-of-way acquisition, and construction of the project; and

BE IT FURTHER RESOLVED, that the City of Danville will be responsible for maintenance and operating costs of the facility as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED, that if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation; and

BE IT FURTHER RESOLVED, that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED, that the City Council of the City of Danville hereby grants authority for the City Manager to apply for funds and execute project administration agreements, as well as other documents necessary for approved projects.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

Council Letter

City of Danville, Virginia



CL-2599

New Business D.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Virginia Department of Transportation - Fiscal Year 2023 & 2024 Transportation Alternative Program Applications

From: Brian Dunevant, Assistant Public Works Director & City Engineer

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

The Public Works Engineering Division has prepared two Transportation Alternative Applications to request Transportation Alternative Program Funds for Fiscal Year 2023 and Fiscal Year 2024 for construction of two projects as identified below:

- Sidewalk on Kemper Road from Edmonds Street to Arlington Road / Arlington Place.
- Pedestrian access improvements on Piney Forest Road and Arnett Boulevard.

BACKGROUND

The Virginia Department of Transportation (VDOT) has requested cities and counties to submit applications for Fiscal Year 2023 and Fiscal Year 2024 Transportation Alternative Program Funds. Applications are due October 1, 2021, and the program follows a biennial application cycle. The Transportation Alternative Program funds must be matched 80/20 with local Capital Improvement funds. Pre-applications were required to be submitted by July 1, 2021 for proposed projects. VDOT has reviewed the pre-applications for the aforementioned projects and has approved the applications to proceed. A Resolution of Support from City Council is required to be submitted with each application.

RECOMMENDATION

It is recommended that City Council approve the accompanying Resolutions requesting the Virginia Department of Transportation to allocate Fiscal Year 2023 and Fiscal Year 2024 Transportation Alternative Program funds for two proposed projects in the City of Danville.

Attachments

Resolution

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION FOR THE CITY COUNCIL OF THE CITY OF DANVILLE,
VIRGINIA ENDORSING CONSTRUCTION OF KEMPER ROAD SIDEWALKS PHASE 2.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a Transportation Alternatives Set-Aside project to be administered by the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City requests the Commonwealth Transportation Board to establish a project for construction of sidewalks on Kemper Road from Edmonds Street to Arlington Road / Arlington Place; and

BE IT FURTHER RESOLVED, that the City of Danville hereby commits to provide a minimum 20 percent matching contribution for this project and any additional funds necessary to complete the project; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design, right-of-way acquisition, and construction of a federally funded transportation project; and

BE IT FURTHER RESOLVED that the City of Danville will be responsible for maintenance and operating costs of any improvement/facility constructed with Transportation Alternative Set-Aside funds unless other arrangements have been made with the Department; and

BE IT FURTHER RESOLVED, that if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation; and

BE IT FURTHER RESOLVED, that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED, that the City Council of the City of Danville, Virginia, hereby grants authority for the City Manager to execute project administration agreements for any approved Transportation Alternatives Set-Aside projects for Fiscal Year 2023 and Fiscal Year 2024.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.

A RESOLUTION FOR THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA ENDORSING CONSTRUCTION OF PEDESTRIAN IMPROVEMENTS AT PINEY FOREST ROAD AND ARNETT BOULEVARD.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a Transportation Alternatives Set-Aside project to be administered by the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City requests the Commonwealth Transportation Board to establish a project for construction of pedestrian improvements at Piney Forest Road and Arnett Boulevard and extending to an existing transit stop near 901 Arnett Boulevard; and

BE IT FURTHER RESOLVED, that the City of Danville hereby commits to provide a minimum 20 percent matching contribution for this project and any additional funds necessary to complete the project; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design, right-of-way acquisition, and construction of a federally funded transportation project; and

BE IT FURTHER RESOLVED, that the City of Danville will be responsible for maintenance and operating costs of any improvement/facility constructed with Transportation Alternative Set-Aside funds unless other arrangements have been made with the Department; and

BE IT FURTHER RESOLVED, that if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation; and;

BE IT FURTHER RESOLVED, that the City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED, that the City Council of the City of Danville, Virginia, hereby grants authority for the City Manager to execute project administration agreements for any approved Transportation Alternatives Set-Aside projects for Fiscal Year 2023 and Fiscal Year 2024.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

Council Letter

City of Danville, Virginia



CL-2630

New Business E.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Change in Council Meeting Date

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 09/21/2021

SUMMARY

The 2021 Virginia Municipal League Conference is scheduled for October 3, 2021 through October 5, 2021 in Leesburg, Virginia. As a number of members of City Council and City Administration will be attending the conference, it is recommended that the Regular City Council Meeting scheduled for Tuesday, October 5, 2021 be canceled and a Special Meeting of City Council be held on Thursday, October 7, 2021.

