



REVISED

DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

September 1, 2020

7:00 P.M.

PRESIDING: Alonzo L. Jones, Mayor

**CITY COUNCIL
MEMBERS:** James B. Buckner
L.G. "Larry" Campbell, Jr.
Samuel A. Kushner
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.

Due to ongoing concerns related to COVID-19, the City of Danville will continue to accept comments for Communications from Visitors and for Public Hearings via their on-line portal at: danvilleva.gov/council or by phone using this number: (434) 857-3348, until further notice. Comments submitted via these formats will be collected and distributed to all City Council members, and published with the minutes of the September 1, 2020 meeting. Comments will be collected through August 31, 2020 5:00 p.m.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - L.G. "Larry" Campbell, Jr.

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITION

Dr. Rachel Santos and Dr. Roberto Santos
Center of Police Practice, Policy and Research, Radford University
Introduced by Chief Scott Booth

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. Consideration of Approval of Minutes from Regular Council Meeting held on August 4, 2020.
Council Letter Number CL - 2396.

- B. Consideration of Authorizing the Issuance of Bonds of the City of Danville, Virginia.
Council Letter Number CL - 2369.

An Ordinance Authorizing the Issuance of Bonds of the City of Danville, Virginia, in the Maximum Aggregate Principal Amount of \$16,000,000 to Finance the Acquisition, Construction and Equipping of Various Capital Projects.

FINAL ADOPTION

NEW BUSINESS

- A. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Toyota USA Grant Funds.
Council Letter Number CL - 2378.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenue from the Toyota USA Grant Program in the Amount of \$30,000 and Appropriating Same.

FIRST READING

- B. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for DMV Alcohol Grant Program Funds in the Amount of \$19,222.
Council Letter Number CL - 2375.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenue from the Virginia Department of Motor Vehicles Highway Safety Selective Enforcement – Alcohol Grant Program in the Amount of \$19,222 and Appropriating Same.

FIRST READING

- C. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for the DMV Occupant Protection Grant Program in the Amount of \$5,250.
Council Letter Number CL - 2376.

An Ordinance Amending the Fiscal Year 2021 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

- D. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for DMV Speed Grant Program Funds in the Amount of \$9,100.
Council Letter Number CL - 2377.

An Ordinance Amending the Fiscal Year 2021 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.

FIRST READING

- E. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for CSA Funds.
Council Letter Number CL -2366.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Appropriating Comprehensive Services Act Funds and Providing Local Matching Funds for a Total Amount of \$4,780,388 and Appropriating Same.

FIRST READING

- F. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Virginia Department of Aviation Airport Maintenance Funds.
Council Letter Number CL - 2371.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for State Department of Aviation Maintenance Grant Funds Related to the Maintenance of Certain Airport Properties in the Amount of \$70,208 and for the Local Share in the Amount of \$17,552 for a Total Appropriation of \$87,760 and Appropriating the Same.

FIRST READING

- G. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Title III-B Older American Act Grant Funds for Senior Citizen Transportation Services.
Council Letter Number CL - 2372.

An Ordinance Amending the Fiscal Year 2021 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

- H. Consideration of Amending Danville City Code to add the Local Legends Banner Display Program.
Council Letter Number CL - 2363.

An Ordinance Amending Chapter 35 Entitled "Streets and Sidewalks" of the Code of the City of Danville, 1986, As Amended, by Adding a Section 35-17.1 Entitled "Local Legends Banner Display Program."

- I. Consideration of Support of Tobacco Region Revitalization Commission Grant Funds for the Southern Virginia Multi-Modal Park.
Council Letter Number CL - 2392.

A Resolution Authorizing the Submission of an Application for the Fiscal Year 2021 Virginia Tobacco Region Revitalization Commission Southside Economic Development Grant Program.

- J. Consideration of an Application to the Virginia Department of Housing and Community Development for an Industrial Revitalization Grant.
Council Letter Number CL - 2390.

A Resolution Approving and Authorizing the Submission of a Grant Application by the Danville Office of Economic Development, to the Virginia Department of Housing and Community Development, Industrial Revitalization Fund and for the City to Fund the Balance of the "River District Project."

- K. Consideration of Approving a Casino Resort Development Agreement.
Council Letter Number CL - 2398.

A Resolution of the City Council of the City of Danville Virginia Formally Approving a Casino Resort Development Agreement by and Among the City of Danville, the Industrial Development Authority of Danville, Virginia, Caesars Virginia, LLC, and Caesars Entertainment, Inc.

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-2386

Consent Agenda A.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 09/01/2020

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on August 4, 2020.

Council Letter Number CL - 2396.

Attachments

Meeting Minutes

August 4, 2020

The Regular August meeting of the Danville City Council was held on August 4, 2020, 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, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., (6). Samuel A. Kushner and Madison J.R. Whittle were absent; L.G. "Larry" Campbell Jr., was in attendance, however, as he was not yet sworn in, he did not participate in the Council Meeting (3).

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 Dr. Gary P. Miller followed by the Pledge of Allegiance.

Mayor Jones recognized Chairperson of the Danville School Board, Crystal Cobbs, who introduced Dr. Catherine Magouyrk, Interim Superintendent of Schools. Dr. Magouyrk gave a brief presentation to Council regarding Danville Public Schools, noting DPS starts with Pre-K and ends with graduation, and what happens in Pre-K determines graduation. STEAM was learned in Pre-K through 3rd grade; if children cannot read by third grade, their challenges become greater and graduation seems further. One of the challenges they face, looking at test scores, was they leave 50% of the children behind; 50% of the children don't have futures because 50% of the children are failing. The first responsibility comes from the parents, attendance was the responsibility of parents; it was the first stage of teaching youth how to be successful employees. Children who are chronically absent in those first grades, don't learn to read, and after grade three, because they don't have a strong foundation, become students they fear won't graduate. Chronic absenteeism for all students was 19% and for economically disadvantaged it was 24%. Dr. Magouyrk noted with the test scores, she felt absenteeism was a problem. Everyone plays a part, part one was parents, the second part was the community; a strong community with successful schools, the community's economic development soars. Danville's graduation rate was 82%, the dropout rate 10%; those that get GED's, in today's world, high school diplomas are not enough, a GED was certainly not. It behooves the City to graduate their students on time, that becomes a teacher, parent and student responsibility. Seventeen percent of Danville's population did not graduate from high school and have not had additional skills training; they are most likely under employed or unemployed and probably struggle to give their students the help they need. Dr. Magouyrk discussed the need to promote the school system and suggested beginning with the high schools; that was where the City and the businesses can help their students, that begins with CTE (career and technical education). It was important that the City and businesses help DPS get the children at the high school level for graduation. It was parents, it was students, it was the schools and the City.

Mayor Jones noted two members of Council were on the Education Compact Committee, Council Member Saunders and Vice Mayor Miller.

Council Member Saunders welcomed the School Board members, former member Steven Gould, and welcomed Dr. Magouyrk to Danville stating he looked forward to working with her. Mr. Saunders noted he believed all the students could be successful, regardless of their socio-economic status. Consistency in top school leadership remains a concern for him, and Council has set education as a major priority. Parental and family involvement was imperative for successful student learning and achievement. There were many wrap around services available to the schools and he hopes they were all utilized. Mr. Saunders noted he appreciated her leadership philosophy of putting students first, maintaining high expectations for all, building

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support through family and community involvement and promoting transparency and collaboration. Mr. Saunders stated he hoped that what Dr. Magouyrk puts in place during her time in Danville will be built upon by the superintendent that comes after her. Vice Mayor Miller noted he has heard many positive comments about Dr. Magouyrk, who came out of retirement from a successful program in Manassas that had very similar problems to Danville. They had very few schools accredited, the education system was not doing well and Dr. Magouyrk turned it around. Dr. Miller stated this was a very positive step; education was the cornerstone of the pyramid of economic development; if the City does not have good schools, it was not going anywhere. He believes the City has taken a giant step to turn that around and thanked Dr. Magouyrk.

Council Member Vogler thanked Dr. Magouyrk, noting she did a great job laying out the information and driving home the point they cannot have a strong City without a strong school system. The first step towards improvement was addressing what Danville's struggles were and figuring out solutions. Mr. Vogler noted he was excited to work with Dr. Magouyrk, noted they were happy to have her in Danville and looks forward to doing anything he can to help. Council Member Mayo noted it was a pleasure to meet Dr. Magouyrk and to all the school board, they were doing a great job. Council Member Buckner welcomed Dr. Magouyrk to Danville, the City needs her, looks forward to her leadership and was glad she was there. Staff members welcomed Dr. Magouyrk and noted they looked forward to working with her. Mayor Jones thanked Dr. Magouyrk, Council was very supportive of education, welcomed her to Danville and thanked the School Board members for the work they were doing.

Mayor Jones noted Council Member Larry Campbell was back tonight and introduced his daughters.

COMMUNICATIONS FROM VISITORS

City Council did not receive any comments through its online portal or phone line prior to the deadline.

Mayor Jones recognized Tasha Chaffins, 250 Arnett Boulevard, who spoke about the lack of resources for autistic children in Danville, and also complained about the Confederate Flags flying in Danville. Mayor Jones encouraged Ms. Chaffins to speak with members of the School Board about programs in the schools for autistic children.

MEETING MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Saunders, Minutes from the Inaugural Meeting held on July 1, 2020 and the Regular Council Meeting held on July 7, 2020 were approved as presented. Draft copies of the minutes had been distributed prior to the meeting.

NEW BUSINESS

VACATING AN UNUSED CITY OWNED EASEMENT IN PITTSYLVANIA COUNTY

Mayor Jones opened the floor for a Public Hearing regarding Vacation of an Unused Easement. Notice of the Public Hearing was published in the *Danville Register & Bee* on Monday, July 27, 2020. No one present desired to be heard and the Public Hearing was closed.

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

RESOLUTION NO. 2020-08.01

AUTHORIZING THE ABANDONMENT OF AN UNUSED CITY EASEMENT ACROSS PROPERTY IN PITTSYLVANIA COUNTY IN ORDER TO SECURE A NEW EASEMENT IN A BETTER LOCATION UPON THE SAME PROPERTY.

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

VOTE: 6-0-3
AYE: Buckner, Jones, Mayo, Miller,
Saunders, and Vogler (6)
NAY: None
ABSENT: Campbell, Kushner and Whittle (3)

REQUESTING AND PETITIONING THAT A REFERENDUM BE HELD ON CASINO GAMBLING IN THE CITY OF DANVILLE

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

RESOLUTION NO. 2020-08.02

REQUESTING AND PETITIONING THAT A REFERENDUM BE HELD ON THE QUESTION OF WHETHER CASINO GAMING SHALL BE PERMITTED WITHIN THE CITY OF DANVILLE AT 1100 WEST MAIN STREET, DANVILLE, VIRGINIA 24541 (FORMER DAN RIVER MILLS SCHOOLFIELD DIVISION SITE).

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

VOTE: 6-0-3
AYE: Buckner, Jones, Mayo, Miller,
Saunders, and Vogler (6)
NAY: None
ABSENT: Campbell, Kushner and Whittle (3)

BUDGET AMENDMENT – CONSIDERATION OF AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A VIRGINIA COMMISSION FOR THE ARTS GRANT IN THE AMOUNT OF \$4,500

Upon **Motion** by Council Member Vogler and **second** by Council Member Mayo, an Ordinance entitled:

ORDINANCE NO. 2020-08.01

AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A VIRGINIA COMMISSION FOR THE ARTS GRANT IN THE AMOUNT OF \$4,500, AND TO PROVIDE FOR THE LOCAL SHARE IN THE AMOUNT OF \$5,000 FOR A TOTAL GRANT OF \$9,500.

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

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**BUDGET AMENDMENT – CONSIDERATION OF AMENDING THE FISCAL YEAR 2021
BUDGET APPROPRIATION ORDINANCE FOR FUNDS FROM THE DANVILLE REGIONAL
FOUNDATION IN THE AMOUNT OF \$37,187.50**

Upon **Motion** by Council Member Buckner and **second** by Council Member Mayo, an Ordinance entitled:

ORDINANCE NO. 2020-08.02

AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUES FROM DANVILLE REGIONAL FOUNDATION IN THE AMOUNT OF \$37,187.50 FOR THE STUDY ON THE USE OF POTENTIAL CASINO REVENUE AND APPROPRIATING THE SAME.

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

Mayor Jones questioned if someone had raised their hand to speak and a citizen noted he had not heard the Mayor ask for discussion on the casino item. Mayor Jones invited him to the podium to speak.

