



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

July 20, 2021

7:00 P.M.

PRESIDING: Alonzo L. Jones, Mayor

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

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

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

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

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

Time and Place of Meeting

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

Communications from Visitors

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

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding

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

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - J. Lee Vogler, Jr.

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Goodwill of the Valleys Update
By: Richmond Vincent, CEO

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 for the Regular Council Meeting held on June 15, 2021.
Council Letter Number CL - 2584.
- B. Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Virginia Department of Aviation Airport Maintenance Funds and Local Share, for a Total Appropriation of \$120,000.
Council Letter Number CL - 2560.

An Ordinance Amending the Fiscal Year 2022 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 \$100,000 and for the Local Share in the Amount of \$20,000 for a Total Appropriation of \$120,000 and Appropriating the Same.

FINAL ADOPTION

NEW BUSINESS

- A. Consideration of the Purchase of Property for the Expansion of the West Fork Substation.
Council Letter Number CL - 2582.

A Resolution Authorizing and Approving the City of Danville, Virginia, to Enter Into a Purchase Agreement, as well as the Actual Purchase of 42.85 Acres of Land at 581 Long Circle within the Danville Utilities Service Territory.

- B. Consideration of Canceling the August 3, 2021 Regular Meeting of Danville City Council.
Council Letter Number CL - 2587.

A Resolution Canceling the Regular Meeting of Danville City Council Scheduled for Tuesday, August 3, 2021 and Scheduling a Special Meeting of City Council on Thursday, August 5, 2021.

- C. Consideration of Granting a Short Term Extension of Deadlines to River District Development, LLC.
Council Letter Number CL - 2589.

A Resolution Approving and Authorizing Granting River District Development, LLC a Short Term Extension of the Utilization Deadlines for the Fire Station and the Utility Building Properties in those Certain Real Estate Purchase Options By and Among the City of Danville, River District Development, LLC, and the Industrial Development Authority of Danville, Virginia.

- D. Consideration of Authorizing Utilization of the City's Fiscal Year 2022 Borrowing Capacity to Issue General Obligation Bonds.
Council Letter Number CL - 2567.

1. Public Hearing

2. 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.

FIRST READING

- E. Consideration of Requesting the Circuit Court to Order a Special Election on the Issuance of General Obligation School Bonds.
Council Letter Number CL - 2588.

An Ordinance of the Council of the City of Danville, Virginia, Requesting the Circuit Court to Order a Special Election on the Issuance of General Obligation School Bonds in the Maximum Principal Amount of \$141,000,000 and Authorizing Such Bonds.

FIRST READING

COMMUNICATIONS FROM:

- A. City Manager
B. Deputy City Manager
C. City Attorney
D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter

City of Danville, Virginia



CL-2584

Consent Agenda A.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 07/20/2021

SUMMARY

Consideration of Approval of Minutes for the Regular Council Meeting held on June 15, 2021.

Council Letter Number CL - 2584.

Attachments

Meeting Minutes

June 15, 2021

The Regular June meeting of the Danville City Council was held on June 15, 2021, at 7:07 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9). (*The Council meeting began late due to difficulties with equipment in Chambers.*)

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

INVOCATION

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

Mayor Jones recognized the Vaccination Team who will be leaving in a couple of weeks and thanked them for their service.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Jones recognized Danielle Montague, Danville Parks & Recreation, Health & Wellness Coordinator, who discussed the City's upcoming Juneteenth Celebrations on Sunday, June 20, 2021.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Vincent Brown, Winston-Salem NC and Gerald Harris of Danville, VA who discussed their apprenticeship painting program and passed out booklets to Council.

Mayor Jones recognized Ms. Cassandra Butler, Program Manager for Elite Business Strategies - Educate and Vaccinate, who noted they will continue to do outreach efforts in the area, encouraged people to get vaccinated and thanked Council for their support.

Mayor Jones recognized Quonell Totten who invited citizens to the Annual Rock Da Block celebration on June 26, 2021 from 4:00 to 8:00 p.m. at Taylor Drive/Old Pumpkin Creek location. Mr. Totten introduced Janet Edwards, one of the team members from One Accord Connections who discussed bringing entertainment to Danville.