RECOMMENDATION

It is recommended that City Council approve the attached Resolution canceling the October 5, 2021 City Council Meetings and scheduling a Special Meeting of City Council on October 7, 2021.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION CANCELING THE REGULAR MEETING OF CITY COUNCIL SCHEDULED FOR TUESDAY, OCTOBER 5, 2021 AND SCHEDULING A SPECIAL MEETING OF CITY COUNCIL ON THURSDAY, OCTOBER 7, 2021.

WHEREAS, the Virginia Municipal League's Annual Conference will be held on October 3, 2021 through October 5, 2021; and

WHEREAS, a regular meeting of Council is scheduled for Tuesday, October 5, 2021 at 7:00 p.m.; and

WHEREAS, it is desirable to cancel the regular meeting of Council scheduled for Tuesday, October 5, 2021 at 7:00 p.m. and schedule a special meeting of Council on Thursday, October 7, 2021 at 7:00 p.m. to permit members of Council and the City Manager's staff to attend the Virginia Municipal League's Annual Conference.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the regular meeting of Council scheduled for Tuesday, October 5, 2021 be, and it is hereby, canceled; and

BE IT FURTHER RESOLVED, that a special meeting of Council is called for Thursday, October 7, 2021 at 7:00 p.m. to consider matters of municipal business.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

Deputy City Attorney

Council Letter

City of Danville, Virginia



CL-2611

New Business F.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Fiscal Year 2022 Virginia DMV - Highway Safety Office Selective Enforcement - Alcohol Grant Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/21/2021

Final Adoption 10/07/2021

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2022 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Alcohol Grant Program in the amount of \$18,570. This funding will be used to pay for overtime personnel for enforcement of driving under the influence, license checkpoints and saturation patrols. Matching funds are in-kind and will not require any additional funding from the City.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$18,570 from the Virginia Department of Motor Vehicle Highway Safety Selective Enforcement - Alcohol Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY SELECTIVE ENFORCEMENT – ALCOHOL GRANT PROGRAM IN THE AMOUNT OF \$18,570 AND APPROPRIATING SAME.

WHEREAS the City of Danville has been awarded a grant from the Virginia Department of Motor Vehicles Highway Safety Selective Enforcement - Alcohol Grant Program in the amount of \$18,570; and

WHEREAS the funding will provide pay for extra duty personnel for enforcement of driving under the influence and license checkpoints; and

WHEREAS the grant requires in-kind matching funds.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia that the Fiscal Year 2022 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$18,570 from the Virginia Department of Motor Vehicles Highway Safety Selective Enforcement - Alcohol Grant Program, such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Selective Enforcement – Alcohol Grant Revenue	61707000-48230	<u>\$18,570</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Selective Enforcement - Alcohol Grant Program	61707999-50	<u>\$18,570</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2612

New Business G.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Fiscal Year 2022 Virginia DMV - Highway Safety Office Selective Enforcement - Speed Grant Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/21/2021

Final Adoption: 10/07/2021

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2022 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Speed Grant Program in the amount of \$9,100. This funding will provide overtime pay for police officers for the enforcement of speeding ordinances. Matching funds are in-kind and will not require any additional funding from the City.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$9,100 from the Virginia Department of Motor Vehicles Highway Safety Selective Office Enforcement - Speed Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY OFFICE SELECTIVE ENFORCEMENT – SPEED GRANT PROGRAM IN THE AMOUNT OF \$9,100 AND APPROPRIATING SAME.