Mayor Jones recognized Carlos Magana, 317 Guilford Street, who read a statement regarding a casino in Danville, noting many of Danville's vulnerable citizens were being left behind. Mr. Magana stated the City needed to consider the potential effects of the casino on the Schoolfield and Stokesland communities, the quality of jobs provided by the casino, the increase in policing needed and the potential for gambling addictions. Mayor Jones recognized attorney Steven Gould and suggested Mr. Magana could speak with him about his concerns with the casino.

COMMUNICATIONS

City Manager Ken Larking noted he wanted to address the last item that was under consideration by Council for First Reading and Final Adoption at the next meeting. At the announcement when Caesars was introduced as the preferred gaming operation, he had mentioned that the City and Council were interested in hearing the input of the citizens regarding how to invest the dollars generated from the potential of a casino, should it pass. These funds from the Danville Regional Foundation, in combination with some reprogrammed economic development funds, will be used to start that effort. The City was planning on having multiple opportunities for the public to have input on this and to provide ideas on how best to invest the dollars for the betterment of the entire community. Mr. Larking explained the City has been very deliberate in its examination on whether or not to have casino gaming allowed in the community. They hired expertise to guide the City through the process, to explain what to expect and to help them make sure the City was able to use this opportunity in the best way possible. Favorable legislation was adopted in the General Assembly to allow the City to get as much revenue from the state as possible through the casino gaming tax. All the questions referenced by the speaker with concerns on what casino gaming can bring to the community were a part of the City's deliberations. Mr. Larking noted if citizens have any questions they can email Mr. Larking at klarking@danvilleva.gov or by phone at 799-5100.

Ms. Cobbs noted if citizens want to contact school board members, they have a new APP called "Let's Talk", it can be downloaded onto a citizen's phone or they can go to the School Board website.

Vice Mayor Miller thanked the School Board Members for attending and supporting the Interim Superintendent. Dr. Miller noted with regard to the Casino in Danville, addiction problems were a

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concern and each company that applied has an active addiction program, it was required by the State Gaming Commission. The jobs were high paying, coming out to \$15 an hour, Averett and DCC will be providing training in hospitality, there will be minority hiring and the jobs will have full benefits. The citizens will decide this in November; this was not just a casino, it was a major resort with major entertainment and restaurants, a 2500 seat concert venue and he would encourage the citizens to vote for this referendum. Council Members went to Morgan Olsen last week, the Governor was there; they have the factory running with 300 people working. Dr. Miller noted he also visited the Health Department and met with Dr. Spillman, and encouraged Council Members to visit as well.

Council Member Saunders thanked the School Board members for attending tonight, and noted he believes they can lay a foundation, build upon that and thinks that was what was happening in the City. He believes Education as the Council's first priority was good, and they were all committed to doing that. The City has some wonderful students, wonderful families and children who can succeed and they want to succeed; the School Board wants that as well. Mr. Saunders noted the Governor comes to Danville often and talks of Danville being a model for other jurisdictions in Virginia. With regard to the City Schools, he has heard some very good things happening and anticipates more things happening that will help the schools. Mr. Saunders thanked the police department and their families for what they do every day, and welcomed Council Member Campbell back.

Council Member Vogler noted it was good to have Council Member Campbell back and thanked the Danville School Board members for attending; he was looking forward to this new relationship.

Council Member Buckner noted his agreement with what has been said about the School Board attending, they appreciated them attending, and welcomed Council Member Campbell back.

Mayor Jones recognized those citizens that spoke before Council this evening and recognized the School Board Members attending as well. Mayor Jones encouraged new school board members to use the knowledge of Mr. Saunders and Dr. Miller. Mayor Jones thanked Dr. Magouyrk for attending and updating Council. Dr. Magouyrk has a lot of dedication to young people; she has said, if you are not here for the children, then why are you here. Mayor Jones recognized Corporal Ferguson of the Police Department noting his daughter has also joined the Danville Police Department.

The meeting adjourned at: 8:01 p.m.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2369

Consent Agenda B.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Ordinance Authorizing Use of Fiscal Year 2021 Debt Capacity

From: Michael Adkins, Director of Finance

COUNCIL ACTION

First Reading: 08/18/2020

Final Adoption: 09/01/2020

SUMMARY

The City's Charter grants the ability to issue bonds, within a specified annual limit, without a referendum. Each year's bond capacity may carry forward to the next fiscal year, if the authorization is granted by Council prior to June 30. Approving the attached Ordinance does not allow the City to issue debt, it only reserves the capacity to issue debt based on the Fiscal Year 2021 legal limits for issuing debt without a referendum. This capacity is only available from now until the end of the subsequent fiscal year (June 30, 2022). Council would need to approve a Resolution for the issuance or refunding of debt before the City can actually issue debt. A separate Resolution will be presented at a future meeting for approval in order to issue new bonds to finance the FY 2021 Capital Improvement Plan in accordance with Council's adopted budget for FY 2021.

BACKGROUND

The City's Charter grants the ability to issue up to \$6,000,000 principal amount of bonds to finance any capital expenditures other than expenditures relating to the City's water, sewer, gas, and/or electric systems. Further, the Charter grants authority to issue up to \$10,000,000 principal amount of bonds to finance capital expenditures related to the City's water, sewer, gas, and electrical systems, or other specific undertakings from which a revenue may be derived. The Charter also allows an additional \$25,000,000 in principal amount of bonds to be issued to finance capital expenditure relating to the City's water treatment, wastewater treatment, stormwater treatment, solid waste disposal, or recycling facilities, and any extraordinary maintenance improvements or expansion of transmission and distribution infrastructure for the electric or gas systems. Each of the amounts may be authorized annually without referendum and may carry forward one fiscal year, if authorized prior to June 30.

The Fiscal Year 2021 budget for capital projects includes potential bond financing of approximately \$7.2 million of general governmental projects and \$5.8 million Electric Fund projects. The passing of this Ordinance will allow access to the borrowing capacity needed to finance these approved projects, but does not actually authorize the issuance of the bonds. A separate Resolution to authorize bonds will need to be approved in order to issue the debt.

RECOMMENDATION

It is recommended City Council approve the attached Ordinance authorizing utilization of the City's FY 2021 borrowing capacity to issue General Obligation bonds of the City of Danville, Virginia, in the maximum principal amount of \$6,000,000, pursuant to Section 9-7A of the City Charter, as well as a maximum amount of \$10,000,000, pursuant to Section 9-7D of the City Charter.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020 - _____._____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$16,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS.

WHEREAS, Section 9-7A of the City Charter allows the City of Danville, Virginia, (the "City"), to issue each fiscal year up to \$6,000,000 principal amount of bonds to finance any capital expenditures other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems, without submitting the question of their issuance to the voters; and

WHEREAS, the Council of the City (the "Council") has not authorized or issued any bonds pursuant to Section 9-7A for the fiscal year that began July 1, 2020, and the Council now desires to authorize the issuance of up to \$6,000,000 principal amount of bonds in accordance with such Charter provision; and

WHEREAS, Section 9-7D of the City Charter allows the City to issue each fiscal year up to \$10,000,000 principal amount of bonds to finance capital expenditures relating to the City's water, sewer, gas and electric systems or other specific undertaking or undertakings from which the City may derive a revenue, without submitting the question of their issuance to the voters; and

WHEREAS, the Council has not authorized or issued any bonds pursuant to Section 9-7D for the fiscal year that began July 1, 2020, and the Council now desires to authorize the issuance of a up to \$10,000,000 principal amount of bonds in accordance with such Charter provision.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that:

1. It is determined to be necessary and expedient for the City to plan, design, acquire, construct, extend, renovate, and/or improve the Projects described below, all of which are determined to promote the development and public welfare of the City, to borrow money for such purposes and to issue the City's bonds therefor.

2. Pursuant to Section 9-7A of the City Charter, there are authorized to be issued general obligation bonds in the maximum principal amount of \$6,000,000 to provide funds for any capital expenditures (other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems), including but not limited to financing various capital expenditures for general governmental purposes including, without limitation, (a) fire vehicle replacement, (b) expansion of a public safety CCTV system, (c) parks and recreation facility improvements, (d) public building improvements, (e) acquisition and installation of an emergency generator for a public building, (f) street and parking lot improvements, (g) stormwater system upgrades and (h) airport improvements (collectively, the "9-7A Project"). Such bonds may be issued as one or more separate issues or may be combined with bonds authorized for other purposes and issued as a single issue.

3. Pursuant to Section 9-7D of the City Charter, there are authorized to be issued general obligation and/or revenue bonds in the maximum principal amount of \$10,000,000 to provide funds, together with other available funds, for capital expenditures relating to the City's water, sewer, gas and electric systems or other specific undertaking or undertakings from which the City may derive a revenue, including, without limitation, substation and line rebuilds for the electric system (collectively, the "9-7D Project" and, together with the 9-7A Project, the "Projects"). Such bonds may be issued as one or more separate issues or may be combined with bonds authorized for other purposes and issued as a single issue.

4. The bonds shall conform to Section 9-5 of the City Charter and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations and form, be executed in such manner, and be sold at such time or times and in such manner as the Council shall hereafter provide by appropriate resolution or resolutions. All bonds issued to finance capital expenditures shall be made payable within the average probable period of usefulness of the improvements or undertakings to be financed. The Council shall make such determinations pursuant to such resolution or resolutions.

5. As determined by Council pursuant to subsequent resolution, the bonds shall be issued as general obligations of the City to which the City's full faith and credit of the City shall be irrevocably pledged, or, in the alternative for purposes of financing the 9-7D Project, the bonds may be issued as revenue obligations to which the revenues of the City's electric, gas, water and/or wastewater systems shall be irrevocably pledged.

6. The City Clerk, in collaboration with the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this Ordinance in the Circuit Court of the City of Danville.

7. This Ordinance shall take effect immediately.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2378

New Business A.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Toyota USA Grant - Community Engagement

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/01/2020

Final Adoption: 09/15/2020

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2021 Toyota USA Grant Program in the amount of \$30,000. This funding will be used for the Community-Based Leadership and Immersion Program for new police officers. This grant will not require any additional funding from the City.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$30,000 from the Toyota USA Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM THE TOYOTA USA GRANT PROGRAM IN THE AMOUNT OF \$30,000 AND APPROPRIATING SAME.

WHEREAS, the City of Danville has been awarded a grant from the Toyota USA Grant Program in the amount of \$30,000; and

WHEREAS, the funding will be used for the Community-Based Leadership and Immersion Program for new police officers.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2021 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$30,000 from the Toyota USA Grant Program, such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2021 Community Based Leadership Program Grant Program Revenue	61612000-43640	<u>\$30,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2021 Community Based Leadership Program Grant Program	61612999-50	<u>\$30,000</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 FURTHER ORDAINED, that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues from the source exceeds the original revenue estimate; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2021 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-2375

New Business B.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Alcohol Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/01/2020

Final Adoption: 09/15/2020

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2021 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Alcohol Grant Program in the amount of \$19,222. This funding will provide pay for extra duty personnel for enforcement at driving under the influence and license checkpoints, and to purchase equipment and supplies for the assignments. 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 2021 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$19,222 from the Virginia Department of Motor Vehicles Highway Safety Selective Office Enforcement - Alcohol Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY SELECTIVE ENFORCEMENT – ALCOHOL GRANT PROGRAM IN THE AMOUNT OF \$19,222 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 \$19,222; and

WHEREAS, the funding will provide pay for extra duty personnel for enforcement at driving under the influence and license checkpoints and to purchase Rechargeable Flashlights, Traffic Wands, LED Arrow Board with Directional Warning Arrows, and Intoximeters with supplies; 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 2021 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$19,222 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 2021 VA DMV Highway Safety Selective Enforcement – Alcohol Grant Revenue	61613000-48230	<u>\$19,222</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2021 VA DMV Highway Safety Selective Enforcement - Alcohol Grant Program	61613999-50	<u>\$19,222</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 2021 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-2376

New Business C.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Occupant Protection Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/01/2020

Final Adoption: 09/15/2020

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2021 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 2021 Budget Appropriation Ordinance by Anticipating Revenues in the amount of \$5,250 from the Virginia Department of Motor Vehicles Highway Safety Selective Office Enforcement - Occupant Protection Grant Program and appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020-____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 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 2021 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 2021 VA DMV Highway Safety Office Selective Enforcement – Occupant Protection Grant Revenue	61614000-48230	<u>\$5,250</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2021 VA DMV Highway Safety Office Selective Enforcement - Occupant Protection Grant Program	61614999-50	<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 2021 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-2377

New Business D.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Virginia Department of Motor Vehicles Highway Safety Office Selective Enforcement - Speed Grant Program

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 09/01/2020

Final Adoption: 09/15/2020

SUMMARY

The Danville Police Department received a Highway Safety Grant under the Fiscal Year 2021 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 2021 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. 2020-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 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 2021 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 2021 VA DMV Highway Safety Office Selective Enforcement - Speed Grant Revenue	61615000-48230	<u>\$9,100</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2021 VA DMV Highway Safety Office Selective Enforcement - Speed Grant Program	61615999-50	<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 2021 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-2366

New Business E.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Comprehensive Services Act Fund Appropriation

From: Earl B. Reynolds, Jr., Deputy City Manager

COUNCIL ACTION

First Reading	September 1, 2020
Final Adoption	September 15, 2020

SUMMARY

The Comprehensive Services Act (CSA) was enacted in Fiscal Year 1994, by the Virginia General Assembly, for the purpose of eliminating duplication of services for at-risk children and families. Whenever possible, CSA services must be child specific and community based. Services may be residential or non-residential, private or public, and must be responsive to the child's unique needs and culture. These services may currently exist within the public agencies, such as mental health, social services, education, and court services, or may be available privately. Examples include, but are not limited to: substance abuse counseling, respite care, psychological evaluations, transportation services, home-based therapy, family counseling, parent training, therapeutic foster care, job coaching, after school care, recreation, and housing assistance. In January 2013, the City began operating its own Community Policy and Management Team (CPMT). This resulted from the request of Pittsylvania County to dissolve the joint Danville-Pittsylvania County Community Policy and Management Board (CPMB). A full time person has been hired under the Division of Social Services to coordinate the City only program. There has been no increased administrative cost to the City as the administration funds that were being paid to Pittsylvania County are now being used to support the City only program.