Mayor Jones recognized Gordon Bartholomew who noted his concern with wildlife in the City, and the missing signs from Memorial Drive for the geese crossing.

Mayor Jones recognized Julius Bryant, 458 Williamson Road who spoke about his home on the corner of Williamson Road and Bluegrass, the condition of the road and the need to be paved.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding Budget Appropriations on the Consent Agenda. Notice of the Public Hearing was published in the *Danville Register & Bee* on June 8, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Campbell **moved** to approve the following Consent Agenda items:

June 15, 2021

Approval of Minutes from Regular Council Meeting held on May 18, 2021. Draft copies of the Minutes had been distributed prior to the meeting

Budget Amendment - Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Funds for the Development of the River Front Park, in the Amount of \$740,000

An Ordinance entitled, Ordinance No. 2021-06.03, Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for an Award from the State of Virginia Department of Conservation and Recreation in the Amount of \$740,000 for the Development of the River Front Park and Appropriation of Same.

Budget Amendment – Amending the Fiscal Year 2021 Budget Appropriation Ordinance for American Rescue Plan Funds in the Amount of \$29,142,851

An Ordinance Entitled, Ordinance No. 2021-06.04, Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenues from the US Department of Treasury for the American Rescue Plan in the Amount of \$29,142,851 to be used as Specified by the American Rescue Plan.

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

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

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL REPORT THROUGH MAY 31, 2021

City of Danville Director of Finance Michael Adkins gave the General Fund Financial Report through the end of May with 92% of the fiscal year complete. Because there were only two weeks left in the fiscal year he wanted to focus more on where the City was right now. On May 31st, revenues were 86% of budget, very much on track and where the City usually finds itself at that point in the year. Looking at the current status, June was a significant time of collections for the City and he does have information on performance as of today. Real Estate collections through today shows the City met its budget on June 7th which was when the tax bills were due; today, the City was \$460,000 over budget on current real estate collections. Delinquent Real Estate collections show the City at 86% and about \$140,000 under budget, but they still have the rest of this month, and accounting standards lets the City look into the future. If the city collects additional revenues in July and August they can pull those back into the correct fiscal year; the City still has some time to make up that difference.

Public Service Corporation Real Estate Taxes, like telecom companies that provide telephone services to citizens, that Real Estate Tax was \$175,000 over budget at this point. Personal Property tax collections usually take until the end of June to collect budget, and right now the City only needs about \$14,000 more to meet budget for this year; Mr. Adkins noted he thinks they will meet and exceed that. Delinquent Personal Property has been an area of focus over the last year and a half; the City has surpassed budget on that and currently was \$340,000 over budget. Sales Tax has been performing very well in response to the State's mandate of collecting sales tax for e-commerce. As of May, the City received over \$1M for May sales tax from the state which was

only the second time that has happened; the first time was back in the holiday season for the past year. The City usually receives its sale tax installments on the 16th of each month; the state will be sending the City \$924,000 tomorrow for the June installment, another very high number for one month. This year, Sales Tax should exceed budget by about \$1M. The Business License season usually peaks in March, most were due then and revenues were \$130,000 over budget. With regard to Meals Tax, with the pandemic, restaurants had capacity limits which have been lifted, the City had recovered and was back up to budget at 92%, with 92% of the year complete. To meet budget in Meals Tax, the City needs \$678,000 in June; the average for the last three months has been over \$800,000 and Mr. Adkins noted he was certain they would meet budget on Meals Tax for the year. Lodging Tax was another area the pandemic caused some struggles in, at the end of May, the City was at 84.5% and would need about \$250,000 in June to meet that. In the past three months the City has received \$135,000, so the City will be short on Lodging Taxes by between \$100,000 to \$125,000. In Bank Stock Tax, the local banks have to pay a tax based on the level of deposits they have during the year; that line item was \$109,000 over budget for this year. Under Recordation Taxes, with interest rates low, there have been a lot of home sales and refinancing, and if a corporate entity refinances their debt such as SOVAH did this year, the result was Recordation Taxes \$212,000 over budget for Fiscal Year 2021.