WHEREAS, the City of Danville has been awarded a grant from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Speed Grant Program in the amount of \$9,100; and

WHEREAS, the funding will provide overtime pay for police officers for the enforcement of speeding ordinances; and

WHEREAS, the grant requires in-kind matching funds.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia that the Fiscal Year 2022 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$9,100 from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement – Speed Grant Program, such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Office Selective Enforcement - Speed Grant Revenue	61708000-48230	<u>\$9,100</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Office Selective Enforcement - Speed Grant Program	61708999-50	<u>\$9,100</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2613

New Business H.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Fiscal Year 2022 Virginia DMV - Highway Safety Office Selective Enforcement - Occupant Grant Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/21/2021

Final Adoption: 10/07/2021

SUMMARY

The Danville Police Department received a Highway Safety Grant under the FY 2022 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Occupant Protection Grant Program in the amount of \$5,250. This funding will provide overtime pay for police officers for the enforcement of safety belt and child safety seat violations. Matching funds are in-kind and will not require any additional funding from the City.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$5,250 from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Occupant Protection Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY OFFICE SELECTIVE ENFORCEMENT – OCCUPANT PROTECTION GRANT PROGRAM IN THE AMOUNT OF \$5,250 AND APPROPRIATING SAME.

WHEREAS, the City of Danville has been awarded a grant from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement – Occupant Protection Grant Program in the amount of \$5,250; and

WHEREAS, the funding will provide overtime pay for police officers for the enforcement of safety belt and child safety seat violations; and

WHEREAS the grant requires in-kind matching funds.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia that the Fiscal Year 2022 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$5,250 from the Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement – Occupant Protection Grant Program, such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Office Selective Enforcement – Occupant Protection Grant Revenue	61709000-48230	<u>\$5,250</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 VA DMV Highway Safety Office Selective Enforcement - Occupant Protection Grant Program	61709999-50	<u>\$5,250</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2625

New Business I.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Older Americans Grant Funding Fiscal Year 2022

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: 09/21/2021

Final Adoption: 10/07/2021

SUMMARY

Each year, the City of Danville applies for federal Older Americans Act funds and state transportation funds in association with the Southern Area Agency on Aging to provide transportation services for senior citizens, ages sixty and over, who reside in the City of Danville and certain designated areas outside the City limits. For the period July 1, 2020, through June 30, 2021, the Danville Transit System completed 13,679 one-way trips for seniors that were invoiced to the Southern Area Agency on Aging. Total senior ridership activity for this period was comparable to the previous fiscal year.

BACKGROUND

The Transportation Services Department requests City Council's approval to appropriate Title III-B Older Americans Act Grant funds for the federal fiscal year October 1, 2021, through September 30, 2022, in the amount of \$49,892 from Title III-B funds, \$55,000 in Title III-B Carryover funds, \$22,445 in State Transportation Funds and Program income of \$1,000 for transportation services.

The Ordinance includes an appropriation for in-kind services for the Title III-B Older Americans Act Grant in the amount of \$380,790. These charges are appropriated in the Transportation Services budget as well. The appropriation for in-kind service is necessary for administrative and reporting activities and to complete operational and supervisory duties to support the Senior Transportation program, and includes in-kind revenues and equal in-kind expenditures in the Special Grants fund.

RECOMMENDATION

It is recommended that City Council approve the attached Ordinance appropriating the Title III-B Older American Act Grant funds received through the Southern Area Agency on Aging for Fiscal Year 2022.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021 - _____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY INCREASING CERTAIN REVENUES TO PROVIDE FOR TITLE III-B GRANT FUNDS AND LOCAL SHARE FOR SENIOR CITIZEN TRANSPORTATION SERVICES AND APPROPRIATING THE SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended to provide for a grant from Title III-B Older Americans Act funds in the amount of \$49,892, Title III-B Carryover Funds in the amount of \$55,000, Virginia General Fund monies in the amount of \$22,445, administered by the Southern Area Agency on Aging to the Department of Transportation Services for the Federal Fiscal Year beginning October 1, 2021 and ending September 30, 2022, \$1,000 program income, and \$380,790 of In-Kind Services for a total of \$509,127, and appropriating such funds within the Special Grants Fund, such revenue and appropriations to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid –Federal: Older Americans Act Title III-B Funds (FY21-22)	61711000-48142	\$127,337
Local Share: Older Americans Act Title III-B Program Income (FY21-22)	61712000-44650	\$1,000
Title III-B Older Americans Act In-Kind (FY21-22)	61713000-44890	<u>\$380,790</u>
	GRAND TOTAL	<u>\$509,127</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B (FY21-22)		
Salary and Wages	61711000-51200	\$71,000
FICA	61711000-51450	\$5,046
Mass Transit Services	61711000-52660	\$50,388
Postage	61711000-54050	<u>\$903</u>
	Subtotal	<u>\$127,337</u>