BACKGROUND

Daily, the schools, social services and court service units are faced with a number of societal issues, such as locating services for abused, neglected, delinquent and special services children with significant mental and physical health impairments. In addition, these organizations work with children with behavioral problems that require specialized placements for treatment, truancy, and children whose disabilities are so severe they are unable to function within the community. These disabilities and behavioral issues include, but are not limited to: Autism, Bipolar Disorder, Schizophrenia, Sexual Reactive Disorder, Post Traumatic Stress Disorder, Suicidal Ideation, Conduct Disorder, Attachment Disorder, and Mental Retardation. The overall focus of CSA continues to be servicing at-risk children and families. Great strides have been made in bringing additional resources for services to the community. Service providers are meeting the increased demand for specialized programs while trying to manage the costs of such programs. The community partners continue to be faced with younger children whose disabilities are so severe that often times the children cannot be treated locally. The agencies that serve on the CPMT explore all options to provide for the needs of Danville's families and children by utilizing cost effective measures to reduce expenditures to the locality. These measures include using Medicaid vendors, when appropriate, reviewing progress

reports prior to authorizing additional service units, when feasible, and reviewing eligibility for IV-E funding which reimburses the locality 100% of allowable costs.

RECOMMENDATION

It is recommended that the City Council adopt the attached Ordinance which will approve Fiscal Year 2021 state and local funding for the CSA program. The required local match is included in the adopted FY 2021 City of Danville Budget.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE BY APPROPRIATING COMPREHENSIVE SERVICES ACT FUNDS AND PROVIDING LOCAL MATCHING FUNDS FOR A TOTAL AMOUNT OF \$4,780,388 AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2021 Budget Appropriation Ordinance be, and is hereby, amended by increasing revenues to anticipate the State and Local funds for the Comprehensive Services Act Fund and appropriating such funds within the Special Grants Fund, such appropriation to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid—State:		
Comprehensive Services Act—		
Pool Funds	60315000-45560	\$3,547,350
Administrative Funds	60315000-45570	20,400
Local Share		
Transfer in From General Fund	60315000-6101	<u>1,212,638</u>
		Total <u>\$4,780,388</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Comprehensive Services Act:		
Outside Services	60315000-52349	\$4,500,000
CSA Medicaid	60315000-55570	140,000
FT Salaries	60315000-51100	80,760
FICA	60315000-51450	5,819
Retirement	60315000-51525	4,286
Group Health Insurance	60315000-51600	11,577
Group Life Insurance	60315000-51630	246
Print Shop	60315000-52650	1,200
Temporary Services	60315000-52190	2,000
PS-Office Supplies	60315000-52655	1,400
Postage	60315000-54050	1,000

Telephone	60315000-54100	1,000
Travel & Training	60315000-54900	2,400
Local Only-CSA	60315000-55420	25,000
Office Supplies	60315000-55820	2,000
Materials & Supplies	60315000-55930	500
Dues	60315000-56242	<u>1,200</u>
Total		<u>\$4,780,388</u>

AND BE IT FURTHER ORDAINED, that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues from the CSA Pool Fund exceeds the original budget amount; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2021 Budget appropriation 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-2371

New Business F.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Fiscal Year 2021 Airport Maintenance Program

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: September 1, 2020

Final Adoption: September 15, 2020

SUMMARY

The Virginia Department of Aviation provides airport maintenance funding to assist airports with preserving facilities in a safe and economical operating condition. Maintenance grant funding will allow individual Virginia airports to receive up to \$100,000 in state aid each year. However, last fiscal year the Danville Regional Airport received a state airport maintenance grant allocation in the amount of \$29,792 to replace a small dump truck and snow plow that cost \$59,757 and must be applied to this year's airport maintenance grant. This is required because the airport was unable to receive the equipment before June 30, 2020, due to the pandemic. Therefore, the Danville Regional Airport will be able to receive up to \$70,208 in state maintenance funds for this fiscal year.

BACKGROUND

Eligible maintenance activities for use of State Airport Maintenance funds include scheduled and unscheduled repairs that are not performed each quarter. State maintenance funds can also be used to obtain grounds equipment. State funding levels vary for airport maintenance program activities relative to state policy. Projects that support facility preservation such as crack sealing are funded at higher levels compared to projects that are related to the replacement of grounds equipment.

During Fiscal Year 2020, state airport maintenance funds were used to replace an automatic gate controller and operator, purchase a front end mower and remark the crosswind runway. The total cost for the completed maintenance projects was \$66,470 and the state provided \$42,648 in state matching funds. State airport maintenance funds were also approved last fiscal year to purchase a small dump truck and snow plow that was ordered in January 2020 that cost \$59,757. However, due to the pandemic, the chassis for the dump truck did not arrive in time for the project to be completed before the end of June 2020. Therefore, state maintenance funds from this year's grant will finance \$29,792 or approximately fifty percent of the total cost of the dump truck and snow plow. For FY 2021, contingent upon state approval, the airport plans to use other airport maintenance funds for unscheduled repairs and pavement repairs.

RECOMMENDATION

It is recommended that City Council approve an Ordinance amending the Fiscal Year 2021 Budget Appropriation Ordinance to provide for Virginia Department of Aviation Airport Maintenance funds and for the local share appropriating the same.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020 - _____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR STATE DEPARTMENT OF AVIATION MAINTENANCE GRANT FUNDS RELATED TO THE MAINTENANCE OF CERTAIN AIRPORT PROPERTIES IN THE AMOUNT OF \$70,208 AND FOR THE LOCAL SHARE IN THE AMOUNT OF \$17,552 FOR A TOTAL APPROPRIATION OF \$87,760 AND APPROPRIATING THE SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2021 Budget Appropriation Ordinance be, and it is hereby, amended by increasing revenues from the Commonwealth of Virginia, Department of Aviation, in an amount of \$70,208 and the local share for \$17,552 for an aggregate amount of \$87,760 for the purpose of providing for a State funded Airport Maintenance Program at the Danville Regional Airport such funds to be appropriated in the Support of Grants Fund as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY2020 Airport Maintenance		
Categorical Aid – State	61611000-45712	\$70,208
Local Share	61611000-6101	<u>\$17,552</u>
	TOTAL	<u>\$87,760</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2020 Airport Maintenance	61911999-50	<u>\$87,760</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2021 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-2372

New Business G.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Older Americans Grant Funding for Fiscal Year 2021

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: 09/01/2020

Final Adoption: 09/15/2020

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, residing in the City of Danville and certain designated areas outside the City limits. For the period July 1, 2019, through June 30, 2020, the Danville Transit System completed 13,686 one-way trips for seniors that were invoiced to the Southern Area Agency on Aging. Total senior ridership decreased 24% during this timeframe compared to the previous year due to the pandemic.

Additional funding is available during FY 2021 to provide transportation service for seniors due to the receipt of CARES Act funds by the Southern Area Agency on Aging. This summer the transit system gained approval from the Southern Area Agency on Aging to modify the number of shopping trips that can be completed on a monthly basis to facilitate increased passenger activity.

BACKGROUND

The Transportation Services Department requests the appropriation of Title III-B Older Americans Act Grant funds for the federal fiscal year October 1, 2020, through September 30, 2021, in the amount of \$53,164 from Title III-B funds, \$46,615 in Title III-B Carryover funds due to the receipt of CARES Act funds, \$23,917 in State Transportation Funds and Program income of \$2,000 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 purposes 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 from the Southern Area Agency on Aging for FY 2021.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 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 2021 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 \$53,164; Title III-B Carryover Funds (CARES Act) in the amount of \$46,615, Virginia General Fund monies in the amount of \$23,917, administered by the Southern Area Agency on Aging to the Department of Transportation Services for the Federal Fiscal Year beginning October 1, 2020 and ending September 30, 2021; \$2000 program income and \$380,790 In-Kind Services for a total of \$459,871, 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 (FY20-21)	61444000-48142	\$123,696
Local Share: Older Americans Act Title III-B Program Income (FY19-20)	61446000-44650	\$2,000
Title III-B Older Americans Act In-Kind (FY20-21)	61445000-44890	<u>\$380,790</u>
	TOTAL	<u>\$506,486</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B (FY20-21)		
Salary and Wages	61444000-51200	\$39,541
FICA	61444000-51450	\$3,746
Mass Transit Services	61444000-52660	\$75,206
Postage	61444000-54050	\$1,300
Telephone Internet	61444000-54100	\$903
Travel/ Training Expense	61444000-54900	\$1,000
Office Supplies	61444000-55820	\$1,500
Gas/Lubricants	61444000-56242	<u>\$500</u>
	Subtotal	\$123,696

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B Program Income (FY20-21):		
Salary and Wages	61446000-51200	\$500
Travel/ Training Expense	61446000-54900	\$500
Office Supplies	61446000-55820	\$500
Outside Services	61446000-52349	<u>\$500</u>
	Subtotal	\$2,000

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Older Americans Act Title III-B In-Kind (FY20-21):		
Postage	61445000-54050	\$750
Telephone Internet	61445000-54100	\$1,400
Travel/Training Expense	61445000-54900	\$1,833
Office Supplies	61445000-55820	\$1,000
Salary and Wages	61445000-59500	\$341,014
FICA	61445000-59510	\$23,058
Outside Services	61445000-59610	\$550
Print Shop	61445000-59620	\$3,000
Lease/Rent Buildings	61445000-59670	<u>\$8,185</u>
	Subtotal	\$380,790
	GRAND TOTAL	<u>\$506,486</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2021 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-2363

New Business H.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Local Legends Banner Display Program

From: Richard Drazenovich, Public Works Director

COUNCIL ACTION

Business Meeting: 09/01/2020

SUMMARY

Staff is proposing a City Code amendment to permit certain banners to be displayed by interested parties on approved streetlight poles at approved locations.

The intent of the Sponsor a "Local Legends Banner Display Program" is to provide an opportunity for businesses, individuals, organizations, community groups, churches, or other interested parties to recognize and honor Danville natives who deserve recognition because of their national or international, positive and notable achievements by sponsoring a permanently mounted banner on designated streetlight poles in designated medians.

BACKGROUND

Guidelines are as follows:

- Applications will be submitted to the City Clerk.
- A Banner Committee will be appointed which will recommend approval of individuals to be recognized.
- City Council will approve the honorees.
- Approved poles to be restricted to Riverside Drive and South Boston Road, with the additional locations to be expanded by the committee if needed.
- Comply with the Utility Department's restrictions.
- City Departments will design, order, install, and maintain all the banners and brackets. The sponsors will be consulted during the banner design.
- All costs will be borne by the applicant.
- Banner may remain for five (5) years after which it will require a new application and upgrade if needed.
- A five (5) year Right-of-Way Agreement will be required per City Code Section 35.17.1 Local Legends Banner Display Program.

RECOMMENDATION

It is recommended that City Council adopt the Local Legends Banner Display Program.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2020 - _____._____

AN ORDINANCE AMENDING CHAPTER 35 ENTITLED "STREETS AND SIDEWALKS" OF THE CODE OF THE CITY OF DANVILLE, 1986, AS AMENDED BY ADDING A SECTION 35-17.1 ENTITLED "LOCAL LEGENDS BANNER DISPLAY PROGRAM."