There were some lines that struggled this year such as Telecom Taxes, consumer taxes people pay on their cell phones, which will be short about \$300,000 this year, and interest earnings will be short because interest rates were so low. Staff did budget very conservatively at about .25% on new investments this year, however, the actual rate was about .10%. Mr. Adkins stated the only other areas they may fall short on were state revenues, categorical aid which was directly related to expenditures; if they were short on revenues, they were also short on the expenditure side and doesn't have quite as negative an effect on the City. Revenues should be about \$1.6M over budget which is good news for the City.

On the Expenditure side, the Departments at the end of May spent 83% of their budget; in prior years it was usually between 84-86% which was very good. Under Non-Departmental Expenses, the main two were Group Health Insurance and Debt Service. The City usually knows what their debt service will be so that was on track with budget. Mr. Adkins stated the City's Group Health Insurance was running about 4-5% above budget at about \$350,000. Last year the City had a savings in group health insurance, under budget by about \$1.2M; this was based on utilization and believes the pandemic caused employees to either postpone doctor's appointments or surgeries they may have planned last year. This year may be a year of catch up, people making those appointments and getting those things taken care of; that may be why the City was over budget because of increased utilization. Mr. Adkins stated the fiscal year ends in about two weeks, it usually takes about six weeks for staff to get all the vendor invoices in and processed, and make sure the revenues were in the proper fiscal year. The next time he reports to Council will probably be around mid-August and he should have firmer numbers on how the fiscal year ended. The City did budget to use about \$4M of fund balance, but at this point, they will probably use substantially less, maybe none, or maybe a small surplus for the year, it was hard to tell right now. The final results will be better than anticipated with the original budget.

PUBLIC HEARING - AUTHORIZING THE CITY MANAGER TO SUBMIT A ONE YEAR ACTION PLAN TO HUD

Mayor Jones opened the floor for a Public Hearing regarding the One Year Action Plan to HUD. Notice of the Public Hearing was published in the *Danville Register & Bee* on May 12, 2021 and May 19, 2021. No one present desired to be heard and the Public Hearing was closed.

June 15, 2021

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

RESOLUTION NO. 2021-06.16

AUTHORIZING THE CITY MANAGER TO SUBMIT TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) A ONE YEAR ACTION PLAN.

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

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

APPROVING CHANGES TO THE CITY'S PERSONNEL SYSTEM REGULATIONS

Vice Mayor Miller **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-06.05

AMENDING THE PERSONNEL SYSTEM OF THE CITY OF DANVILLE PROVIDING FOR THE CLASSIFICATION, COMPENSATION, AND EMPLOYEE DEVELOPMENT FOR EMPLOYMENT POSITIONS OF THE CITY.

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

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

APPROVAL OF A MORAL OBLIGATION WITH AMERICAN NATIONAL BANK

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

RESOLUTION NO. 2021-06.17

AUTHORIZING AND APPROVING EXECUTION OF A MORAL OBLIGATION AGREEMENT BY AND BETWEEN THE CITY OF DANVILLE, VIRGINIA AND AMERICAN NATIONAL BANK AND TRUST COMPANY, A VIRGINIA BANKING CORPORATION.

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

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

APPROVAL OF A SUPPORT AGREEMENT WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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

June 15, 2021

RESOLUTION NO. 2021-06.18

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING A SUPPORT AGREEMENT WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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

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

CONSIDERATION OF AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE FOR ADDITIONAL FEDERAL AVIATION FUNDING

Upon **Motion** by Vice Mayor Miller and **second** by Council Member Buckner, an Ordinance entitled:

ORDINANCE NO. 2021-06.06

AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR ADDITIONAL FEDERAL AVIATION FUNDING FOR THE PURPOSE OF COMPLETING DESIGN SERVICES TO REHABILITATE TAXIWAY CONNECTIONS AND THE SOUTH RAMP AT THE DANVILLE REGIONAL AIRPORT WITH NO LOCAL MATCHING SHARE