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B Program Income (FY21-22):		
Travel/ Training Expense	61712000-54900	\$500
Office Supplies	61712000-55820	<u>\$500</u>
	Subtotal	<u>\$1,000</u>

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B In-Kind (FY21-22):		
Postage	61713000-54050	\$750
Telephone Internet	61713000-54100	\$1,400
Travel/Training Expense	61713000-54900	\$1,833
Office Supplies	61713000-55820	\$1,000
Salary and Wages	61713000-59500	\$341,014
FICA	61713000-59510	\$23,058
Outside Services	61713000-59610	\$550
Print Shop	61713000-59620	\$3,000
Lease/Rent Buildings	61713000-59670	<u>\$8,185</u>
	Subtotal	<u>\$380,790</u>
	GRAND TOTAL	<u>\$509,127</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

Deputy City Attorney

Council Letter

City of Danville, Virginia



CL-2605

New Business J.

City Council Regular Meeting

Meeting Date: 09/21/2021

Subject: Shelter Upgrade Grant

From: David Coffey, Fire Chief

COUNCIL ACTION

First Reading: 09/21/2021

Final Adoption: 10/07/2021

SUMMARY

The City has received notification from the Virginia Department of Emergency Management that the Emergency Service Center has been approved to receive funding from the 2022 Emergency Shelters Assistance Fund in the amount of \$102,200.00 for the implementation of the shelter upgrade at Bonner Middle School, with local funding of \$37,800.00.

BACKGROUND

Funds from the Emergency Shelters Assistance Fund are given to the Virginia Department of Emergency Management to distribute to localities throughout the Commonwealth to be used to upgrade their current shelter; these upgrades must be completed within eighteen months. The primary goal is to upgrade the current generator and replace the back-up power supply. Once the new generator has been installed, Bonner Middle School will then be responsible for yearly maintenance.

RECOMMENDATION

It is recommended that City Council approve the attached Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by increasing revenue to anticipate the receipt of the grant funds from the Virginia Department of Emergency Management in the Amount of \$102,200, and local match of \$37,800 for a total appropriation of \$140,000.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A GRANT FROM THE VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT IN AN AMOUNT OF \$102,200 AND A LOCAL SHARE IN THE AMOUNT OF \$37,800 FOR EQUIPMENT UPGRADES TO THE EMERGENCY MANAGEMENT SHELTER FOR A TOTAL APPROPRIATION IN THE AMOUNT OF \$140,000, AND APPROPRIATING SAME.

WHEREAS, the City has been notified by the Virginia Department of Emergency Management that the Emergency Management Department has been awarded a grant; and

WHEREAS, the grant funds are to be used to upgrade the equipment of the Emergency Management Shelter in order to meet state requirements for the site to be considered operational.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and is hereby, amended by increasing revenue from the Virginia Department of Emergency Management for equipment upgrades and such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
State Funding: FY 22 Emergency Shelters Upgrade Assistance Grant	61715000-47670	<u>\$102,200</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 22 ESUAG—Shelter Upgrade Grant	61715999-50	<u>\$102,000</u>

AND BE IT FURTHER ORDAINED, that a transfer from Special Grants Unallocated revenue and appropriation is hereby authorized to cover the local share as follows:

TRANSFER FROM

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Special Grants Unallocated Transfer In From General Fund	60098000-6101	\$37,800
Special Grants Unallocated	60098000-6999	<u>\$37,800</u>

TRANSFERRED TO

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 22 ESUAG—Shelter Upgrade Grant Transfer In from General Fund	61715000-6101	\$37,800
FY 22 ESUAG—Shelter Upgrade Grant	61715999-50	<u>\$37,800</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

Deputy City Attorney