WHEREAS, staff is proposing an amendment to the City Code to permit certain banners to be displayed by interested parties on approved street light poles at approved locations, and

WHEREAS, the intent of the "Local Legends Banner Display Program" is to provide an opportunity for individuals, businesses, organizations community groups, churches, or other interested parties to recognize and honor Danville natives who deserve recognition because of their national and international positive and notable achievements by sponsoring a permanently mounted banner on designated street light poles in designated medians.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that Section 35-17.1 entitled "Local Legends Banner Display Program" be added to Chapter 35 entitled "Streets and Sidewalks" of the Code of the City of Danville, Virginia, 1986, as amended, and the same be, and is hereby amended and reordained to read follows:

Chapter 35 STREETS AND SIDEWALKS

Sec. 35-17.1 - Local Legends Banner Display Program.

(a) Establishment, designation.

The intent of the "Local Legends Banner Display Program" is to provide an opportunity for businesses, individuals, organizations, community groups, churches, or other interested parties to recognize and honor Danville

natives who deserve recognition because of their national or international positive and notable achievements by sponsoring a permanently mounted banner on designated street light poles in designated medians.

(b) Program Terms and Guidelines

1. Applications to sponsor local legend banner displays must be submitted to the City Clerk in writing.
2. Only persons recommended by the Local Legends Banner Committee and approved by City Council will be available to receive sponsored banners. The Local Legends Banner Committee will be appointed pursuant to this section. The committee will develop guidelines and make recommendations to City Council.
3. Banners will be attached to designated streetlight poles in the center medians on Riverside Drive and South Boston Road. Additional locations may be designated by the Local Legends Banners Committee.
4. Brackets will be designed and purchased by the City of Danville. Banners will be designed (with input from the sponsor) and purchased by the City of Danville.
5. Public Works will install brackets and banners on designated poles.
6. The cost of the banners and brackets and installation will be the sole responsibility of the applicant or sponsoring organization. A cost estimate will be provided by Public Works to the applicant or sponsoring organization upon application submittal. Routine maintenance of the banner display will be done by the Public Works Department, however should the banner become frayed, torn, defaced, or excessively faded the replacement cost will be the applicant or sponsoring organization's sole responsibility.
7. Banners will remain in the center median for a period of five (5) years, after which time applicants or sponsoring organizations may replace said banner under the rules designated by this code section. A five-year standard Right-Of-Way Use Agreement will be required.

(c) Definition.

As used in this article and elsewhere in this Code, the phrase "Local Legend" shall be a person born in the City of Danville and known or recognized on a national or international basis for their positive and notable achievements.

(d) Composition, appointment, and qualifications of members of the Local Legends Banner Committee.

- (1) The Local Legends Banner Committee shall consist of five (5) members.
- (2) The Mayor shall appoint one (1) sitting Council member and one (1) citizen at large, the City Manager shall appoint two (2) sitting Department Directors. The City Manager or his designee will sit on the committee as a permanent member.

AND BE IT FURTHER ORDAINED, that all other provisions and Sections of said Article, Chapter and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed; and

BE IT FINALLY ORDAINED, this ordinance shall become effective upon passage.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

ASSISTANT CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2392

New Business I.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Tobacco Commission Southside Allocation: SVMP Site Improvement Grant Support

From: Corrie Bobe, Director of Economic Development

COUNCIL ACTION

Business Meeting: 09/01/2020

SUMMARY

The Danville Office of Economic Development is requesting the support of City Council for a potential grant through the Virginia Tobacco Region Revitalization Commission's Southside Economic Development program to prepare a 50-acre, shovel-ready pad on Lot 2, and install infrastructure that will meet the needs of modern day manufacturing clients. Site improvements included within the scope of this request include the demolition of an existing slab, clearing of debris, grading, erosion control, the installation of a storm drainage system, and other improvements. SR RIFA is already in advanced stages of discussions with several prospects interested in the potential future site.

The City of Danville is requesting \$742,875 from its Allocation for this project with a 1:1 required match of \$742,875. This will be a joint project between Pittsylvania County and the Town of Hurt. Pittsylvania County is also requesting funding through its Southside Allocation to go towards this \$3.24 million project.

BACKGROUND

On May 8, 2020, the Staunton River Regional Industrial Facility Authority (SR RIFA) celebrated the announcement of its first tenant at the Southern Virginia Multimodal Park (SVMP) - Staunton River Plastics. To build on this momentum, the City of Danville and Pittsylvania County continue to aggressively market this industrial park to prospective businesses in order to attract new jobs and investment in the extremely distressed community of Hurt. The SVMP is considered a high priority site for both localities, and is located in State and Local Enterprise Zones, an Opportunity Zone, and a designated New Market Tax Credit area.

Member localities of the SR RIFA include Pittsylvania County (61%), the City of Danville (35%), and the Town of Hurt (4%). Each locality has signed a cost and revenue sharing agreement for this industrial park. This Authority also has the ability to provide discretionary incentives to companies locating within the SVMP. The City of Danville is applying for grant funding from the Commission to support and partner on this project; each is providing their respective match. This is truly a regional project, which will create a marketable 50-acre graded site.

RECOMMENDATION

Economic Development staff recommends the approval of this resolution.

Attachments

Resolution

SVMP Lot 2 - 50 acre pad

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2020 - _____._____

A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR THE FISCAL YEAR 2021 VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION SOUTHSIDE ECONOMIC DEVELOPMENT GRANT PROGRAM.

WHEREAS, The City of Danville has been impacted by the decline of the textile and tobacco industries causing a negative impact on economic development and growth throughout the region; and

WHEREAS, the Tobacco Indemnification and Community Revitalization Commission has developed a Southside Economic Development Grant Program to help tobacco related localities to change; and

WHEREAS, grants from the Tobacco Indemnification and Community Revitalization Commission will assist the City of Danville in transforming its economy to replace the decline in the tobacco agribusiness community.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that it hereby authorizes the submission of a grant application to the Fiscal Year 2021 Southside Economic Development Grant Program for site pad improvements at the Southern Virginia Multimodal Park; and

BE IT FURTHER RESOLVED that it hereby authorizes City staff to file this application and all necessary correspondence relating to the Virginia Tobacco Region Revitalization Commission required by this grant and to be responsible for the accuracy of the application and for the appropriate use of funds, should they be granted; and

BE IT FINALLY RESOLVED by the Council of the City of Danville that it hereby authorizes the City Manager to sign all necessary documents to complete the above-mentioned application submission.

APPROVED:

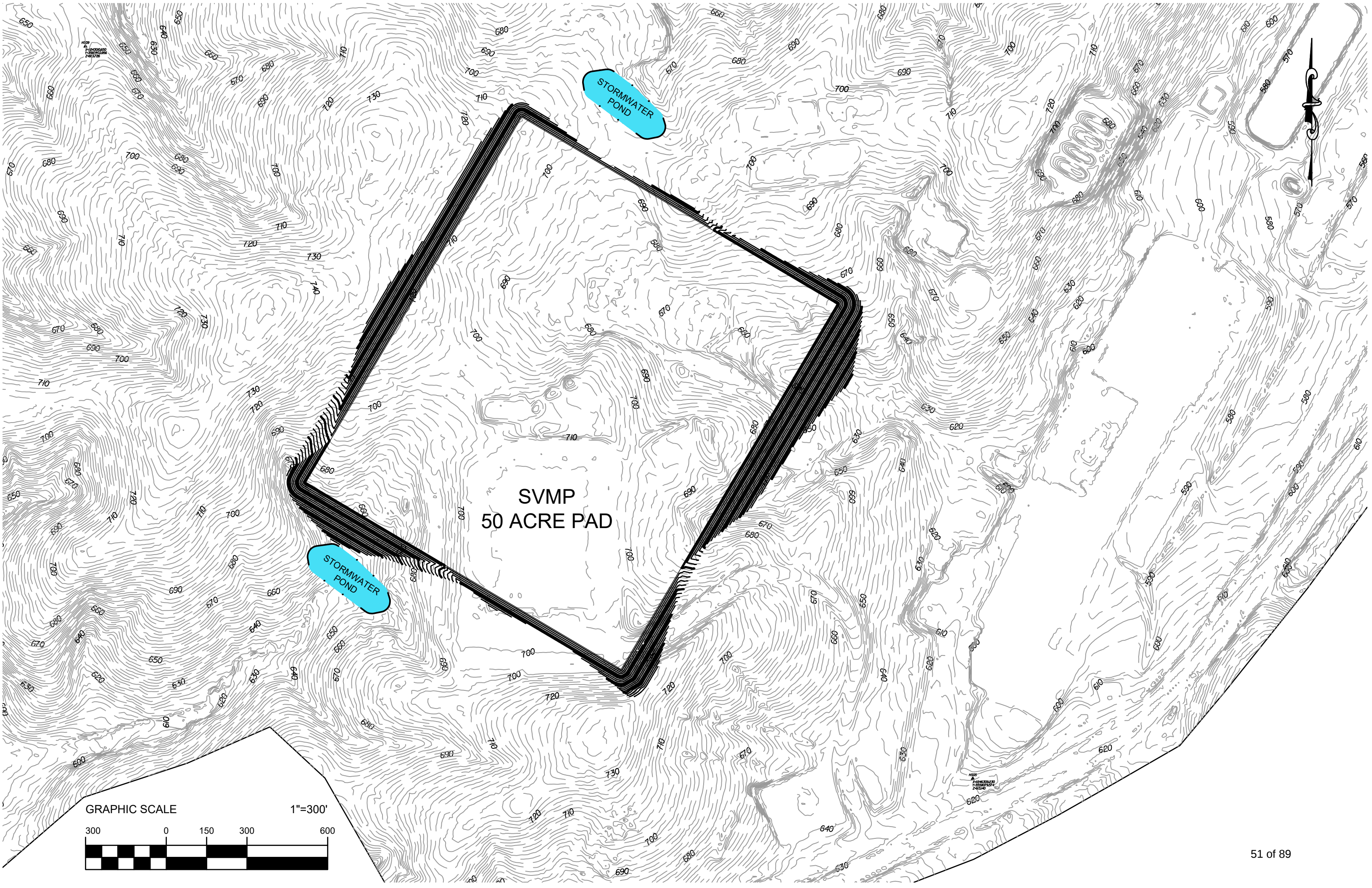
MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY



GRAPHIC SCALE

1"=300'



Council Letter

City of Danville, Virginia



CL-2390

New Business J.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Resolution Supporting Application to the Virginia Department of Housing and Community Development for an Industrial Revitalization Grant

From: Kelvin Perry, Project Manager

COUNCIL ACTION

Business Meeting: 09/01/2020

SUMMARY

The Danville Office of Economic Development is submitting an application to the Virginia Department of Housing and Community Development for an Industrial Revitalization Fund grant to assist in the redevelopment of an unannounced project in the River District. This project aligns with the overall vision of the Danville Economic Development Department for the River District to become a vibrant community supporting retail and commercial businesses locating within the district, while attracting new businesses to the area.

BACKGROUND

The Virginia Department of Housing and Community Development (DHCD), offers a grant called the Industrial Revitalization Fund to assist communities to redevelop blighted and/or abandoned non-residential structures significant to the community due to size, location and/or economic importance. The program focuses on ready to go projects that provide job creation, capital investment and have the potential to transform the community's downtown area. Eligible projects may be redeveloped for any market-driven purpose including mixed-use, regardless of the original use. The maximum grant amount a community can apply for is \$600,000.

The Danville Office of Economic Development proposes to apply for a \$500,000 grant to assist a private developer in the redevelopment of an unannounced project in the River District. This project would be redeveloped as a mixed-use facility with a \$3.76M capital investment, creating a hospitality component with a minimum of 10 full-time and 13 part-time jobs, some commercial and retail space and four market rate apartments. This project will add to and benefit from other projects that are in close proximity by increasing foot traffic in the River District from employees, clients and residents, thereby encouraging additional support to other businesses in the River District.

As stated above, and in collaboration with the developer, the Office of Economic Development has decided to apply for an Industrial Development Fund grant of \$500,000 to cover the project's gap cost. Staff has received and reviewed the preliminary budget for this project. Given the competitive nature of this program, there is no guarantee that the City will be awarded this grant. Funds are limited and it is very important that the City is first in line and demonstrates the overall economic impact this project will have on the overall revitalization of downtown, before all the dollars are allocated to other projects in the State. No additional

repayment or commitment is expected to be paid or offered by the City.

RECOMMENDATION

The Danville Office of Economic Development recommends that City Council approve the attached resolution.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2020 - _____._____

A RESOLUTION APPROVING AND AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION BY THE DANVILLE OFFICE OF ECONOMIC DEVELOPMENT, TO THE VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, INDUSTRIAL REVITALIZATION FUND AND FOR THE CITY TO FUND THE BALANCE OF THE "RIVER DISTRICT PROJECT."

WHEREAS, the City of Danville, Virginia is requesting to make application to the Virginia Department of Housing and Community Development for the Industrial Revitalization Fund Grant in an amount of \$500,000 to assist in the City's "River District" project that will create 23 new jobs, Three Million Seven Hundred Sixty-Three One Hundred and Fifty Two Dollars (\$3,763,152) in capital investment and will eliminate blight.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that it does hereby approve and authorize the request of the Danville Office of Economic Development, to submit a grant application to the Virginia Department of Housing and Community Development. Industrial Revitalization Fund Grant in the amount of \$500,000 to assist in the City's "River District" project that will create 23 new jobs, Three Million Seven Hundred Sixty-Three One Hundred and Fifty Two Dollars (\$3,763,152) in capital investments and will eliminate blight; and

BE IT FURTHER RESOLVED, that the City Manager, Kenneth F. Larking, be, and he is hereby, authorized to execute any and all documents pertaining to said grant application.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2398

K.

City Council Regular Meeting

Meeting Date: 09/01/2020

Subject: Approval of Development Agreement between the City of Danville and Caesars Entertainment

From: Ken F. Larking, City Manager

COUNCIL ACTION

Business Meeting: 09/01/2020

SUMMARY

The proposed resolution authorizes the City Manager to sign the attached development agreement between the City of Danville and Caesars Virginia, LLC. The development agreement is a legally binding document that outlines what Caesars Virginia is promising to deliver to the City of Danville, should the referendum pass.

BACKGROUND

In December 2018, the City Council adopted a Resolution of Support requesting that the citizens of Danville have an opportunity to vote in a referendum on whether to allow casino gaming in our community. Earlier this year, the General Assembly adopted, and Governor Northam signed, legislation granting the voters of Danville this opportunity. On June 2, 2020, the City Council formally named Caesars Virginia, LLC to be its Preferred Casino Gaming Operator (PCGO). The citizens of Danville will have an opportunity to vote on whether to approve casino gaming at 1100 West Main Street on November 3rd.

In order to make sure that the people of Danville achieve the best possible results, should casino gaming become legal in Danville, the City took a number of proactive actions throughout the past several months. This included hiring Convergence Strategy Group, a firm with expertise in casino gaming, to guide the City on possible outcomes and to develop a process to maximize local benefits. We developed a Request for Proposal (RFP) process that encouraged interested developers to provide bids on the right to be named Danville's Preferred Casino Gaming Operator (PCGO). That resulted in City Council selecting Caesars Entertainment's bid for a first class resort casino to be located at the former Dan River Mills Schoolfield site. The highlights of this development agreement include promises to do the following, should the referendum pass:

- Construct a Caesars-branded resort casino with a minimum of \$400 million in capital investment, to include multiple restaurants and bars, a hotel with 300 guest rooms, conference center, live entertainment venue, pool and spa. The resort is expected to be open in 2023.
- Employ 1,300 full-time equivalent employees, earning an hourly wage of at least \$15 per hour.
- Provide an array of health insurance, paid time off for vacation and holidays, educational benefits, and savings benefits, to its employees.
- Generate 900 construction jobs during the construction period.
- By the end of 2020, pay \$5 million to purchase the Schoolfield site.

- Within 30 days of the referendum, pay \$15 million to the City.
- Guarantee a minimum of \$5 million in Gaming Tax Revenue each year for every full year Caesars is in operation.
- Provide a supplemental annual payment directly to the City based on a percentage of net gaming revenue.
- Reimburse the City for up to \$360,000 for the cost of the Schoolfield Master Plan, currently underway by WRT, LLC.
- Purchase a new fire engine and one emergency medical services vehicle.
- Make financial contributions to community groups for education and other charitable purposes.
- Establishes a dedicated funding source to pay for infrastructure, community, and economic development in the Schoolfield neighborhood and the corridor from the site to the North Carolina border.

Based on estimates provided by Caesars and reviewed by Convergence Strategy Group, it is expected that, by year three of operation, this development project will produce the following annual revenues for the City:

- \$22 million in state-collected gaming tax revenue remitted to the City of Danville
- \$12 million in supplemental payments to the City of Danville
- \$4.2 million in meals, sales, hotel/motel, and property taxes

On a related note, the City has begun working on the plan to engage the community on how to invest the potential new revenue, should the referendum pass. We have established a diverse group of members from the City to serve on an advisory committee. This group's purpose is not to advocate for or against the referendum. Their role is to work with the consultants and staff to distill feedback from the community into a set of recommendations for City Council to consider. The members of this group were chosen based on their backgrounds in a number of areas of recent concern to the City to include:

- Education
- Early childhood development
- Housing
- Tourism (including sports tourism)
- Economic development
- Public safety
- Historic preservation
- At risk populations
- Poverty
- Financial stability

RECOMMENDATION

Staff recommends approving a Resolution authorizing the City Manager to sign the attached development agreement with Caesars Virginia LLC.

Attachments

Resolution
Development Agreement

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2020 - _____._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE VIRGINIA FORMALLY APPROVING A CASINO RESORT DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF DANVILLE, THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA, CAESARS VIRGINIA, LLC, AND CAESARS ENTERTAINMENT, INC.

WHEREAS, the Virginia General Assembly has approved the authorization to operate a casino in the City of Danville; and

WHEREAS, after the City Council reviewed a number of excellent proposals; and

WHEREAS, the proposal put forward by Caesars Virginia, LLC and Caesars Entertainment, Inc. (hereinafter "Caesars") was judged to be in the best interests of the City of Danville and its Citizens; and

WHEREAS, the City of Danville chose Caesars to be its preferred casino licensee and resort operator; and

WHEREAS, the City of Danville submitted Caesars as its preferred Casino Gaming Operator to the Virginia Lottery Department; and

WHEREAS, the Virginia Lottery Department issued to the City a Certification of Approval for the City of Danville to Proceed to a Casino Gaming Referendum; and

WHEREAS, the City of Danville and Caesars have negotiated a definitive Casino Resort Development Agreement, substantially the form attached hereto.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the City does hereby approve and authorize the Casino Resort Development Agreement by and among the City of Danville, the Industrial Development

Authority of Danville, Virginia, Caesars Virginia, LLC, and Caesars Entertainment, Inc.;
and

BE IT FURTHER RESOLVED by the Council of the City of Danville, Virginia, that that City Manager, Kenneth F Larking, or his designee, is hereby authorized to sign the Casino Resort Development Agreement as well as complete any acts, sign any other required documents, and perform any other actions, necessary to close the above-mentioned transaction.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

CASINO RESORT DEVELOPMENT AGREEMENT

This Casino Resort Development Agreement (the “Agreement”) is dated as of the ____ day of September, 2020, among Caesars Virginia, LLC, a Delaware limited liability company authorized to do business in the Commonwealth of Virginia (“Caesars Virginia”), which is a subsidiary of Caesars Resort Collection, LLC, a Delaware limited liability company, which is a subsidiary of Caesars Growth Partners, LLC, itself a Delaware limited liability company, which is a subsidiary of Caesars Holdings, Inc., a Delaware corporation, which is a subsidiary of Caesars Entertainment, Inc., a Delaware corporation (“CEC” and, together with the other Caesars entities collectively, “Caesars”); the City of Danville, a municipal corporation of the Commonwealth of Virginia (the “City”); and the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “IDA”) (together with CEC, Caesars Virginia and the City, the “Parties” or, individually, a “Party”).

PREAMBLE

WHEREAS, the Virginia General Assembly has authorized the operation of a casino in the City pursuant to the provisions of Title 58.1, Chapter 41 of the Code of Virginia (the “Act”); and

WHEREAS, the City solicited from qualified applicants expressions of interest in being designated as a “preferred casino gaming operator” for the purpose of developing and operating a proposed “casino gaming establishment,” all as contemplated by the Act; and

WHEREAS, in response to such solicitation, the City Council reviewed a number of excellent proposals and considered such proposals pursuant to the requirements of the Act; and

WHEREAS, after giving substantial weight to the standards and criteria set forth in the Act, the proposal put forward by CEC was judged by the City Council to be in the best interests of the City and its citizens; and

WHEREAS, CEC has formed an indirect wholly-owned subsidiary, Caesars Virginia, to be the entity through which CEC will apply for a casino operator’s license and proposes to develop and operate a casino gaming establishment in the City (the “Project” as further described herein); and

WHEREAS, at its regularly scheduled meeting on June 2, 2020, the City Council unanimously adopted a resolution formally selecting Caesars Virginia as the City’s preferred casino gaming operator; authorizing the City Manager to execute a non-binding letter of intent with CEC as the parent company of Caesars Virginia; and authorizing the City Manager to submit to the Virginia Lottery Board the City’s preferred casino gaming operator and related information; and

WHEREAS, Caesars Virginia intends to develop the Project on the 78.16-acre Schoolfield property owned by the IDA and further identified as Parcel Identification Number 51530 (located at 1100 West Main Street, Danville, Virginia 24541) (the “Schoolfield Property”), and the IDA has agreed to sell to Caesars Virginia the Schoolfield Property;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby enter into this agreement to effectuate the purposes set forth above and to be bound by the provisions set forth below:

1. Conditions Precedent.

a. Obligations under this Agreement. Caesars Virginia’s obligations under this Agreement, including but not limited to the obligation to purchase the Schoolfield Property and make any payments to the City, are conditioned upon a majority of those voting in the casino gaming referendum to be held pursuant to the Act on November 3, 2020, in the City (the “Referendum”) voting in the affirmative, with the only exception being the agreements and obligations contained in Section 14.o. to indemnify and reimburse the City for any costs and expenses, including legal fees, but solely with respect to any claim, action, or proceeding arising out of this Agreement (the “Surviving Obligations”).

b. Agreement Becomes Void. With the exception of the Surviving Obligations, this Agreement shall be void and of no force and effect if a majority of those voting do not approve the Referendum.

2. Term. The term of this Agreement (the “Term”) shall commence upon its execution by the Parties and shall continue until terminated as provided herein.

3. Project Details; Commitments.

a. Project Branding. CEC shall use the “Caesars” brand with respect to the Project but shall retain control over the precise name (inclusive of the “Caesars” brand) that will be used for the Project.

b. Casino Project. Caesars Virginia shall construct the Project (which will include the elements described in this Section 3) either as new construction or as a combination of new construction and existing structures or new construction and modifying existing structures consistent with First Class Casino Standards, the Act and all other Governmental Requirements and in compliance with this Agreement, after receiving and considering public comment and comment from the City regarding proposed design plans for the Project. Caesars Virginia will make an initial capital investment, inclusive of all costs associated with the planning, design, and construction of the Project, of at least four hundred million dollars (\$400,000,000.00) to develop the Project on the Schoolfield Property with an emphasis on a total destination resort with many facets and amenities, and Caesars Virginia agrees to make additional capital expenditures each year to maintain the Project at First Class Casino Standards.

As part of the Project, Caesars Virginia will include a casino with a mixture of gaming devices, table games, poker tables, and a sportsbook (the “Casino”). The Project shall also include multiple restaurant options available to guests of the Project, including restaurant options that feature a national and combination of regional and/or local culinary experts, one of which shall be a fine dining restaurant. As an experienced casino operator, CEC shall maintain all operational control of the Casino, including authority to make decisions regarding its gaming amenities, in an effort to maximize revenue.

c. Hotel. As part of the Project, Caesars Virginia will include a hotel with a minimum of three hundred (300) rooms, a pool, a fitness center, and a spa (the “Hotel”). It is anticipated that the Hotel will either exceed the expected number of rooms after the initial development of the Project or during an expansion of the development.

d. Conference Center. As part of the Project, Caesars Virginia will include a conference center with thirty-five thousand (35,000) square feet of flexible meeting and conference space (the “Conference Center”). It is anticipated that the Conference Center will either exceed the square footage after the initial development of the Project or during an expansion of the development.

e. Entertainment Venue. As part of the Project, Caesars Virginia will include an entertainment venue with two thousand five hundred (2,500) seats (the “Venue”). The Venue will be used to showcase live entertainment including musical acts, comedy shows, and performance art, as well as host local events for the community. All such tickets to attend events at the Venue shall be available through Caesars Virginia’s ordinary means of ticket sales. It is anticipated that the Venue will either exceed the expected number of seats after the initial development of the Project or during an expansion of the development.

f. Parking. Caesars Virginia will maintain adequate parking in accordance with applicable Governmental Requirements.

g. Minimum Number of Employees. Caesars Virginia agrees to employ a minimum number of employees, based on current labor models, either as employees or as independent contractors, during the development stage of the Project and upon Final Completion of the Project. During the development stage (based on a two-year development period), it is expected that a minimum of 900 individuals on an annualized basis will perform work related to the development of the Schoolfield Property and construction of the Project. Upon Final Completion, Caesars Virginia agrees to employ a minimum of one thousand three hundred (1,300) full-time equivalent (FTE) employees on an annualized basis. In the event of a partial or total shutdown of the Project as a result of a natural disaster, pandemic, endemic, or other emergency situation, Caesars Virginia shall not be required to meet the commitments contained in this subsection for any such year in which a partial or total shutdown of the Project occurs. It is anticipated that Caesars Virginia will exceed the minimum requirements of employment on an annual basis. Caesars Virginia will use its commercially reasonable efforts to employ local residents of the City and surrounding localities with a commitment to training, development and retention of same and to host multiple job fairs in the community.

h. Wage Floor. Providing a living wage to its employees is an important aspect of CEC's philosophy and operations. In addition to the provision of health insurance benefits, educational benefits, and savings benefits, Caesars Virginia agrees to pay its employees a minimum wage of thirty-one thousand two hundred dollars (\$31,200) per annum based on an employee working forty (40) hours per week for fifty-two (52) weeks per year, including paid time off and holidays. Such employees shall include salaried and hourly employees. It is anticipated that Caesars Virginia will exceed the minimum requirements of compensation stated herein. In the event of a partial or total shutdown of the Project as a result of a natural disaster, pandemic, endemic, or other emergency situation, Caesars Virginia shall not be required to meet the commitments contained in this subsection for any such year in which a partial or total shutdown of the Project occurs.

i. Quality of Work. All Work shall be performed in a good and workmanlike manner and in accordance with good construction and standard industry practices. All materials used in the construction of the Project shall meet or exceed industry standards and Governmental Requirements. The quality of the Finish Work shall meet or exceed First Class Casino Standards.

j. Construction and Scheduling. Caesars Virginia will comply with all applicable Governmental Requirements in the development, construction and financing of the Project and will achieve Final Completion on or before the Final Completion Date. Upon Final Completion, the Project will conform to First Class Casino Standards and to all applicable Governmental Requirements. Notwithstanding the foregoing, Caesars Virginia's obligation to achieve Final Completion by the Final Completion Date is subject to Force Majeure.

k. Local and Minority Contractors. Caesars Virginia will use its commercially reasonable efforts to engage qualified City and other local businesses and minority-owned businesses for contracting, subcontracting, and servicing opportunities related to the development and construction phase of the Project.

l. Operations. Caesars Virginia agrees to diligently operate and maintain the Project and all other support facilities directly in a manner consistent with First Class Casino Standards and in compliance with this Agreement, the Act and all other Governmental Requirements. Caesars Virginia covenants that, at all times, it will operate the Casino in a manner that maximizes revenue generation and meets its organizational requirements and objectives, while also abiding by Governmental Requirements and in accordance with commercially reasonable hours of operation. So long as casino gaming activities would be permitted by law to operate at the Project (assuming the existence of a valid Casino License), the primary business to be operated at the Project shall be casino gaming activities.

4. **Schedule; Timing.** Caesars Virginia shall use its commercially reasonable efforts to do the following:

- a. Between the date of this Agreement and the Referendum, Caesars Virginia will financially support the passage of the Referendum through a local

committee focused on advertising and promoting the passage of the Referendum.

- b. On or before December 31, 2020, purchase the Schoolfield Property from the IDA.
- c. On or before November 15, 2021, complete and submit all applications necessary to obtain all Permits necessary to commence construction of the Project.
- d. On or before December 1, 2021, commence construction of the Project, subject to issuance and receipt of all applicable Permits.
- e. At the earliest possible reasonable date, file with the Board and any other applicable Governmental Authorities all applications necessary to obtain a Casino License and provide to the City satisfactory evidence thereof and obtain all necessary Casino Licenses from the Board in sufficient time to be fully operational by the Final Completion Date.
- f. On or before the Final Completion Date achieve Final Completion of the Project.
- g. On or before the Anticipated Opening Date open for business to the public and commence operations.

5. Payments by Caesars Virginia.

a. Payment Following Successful Passage of Referendum. Not later than thirty (30) calendar days following approval of the Referendum, Caesars Virginia shall pay to the City the lump sum of fifteen million and 00/100 dollars (\$15,000,000.00) (the “Upfront Payment”).

b. Ongoing Minimum Gaming Fee Payment to City. In addition to the Upfront Payment, Caesars Virginia shall pay to the City for each Full Fiscal Year following the earlier to occur of (i) the opening of the Casino to the public and (ii) September 1, 2023 an additional subsidy equal to the greater of (i) five million dollars (\$5,000,000.00) (the “Minimum Gaming Fee Payment”) or (ii) an amount the total of which is equal to the sum of 2.5% of Net Gaming Revenue of the Casino, up to \$200,000,000.00, plus 6% of Net Gaming Revenue of the Casino between \$200,000,000.00 and \$400,000,000.00, plus 10% of Net Gaming Revenue of the Casino above \$400,000,000.00 during such Full Fiscal Year (the “Percentage Gaming Fee Payment”). The Percentage Gaming Fee Payment shall be paid to the City on the same schedule that Caesars Virginia makes payments to the State for taxes assessed on “adjusted gross receipts” as defined in the Act. If for a Full Fiscal Year the Minimum Gaming Fee Payment is more than the Percentage Gaming Fee Payment, then the difference shall be paid to the City on or before the fifteenth (15th) day following the end of the applicable Full Fiscal Year. Such Minimum

Gaming Fee Payment obligation shall be prorated for any portion of a Fiscal Year that is not a Full Fiscal Year. For the avoidance of doubt and by way of example, if the Casino is initially opened to the public on a date which is three (3) months prior to the end of the Fiscal Year, then the amount of the Minimum Gaming Fee Payment for that portion of the Fiscal Year to be paid to the City is one million two hundred fifty thousand dollars (\$1,250,000.00).

c. Cost of Master Plan. Upon the successful passage of the Referendum, Caesars Virginia shall pay to the City the sum of three hundred sixty thousand dollars (\$360,000.00) for the cost of the Schoolfield master plan being developed by WRT, LLC.

d. Payment of Other Applicable Taxes. Caesars Virginia will pay any and all applicable fees and taxes as they are assessed or due, including those imposed on revenue, property, usage, and/or operations, and further including the collection and payment of all applicable sales, use and occupancy taxes (except to the extent otherwise provided below) and any other taxes (or tax increases such as millage increases) of general applicability to the ownership or operation of businesses in the City. Unless specifically directed otherwise by applicable State Governmental Authorities, the Parties specifically agree that the City's ordinances regarding transient occupancy and meals tax do not apply to rooms or meals that are provided free of charge to guests of the Project on a complimentary basis. Should the City enact new ordinances to apply taxes or fees to complimentary rooms and meals, then a corresponding setoff equal to the amount of such fees and taxes shall be applied to reduce the greater of the Minimum Gaming Fee Payment or the Percentage Gaming Fee Payment.

e. Community Development Contributions. Annually, Caesars Virginia will make financial contributions to community groups to be achieved through educational partnerships and other financial support for charitable causes and organizations.

f. Traffic Study. Caesars Virginia will defray reasonable costs of the City related to infrastructure improvements related to the Project, including, but not limited, to the commissioning of an appropriate traffic study of the impacts of the Project at a time appropriate to the planning and development of the Project. Caesars Virginia shall make any such payments within thirty (30) days of the latter of either (i) receipt of an appropriate invoice, or (ii) successful passage of the Referendum.

g. Support for First Responders. Caesars Virginia agrees to fund the purchase of one (1) fire engine and one (1) emergency medical services vehicle for the City.

6. **Reinvestment of Certain Proceeds by City.** The development of the corridor within the City between the North Carolina border located on the Highway 29-Business and the Schoolfield Property (the "Corridor") is important to the Parties. Therefore, the Parties agree that 5% of all net gaming fees paid to the City by Caesars Virginia in excess of the Minimum Gaming Fee Payment shall be placed in a fund to be used solely for infrastructure improvements and enhancements for economic and community development within the area of the Corridor (the "Corridor Fund"). After ten (10) years from the Final Completion Date, the Corridor Fund payment shall be reduced to 3% of all net gaming fees paid to the City by Caesars Virginia in

excess of the Minimum Gaming Fee Payment, and then, after fifteen (15) years, the Parties shall confer to determine whether to continue such payment or terminate such obligation. The Parties agree to work together to establish a mechanism or entity to identify Corridor infrastructure improvements and enhancements for economic and community development needs within the area of the Corridor and allocations from the Corridor Fund with participation and input of Caesars Virginia representatives, City representatives, and/or IDA representatives.

7. **Real Estate.**

a. Purchase. On or before December 31, 2020, the IDA shall sell to Caesars Virginia, and Caesars Virginia shall purchase, the entirety of IDA's interest in, and convey marketable title to, the Schoolfield Property for the sum of five million and 00/100 dollars (\$5,000,000.00). The terms of such sale shall be set forth in a separate agreement.

b. Structures on Schoolfield Property. The Parties acknowledge that several existing structures, including the structures referred to as the "Smokestacks" and the "Finishing Plant," are situated on the Schoolfield Property. Caesars Virginia agrees to use its commercially reasonable efforts to incorporate such structures into the Project through redevelopment and/or rehabilitation of the structures; however, the Parties agree that Caesars Virginia retains full and complete discretion for determining whether it is commercially feasible or practical to retain or to remove such structures, including the Smokestacks and Finishing Plant. In the event that Caesars Virginia determines that it is not commercially feasible or practical to retain the Smokestacks due to cost concerns that exceed fifteen hundredths of one percent (.15%) of Caesars Virginia's capital investment as set forth in Section 3.b. of this Agreement (the "Smokestacks Threshold"), then City, upon thirty (30) days written notice from Caesars Virginia, shall have the right to pay for any costs in excess of the Smokestacks Threshold to preserve the Smokestacks at the Project.

c. Right of First Refusal. In addition to selling to Caesars Virginia the entirety of its interest in the Schoolfield Property, for a period of ten (10) years following the Final Completion Date, the IDA agrees to provide to Caesars Virginia a right of first refusal with respect to two other properties, identified by Parcel Identification Numbers 51588 and 60539 (together, the "Additional Properties"), owned by the IDA.

- i. In the event that the IDA receives a bona fide offer from any third party Person for purchase of either the entirety of the Additional Properties or any portion of the Additional Properties that IDA is prepared to accept (the "Offer"), then the IDA shall send to Caesars Virginia notice in writing of its desire or intention to sell either the entirety of the Additional Properties or any portion of the Additional Properties accompanied by a copy of the Offer, including a description of the proposed uses for the property and a proposed timeline for development.
- ii. Upon receipt of such notice, Caesars Virginia shall have (a) thirty (30) days from the date of receipt within which to give to the IDA notice

that it desires and agrees to purchase either the entirety of the Additional Properties or any portion of the Additional Properties on the same terms and conditions as are contained in the Offer and (b) thirty (30) days from the date of delivery of such notice to IDA of the election to purchase to provide IDA an additional notice of a proposed use for the property that is complimentary to the Project, revenue generating and beneficial to the City, and sets forth a reasonable timeline for the development.

- iii. In the event that Caesars Virginia elects not to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, then the IDA may accept the Offer and proceed to sell either the entirety of the Additional Properties or any portion of the Additional Properties that are the subject of the Offer at the price and on and in accordance with the terms and conditions contained in the Offer.
- iv. However, in the event that Caesars Virginia elects not to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, and the transaction contemplated by the Offer is not completed within a period of sixty (60) days after the expiration of the last day upon which Caesars Virginia may exercise its right to elect to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, then the IDA shall not thereafter sell either the entirety of the Additional Properties or any portion of the Additional Properties unless and until it again complies with the provisions of this subsection c.

8. **Other Obligations of Caesars Virginia and/or the City.**

a. Sharing of Reports. To the extent it is required to file reports with the Board regarding the Project that are public record, Caesars Virginia shall supply the City with copies of all such reports within fourteen (14) days of filing.

b. Workforce Development and Hiring; Vendor Preferences. Caesars Virginia will use its commercially reasonable efforts to identify, develop and utilize as suppliers and vendors to the Project (i) locally owned and/or operated businesses and (ii) women-owned and minority-owned businesses. In addition, Caesars Virginia has already shown a desire to partner with locally owned and/or operated businesses, educational institutions, and individuals in joint efforts to promote the prosperity of the entire community, including the development of its workforce. Caesars Virginia commits to continuing such efforts.

c. Legal Compliance. Caesars Virginia shall do or cause to be done all things necessary to apply for, obtain, preserve, renew and keep in full force and effect the rights, licenses, registrations, Permits, certifications, approvals, consents, franchises, patents, copyrights, trade secrets, trademarks and trade names that are used in the conduct of its business

and other activities and comply with all Governmental Requirements applicable to the operation of its businesses and other activities, in all material respects, whether now in effect or hereafter enacted. Caesars Virginia and City shall, and shall cause their Affiliates and Representatives to, use their respective best efforts to cooperate with the other Parties hereto to (i) as promptly as practicable, take, or cause to be taken, all appropriate action, and do, or cause to be done, all things reasonably necessary under applicable Governmental Requirements or otherwise to consummate and make effective the transactions contemplated by this Agreement, (ii) obtain from any Governmental Authorities or other third Parties any consents, licenses, findings of suitability, Permits, waivers, approvals, authorizations or orders required to be obtained by CEC, Caesars Virginia or any of their respective Affiliates or Representatives, as applicable, in the case of clauses (i) or (ii), in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and (iii) make all necessary filings, as applicable, and thereafter make any other required submissions with respect to this Agreement, as required in order to obtain all approvals of Governmental Authorities required under (A) the Act, and (B) any other applicable Governmental Requirements, including any applicable liquor laws (collectively, the “Governmental Approvals”). The Parties hereto and their respective Representatives and Affiliates shall (x) file all required applications and documents in connection with obtaining the Governmental Approvals (including under the Act and other applicable Gaming Laws), (y) act diligently to pursue the Governmental Approvals and (z) cooperate with each other in connection with the making of all filings referenced in the preceding sentence. CEC and Caesars Virginia and any applicable Affiliate and Representatives shall use their best efforts to schedule and attend any hearings or meetings with Governmental Authorities to obtain the Governmental Approvals. The Parties will keep each other reasonably advised of the receipt of comments or requests from Governmental Authorities relating to any Governmental Approvals.

d. Oppose Adverse Litigation. CEC, Caesars Virginia and City shall take, or cause to be taken, all actions reasonably necessary to (i) defend any lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated by this Agreement, (ii) prevent the entry by any Governmental Authority of any decree, injunction or other order challenging this Agreement or the consummation of the transactions contemplated by this Agreement, (iii) appeal as promptly as practicable any such decree, injunction or other order and (iv) have any such decree, injunction or other order vacated or reversed.

e. Annual Reports. On or before the fifteenth (15th) day following the end of each fiscal year, Caesars Virginia will provide to the City written reports for the previous year with respect to information regarding efforts to utilize local and women-owned and minority-owned businesses for goods and services and information regarding hiring of local residents and compliance with FTE and salary commitments.

f. Quarterly Reports. On or before the fifth (5th) day following the end of each calendar quarter, Caesars Virginia will provide to the City reports for the previous quarter with respect to the following:

- i. A work-in-progress report on the construction of the Project, which report shall include a detailed narrative of the status of all work up to

the date of the report, a progress payment report listing all payments made by or on behalf of Caesars Virginia and payment amounts made to date on the Project, to whom such payments were made and for what goods or services rendered.

- ii. Adjusted gross revenue tax returns to the State for the months within the previous quarter, with documentation of the amount of complimentary gaming for such periods. Such adjusted gross tax returns shall be furnished in writing.

9. **Representations and Warranties of Parties.**

- a. By Caesars. CEC and Caesars Virginia represent and warrant to each other Party the following:

- i. CEC has disclosed to the City the right of first refusal held by the Eastern Band of Cherokee Indians to participate with Caesars as an investor in the Project (“Cherokee ROFR”), and with such disclosure to the City, CEC has the full authority to enter into this Agreement.
- ii. Caesars Virginia is a limited liability company duly organized and validly existing under the laws of the State, and has all requisite power and authority to enter into and perform its obligations under this Agreement and all other agreements and undertakings to be entered into by Caesars Virginia in connection herewith.
- iii. CEC is a corporation duly incorporated and validly existing under the laws of the State of Delaware, and has all requisite power and authority to enter into and perform its obligations under this Agreement and all other agreements and undertakings to be entered into by CEC in connection herewith.
- iv. This Agreement has been duly authorized by all necessary action on the part of, and has been executed and delivered by, CEC and Caesars Virginia; is binding on CEC and Caesars Virginia; and is enforceable against CEC and Caesars Virginia in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- v. Neither CEC nor Caesars Virginia is a party to any agreement, document or instrument that has a material adverse effect on the ability of CEC or Caesars Virginia to carry out their obligations under this Agreement.
- vi. Neither execution of this Agreement nor discharge by CEC or Caesars Virginia of any of its obligations hereunder shall cause CEC or Caesars Virginia to be in violation of any applicable law, or regulation, its charter or other organizational documents or any agreement to which it is a party.
- vii. CEC and Caesars Virginia and their Representatives and Affiliates are in good standing with the Gaming Authorities in each of the

jurisdictions in which they or any of their respective Affiliates owns or operates gaming facilities.

- viii. There are no facts that, if known to the Board, would (i) be reasonably likely to result in the denial, restriction, limitation, termination, suspension or revocation of a gaming license, approval, consent or waiver, (ii) result in a negative outcome to any finding of suitability proceedings or other approval proceedings necessary for the transactions contemplated under this Agreement or (ii) be reasonably likely to negatively impact, or cause a delay under, any suitability or other approval proceeding required by the Board to consummate the transactions contemplated hereby.

b. By the City. The City represents and warrants to CEC and to Caesars Virginia as follows:

- i. That it will cooperate with CEC and Caesars Virginia during all phases of the development and operation of the Project, and will in good faith meet and confer with CEC and Caesars Virginia regarding any matters directly impacting the Project, including the Referendum, the licensing process by the Board, and the acquisition of other property related to the Project.
- ii. City is a validly existing municipal corporation and has all requisite power and authority to enter into and perform its obligations under this Agreement, and all other agreements and undertakings to be entered into by City in connection herewith.
- iii. This Agreement has been duly authorized by all necessary action on the part of, has been or will be duly executed and delivered by City; is binding on City; and is enforceable against City in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- iv. Neither execution of this Agreement nor discharge by the City of any of its obligations hereunder shall cause City to be in violation of any applicable law, or regulation, its charter or organizational documents or any agreement to which it is a party.

c. By the IDA. The IDA represents and warrants to CEC and Caesars Virginia as follows:

- i. That it will cooperate with CEC and Caesars Virginia during all phases of the development and operation of the Project, and will in good faith meet and confer with CEC and Caesars Virginia regarding any matters directly impacting the Project, including the acquisition of other property related to the Project.
- ii. IDA is a validly existing political subdivision and has all requisite power and authority to enter into and perform its obligations under this Agreement, and all other agreements and undertakings to be entered into by IDA in connection herewith.
- iii. This Agreement has been duly authorized by all necessary action on the part of and has been duly executed and delivered by IDA; is

- binding on IDA; and is enforceable against IDA in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- iv. Neither execution of this Agreement nor discharge by IDA of any of its obligations hereunder shall cause IDA to be in violation of any applicable law, or regulation, its charter or organizational documents or any agreement to which it is a party.

10. Affirmative Covenants of Caesars Virginia.

- a. Damage or Destruction. In the event of damage to or destruction of improvements at the Project or any part thereof by fire, casualty or otherwise, Caesars Virginia, at its sole expense and whether or not the insurance proceeds, if any, shall be sufficient therefor, (i) shall promptly repair, restore, replace and rebuild the improvements, as nearly as possible to the same condition that existed prior to such damage or destruction using materials of an equal or superior quality to those existing in the improvements prior to such casualty, or (ii) if such repair, restoration, replacement or rebuild under clause (i) would be commercially unreasonable or if in the reasonable commercial discretion of Caesars Virginia, an alternative purpose would be anticipated to create greater economic benefit to the Parties than the prior use of such improvements, Caesars Virginia shall promptly repair, restore, replace or rebuild in a manner to repurpose such damaged or destroyed improvements for such an alternative purpose which shall be explained to the City in writing. Caesars Virginia shall obtain a permanent certificate of occupancy as soon as practicable after the completion of any such restoration.
- b. Condemnation. If a Major Condemnation occurs, this Agreement shall terminate, and no Party to this Agreement shall have any claims, rights, obligations, or liabilities towards any other party arising after termination, other than as provided for herein. If a Minor Condemnation occurs or the use or occupancy of the Project or any part thereof is temporarily requisitioned by a civil or military Governmental Authority, then (a) this Agreement shall continue in full force and effect; and (b) Caesars Virginia (i) shall promptly perform all restoration required in order to repair any physical damage to the Project caused by the Condemnation, and to restore the Project, to the extent reasonably practicable, to its condition immediately before the Condemnation, or (ii) if such repair under clause (i) would be commercially unreasonable or if, in the reasonable commercial discretion of Caesars Virginia, an alternative purpose would be anticipated to create greater economic benefit to the Parties than the prior use of such condemned portion, Caesars Virginia shall promptly repair, restore, replace or rebuild the damage to the Project caused by the Condemnation in a manner to repurpose the affected areas of the Project for such an alternative purpose which shall be explained to the City in writing. Caesars Virginia shall obtain a permanent certificate of occupancy as soon as practicable after the completion of any such work.

11. Negative Covenants of Caesars Virginia.

- a. Mortgage. Caesars Virginia agrees that it shall not enter into any Mortgage unless such Mortgage is with a Suitable Lender and shall provide that (i) the Mortgagee shall not transfer or assign its interest in any Mortgage without City's prior written consent, except to a Suitable Lender; and (ii) if, as the result of a Loan Default, the Mortgagee forecloses upon or otherwise acquires all or part of Caesars Virginia's interest in the Project, the Mortgagee (or the Nominee of the Mortgagee) or transferee of the Mortgagee's interest in the Project shall expressly accept and agree to assume all of the terms, covenants and provisions of this Agreement contained to be observed and performed by Caesars Virginia and become bound to comply therewith. As used in this Agreement, the word "Nominee" shall mean a Person who is designated by Mortgagee to act in place of the Mortgagee solely for the purpose of holding title to the Project and performing the obligations of Caesars Virginia hereunder.
- b. No Transfer of Development Agreement or Interest in Schoolfield Property.
 - i. Except for the Cherokee ROFR, Caesars Virginia shall not, whether by operation of law or otherwise, Transfer this Agreement or the Schoolfield Property or any interest in either without the prior written consent of the City, which consent shall not be unreasonably withheld. This provision shall not be construed to prohibit the transfer of the Schoolfield Property to a real estate investment trust specializing in casino properties, so long as either CEC or Caesars Virginia is a lessee of the Schoolfield Property and CEC and Caesars Virginia remain liable under this Agreement.
 - ii. Caesars Virginia shall not enter into any agreement for the management of the Project (other than with a Caesars entity) without the prior written consent of the City, which consent shall not be unreasonably withheld.
- c. No Transfer of Ownership Interest. Except for the Cherokee ROFR:
 - i. For purposes of this Section, "Restricted Owner" means (i) Caesars Virginia and (ii) any Person who directly or indirectly owns or holds any interest in Caesars Virginia other than any Person who would be a Restricted Owner due solely to that Person's ownership of (x) a direct or indirect interest in a publicly traded corporation or (y) a less than five percent (5%) direct or indirect interest in Caesars Virginia unless, in the case of clause (y), upon completion of any Transfer the transferee will in the aggregate own or hold a five percent (5%) or more direct or indirect ownership interest in Caesars Virginia. The

covenants that Caesars Virginia is to perform under this Agreement for City's benefit are personal in nature. City and IDA are relying upon Caesars Virginia in the exercise of its skill, judgment, reputation and discretion with respect to the Project. Any Transfer by a Restricted Owner of (x) any direct ownership interest in Caesars Virginia, whether held by virtue of partnership, limited liability company, corporation or other form of entity; or (y) any ownership interest in any Restricted Owner, whether held by virtue of partnership, limited liability company, corporation or through other form of entity shall require the prior written consent of City, provided that with respect to a Transfer by any Restricted Owner other than a Transfer by Caesars Virginia, any Affiliate of Caesars Virginia, City shall not unreasonably withhold its consent to any Transfer.

- ii. Nothing contained in this Section shall prevent a Transfer of (x) an ownership interest in a Restricted Owner by: (i) Parent Company or an Affiliate of Parent Company to an entity which has succeeded to all or a substantial portion of the assets of Parent Company or such Affiliate; or (ii) any Person (1) to that Person's spouse, child or parent ("Family Members"); (2) to an entity whose beneficial owners consist solely of such transferor and/or the Family Members of the transferor; (3) to the beneficial owners of the transferor if the transferor is an entity; (4) to any Person who owns any direct or indirect interest in any Restricted Owner; (5) to any Person to whom the City previously has consented to a Transfer; (6) by operation of law; and (7) to an institutional lender on account of a pledge to such lender or (y) an ownership interest in Caesars Virginia or Restricted Owner or in any Affiliate of Caesars Virginia or Restricted Owner in connection with a registered public offering.
- iii. All transferees shall hold their interests subject to the restrictions of this Section.

- c. Receipt of notice of any pending or, to the knowledge of any Party, as appropriate, threatened action, suit, arbitration or other proceeding or investigation by any Governmental Authority or any other Person (i) challenging or seeking damages in connection with the transactions contemplated by this Agreement or (ii) seeking to restrain or prohibit the consummation of any action under the Agreement.
- d. Receipt of notice by Caesars Virginia from the Board which asserts a violation of the Act or other Gaming Laws.
- e. Any damage or destruction to the Project which in the judgment of Caesars Virginia may require a closure or shutdown of Casino operations of more than three (3) days.

13. Defaults; Remedies.

a. Events of Default

The occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

1. Subject to Force Majeure, if CEC or Caesars Virginia or City fails to substantially perform or comply with any commitment, agreement, covenant, term or condition (other than those specifically described in any other subparagraph of this Section), and in such event if said defaulting Party shall fail to remedy any such default within ten (10) days after receipt of written notice of default with respect thereto (the "Cure Period"); *provided, however*, that if any such default is reasonably susceptible of being cured within sixty (60) days, but cannot with due diligence be cured by the defaulting Party

seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or any future federal bankruptcy code or any other present or future applicable federal, state or similar statute or law, or shall seek or consent to or acquiesce to or suffer the appointment of any trustee, receiver, custodian, assignee, liquidator or similar official of CEC or Caesars Virginia, or of all or any substantial part of its properties or of the Project or any interest therein of Caesars Virginia;

4. If within ninety (90) days after the commencement of any proceeding against CEC or Caesars Virginia seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or similar statute or law, such proceeding shall not have been dismissed; or if within ninety (90) days after the appointment, without the consent or acquiescence of CEC or Caesars Virginia of any trustee, receiver, custodian, assignee, liquidator or other similar official of CEC or Caesars Virginia or of all or any substantial part of its properties or of the Project or any interest therein of Caesars Virginia, such appointment shall have not been vacated or stayed on appeal or otherwise, or if within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated;
5. If any representation or warranty made by CEC or Caesars Virginia hereunder is intentionally false or in the opinion of the City misleading in any material respect when made and such false or misleading representation or warranty has a material adverse effect on the Project;

if subject to a Force Majeure event and is not restarted prior to Caesars Virginia's receipt of written notice of default hereunder;

9. If Final Completion does not occur by the Final Completion Date;
10. If Caesars Virginia fails to obtain its Casino License or the Casino License is revoked by a final, non-appealable order or Caesars Virginia fails to renew its Casino License or the Casino License is suspended for a period of five (5) days or longer or has received written notice of a violation of the conditions of the Casino License; or
11. If CEC or Caesars Virginia fails to make any of those payments described in this Agreement when required and fails to make such payment within five (5) days after the applicable due date.

b. Remedies

- i. Subject to the limitations set forth herein, the following remedies shall be available to Caesars Virginia in the case of an Event of Default by City or IDA and to City in the case of an Event of Default by Caesars Virginia: (i) to institute and prosecute proceedings to terminate this Agreement; (ii) to institute and prosecute proceedings to enforce in whole or in part the specific performance of this Agreement, and/or to enjoin or restrain the breaching Party from commencing or continuing said breach, and/or to cause the breaching Party by injunction

14. **Miscellaneous.**

a. Assignment. Except as specifically set forth herein, this Agreement may not be assigned, in whole or in part, by any Party without the prior written consent of all other Parties, and all of the terms, conditions and covenants shall be binding on any successor or assignee of such assigning Party. The City acknowledges and agrees that this Agreement (and all documents, agreements, understandings and arrangements relating to the transaction contemplated hereby) may be pledged or otherwise collaterally assigned by Caesars Virginia, its successors or assigns at any time and on one or more occasions in order to provide security to a lender, mezzanine lender, or equity holder in connection with a financing or equity contribution. Upon request of Caesars Virginia, the City shall execute and deliver a commercially reasonable estoppel certificate concerning this Agreement for the benefit of the entity designated by Caesars Virginia.

b. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to its conflict of law principles.

c. Construction. This Agreement has been negotiated by the Parties hereto, including the exhibits attached hereto, shall not be deemed to have been negotiated and prepared by any Party solely, but by each of them.

Before the remedies provided for in this Agreement may be exercised by any Party, such Party shall give written notice to the other Parties that such Party believes that an Event of Default or impasse under this Agreement may have occurred, specifying the circumstances constituting the Event of Default or impasse in sufficient detail that the other Party will be fully advised of the nature of the Event of Default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) business days of receipt of such notice. A meeting shall be held within ten (10) business days after the response between the Parties to attempt in good faith to negotiate a resolution of the dispute.

ii. If the Parties are unable to resolve the dispute through the above process, the Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the Parties to the controversy and conduct mediation at a location to be agreed upon by the Parties or absent agreement, by the mediator. Within five (5) Business Days of selection, the mediator shall be furnished copies of the notice, this Agreement, response and any other documents exchanged by the Parties. Should the Parties be unable to agree upon a single mediator within five (5) Business Days of the written response of the responding Party the Parties jointly shall agree upon the selection of a neutral third party agreed upon by the Parties, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute. The costs of the mediator and the mediation shall be

j. Severability. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

k. Captions. The captions of this Agreement are for convenience of reference only and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect this Agreement.

l. Amendments.

i. This Agreement may not be modified or amended except by a written instrument signed by all the Parties.

ii. The Parties acknowledge that the Board may, subsequent to the date of this Agreement, promulgate regulations under or issue interpretations of or policies or evaluation criteria concerning the Act, which regulations, interpretations, policies or criteria may conflict with, or may not have been contemplated by, the express terms of this Agreement. In addition, the Parties acknowledge that environmental permits and approvals may necessitate changes

contractors, subcontractors, attorneys, and consultants (collectively the "Indemnitees" and individually an "Indemnatee") from and against any and all liabilities, losses, damages, costs, expenses, claims, obligations, penalties, and causes of action, including reasonable fees and expenses for attorneys, arising out of (1) Caesars Virginia's development, construction, ownership, possession, use, condition, occupancy, or abandonment of the Project or the Schoolfield Property; (2) any breach of any warranty or the inaccuracy of any representation made by Caesars Virginia or CEC contained or referred to in this Agreement or in any certificate or other writing delivered by or on behalf of Caesars Virginia or CEC pursuant to the terms of this Agreement; (3) the release of any hazardous or toxic substance, by Caesars Virginia or anyone performing work on behalf of such entity at the Project, the Schoolfield Property or any portion thereof, to the environment arising or resulting from any work or things whatsoever done in or at the Project, the Schoolfield Property or any portion thereof, or in or at off-site improvements or facilities used or constructed by Caesars Virginia or any of its contractors or subcontractors in connection with the Project or the Schoolfield Property pursuant to the terms of this Agreement; and (4) any breach or failure by Caesars Virginia to perform

With a copy to:

City of Danville
Attn: City Attorney
427 Patton Street
Danville, VA 24541

If to the IDA:

Industrial Development Authority of Danville, VA
Attn: Director of Economic Development
427 Patton Street
Danville, Virginia 24541

If to Caesars Virginia or
any parent entity:

Caesars Entertainment, Inc.
Attn: Edmund L. Quatmann, Jr.
Chief Legal Officer
One Caesars Palace Drive
Las Vegas, NV 89109

- (g) "Board" means the Virginia Lottery Board, or its successors, and its staff and director.
- (h) "Business Day" means all weekdays except Saturday and Sunday and those that are official legal holiday of the City, State or the United States government. Unless specifically stated as "Business Days," a reference to "days" means calendar days.
- (i) "Caesars Virginia" means Caesars Virginia, LLC or its successors or assigns as permitted hereunder.
- (j) "Casino" is defined in Section 3.b. and includes any portion of the Project wherein gaming is conducted by Caesars Virginia pursuant to this Agreement, including all buildings, improvements, equipment, and facilities used or maintained in connection with and in support of such gaming.
- (k) "Casino Gaming Operations" means any gaming operations permitted under the Act and offered or conducted at or in connection with or related to the Project.
- (l) "Casino License" means the license issued by the Board to operate the Casino and engage in Casino Gaming Operations.
- (m) "CEC" means Caesars Entertainment, Inc.
- (n) "Cherokee RO

(w) "Default Rate" means a rate of interest at all times equal to the greater of (i) the rate of interest announced from time to time by American National Bank and Trust Co., or its successors ("Bank"), at its City office, as its prime, reference or corporate base rate of interest, or if Bank is no longer in business in the City or no longer publishes a prime, reference or corporate base rate of interest, then the prime, reference or corporate base rate of interest announced from time to time by such local bank having from time to time the largest capital surplus, plus four percent (4%) per annum or (ii) twelve percent (12%) per annum, provided, however, the Default Rate shall not exceed the maximum rate allowed by applicable law.

(x) "direct or indirect interest" means an interest in an entity held directly or an interest held indirectly through interests in one or more intermediary entities connected through a chain of ownership to the entity in question, taking into account the dilutive effect of the interests of others in such intermediary entities.

(gg) "Force Majeure" means the following events or circumstances, to the extent that they delay or otherwise adversely affect the performance beyond the reasonable control of Caesars Virginia, or its agents and contractors, of their duties and obligations under this Agreement, or the performance by the City or the IDA of their respective duties and obligations under this Agreement:

- (1) Strikes, lockouts, labor disputes, inability to procure materials, failure of utilities, labor shortages or explosions;
- (2) Changes in Governmental Requirements by any Governmental Authority, first effective after the date of this Agreement;
- (3) Acts of God, tornadoes, hurricanes, floods, sinkholes, fires and other casualties, landslides, earthquakes, epidemics, pandemics, quarantine, pestilence, and/or abnormal inclement weather;
- (4) Acts of a public enemy, acts of war, terrorism, effects of nuclear radiation, blockades,

(kk) "Governmental Approvals" is defined in Section 8.c. of this Agreement.

(ll) "Governmental Authority" or "Governmental Authorities" means any federal, state, county or municipal governmental authority, including all executive, legislative, judicial and administrative departments and bodies thereof (including any Gaming Authority) having jurisdiction over the Project.

(mm) "Governmental Requirements" means all laws (including the Act), ordinances, statutes, executive orders, rules, zoning requirements and agreements of any Governmental Authority that are applicable to the acquisition, remediation, renovation, demolition, development, construction and operation of the Project including all required Permits, approvals or findings of suitability, and any rules, guidelines or restrictions enacted or imposed by Governmental Authorities, but only to the extent that such laws, ordinances, statutes, executive orders,

(xx) “Net Gaming Revenue” means “adjusted gross receipts” as defined in the Act as reported to the State by Caesars Virginia, less “free play” or complementary credits provided to patrons that can be documented by Caesars Virginia.

(yy) “Nominee” is defined in Section 11.a. of this Agreement.

(zz) “Offer” is defined in Section 7.c. of this Agreement.

(aaa) “Parent Company” means CEC and its successors and assigns.

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(ooo) "Transfer" means (i) any sale (including agreements to sell on an installment basis), assignment, transfer, alienation, merger, consolidation, reorganization, liquidation, or any other disposition by operation of law or otherwise, and (ii) the creation or issuance of new or additional interests in the ownership of any entity.

(ppp) "Upfront Payment" is defined in Section 5.a. of this Agreement.

(qqq) "Venue" is defined in Section 3.e. of this Agreement.

(rrr) "Work" means site preparation work and/or construction of the improvements in accordance with the construction documents for the Project and includes labor, materials and equipment to be furnished by a contractor or subcontractor.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

CITY OF DANVILLE,
a Virginia municipal corporation

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

Exhibit “A”

First Class Casino Standards

First Class Casino Standards shall mean the specifications, standards, policies and requirements adopted and as may be amended or supplemented from time to time by CEC, any related entity or their respective Affiliates for constructing, renovating, equipping, furnishing, managing, operating, licensing, maintaining, refurbishing and marketing developments under the Caesars brand, which shall be (i) at a level generally considered to be in effect at all or substantially all of the hotels and resorts operated under such brand from time