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

Council Member Whittle questioned if the City was working to get bigger jets into the Airport, and will this help with the bigger planes that want to come in for the casino. Director of Transportation Marc Adelman explained the south ramp was the prime location for business aviation development. When they have had prospects looking at the airfield for locations, that has been the most desired spot; it was isolated, it was a large ramp with good utility access. In the short term, it was definite that the City needed surplus aircraft parking. The first week in June, when the VIR race occurred, they had over thirty jets in the field and the parking ramp was maxed out; they had to park a jet on a runway and close the shorter, cross wind runway because they didn't have enough aircraft parking space. Mr. Whittle asked if the City had a plan they were working on for when they get to that point with bigger planes and Mr. Adelman noted they were not working directly with Caesars, staff was anticipating what may be needed, and six projects were going on right now that were directly related to anticipating increased traffic, from terminal building renovations to increased fuel supply to meet demand. They have worked with Caesars on one project, that was the Airport promotional video and they do have a relationship that will grow over time.

COMMUNICATIONS

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

City Attorney Clarke Whitfield explained that now the pandemic has eased, at the first meeting in July, staff will return to the dais, meetings will go back to normal and work sessions will return to the conference room across the hall.

June 15, 2021

Vice Mayor Miller noted last Tuesday at the HOME sign there was an interdenominational ceremony of several area ministers, and choral groups, to honor the 223 citizens who died from the pandemic in the Danville Pittsylvania County area.

Council Member Campbell noted on June 6th he turned seventy years old and thanked his daughters for the surprise birthday party.

Council Member Hood noted as the country has opened up, the City was fortunate to continue to take a strategic approach when it comes to thriving as a City, and putting their best effort forward. Mr. Hood noted he was proud of the City and the direction it was going as a whole.

Council Member Mayo noted a Happy Birthday to Council Member Campbell, and thanked Mr. Brown for his apprenticeship program. Mr. Mayo noted he did a basketball camp last week, and has been doing it for twenty years teaching kids the game.

Mayor Jones thanked Council Member Saunders for his Invocation and congratulated Council Member Campbell on his seventieth birthday.

ADJOURNED: 8:11 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2560

Consent Agenda B.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Fiscal Year 2022 Airport Maintenance Program

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: July 6, 2021

Final Adoption: July 20, 2021

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 Virginia airports to receive up to \$100,000 in state aid on an annual basis.

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 finance grounds equipment. 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 2021, state airport maintenance funds were used to purchase a new dump truck and snow plow, lighting upgrades for the terminal ramp and Taxiway A lighting repairs. For FY2022, the airport intends to use available airport maintenance funds to complete scheduled pavement repairs for automobile parking lots, the primary runway and taxiways. In addition, it is anticipated funding may also be used for unscheduled repairs.

RECOMMENDATION

It is recommended that City Council approve an Ordinance amending the Fiscal Year 2022 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. 2021 - _____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 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 \$100,000 AND FOR THE LOCAL SHARE IN THE AMOUNT OF \$20,000 FOR A TOTAL APPROPRIATION OF \$120,000 AND APPROPRIATING THE SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended by increasing revenues from the Commonwealth of Virginia, Department of Aviation, in an amount of \$100,000 and the local share for \$20,000 for an aggregate amount of \$120,000 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>
FY2022 Airport Maintenance		
Categorical Aid – State	61669000-45712	\$ 100,000
Local Share	61669000-6101	\$ 20,000
	TOTAL	<u>\$ 120,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2022 Airport Maintenance	61669999-50	<u>\$120,000</u>

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

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2582

New Business A.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: West Fork Substation Property Acquisition-4th AEP Delivery Point

From: Jason Grey, Utilities Director

COUNCIL ACTION

Business Meeting: 07/20/2021

SUMMARY

The West Fork Substation, located at 581 Long Circle in western Pittsylvania County, is currently in the engineering phase of being upgraded with a new 138 KV delivery point from AEP. The substation design allows for an additional source of energy supply from AEP adjacent to the current substation footprint. In anticipation of this design, staff has been able to negotiate the purchase of 42.85 acres for \$180,000, needed for the City's substation expansion and the addition of an AEP substation and transmission lines.

BACKGROUND

Danville Utilities has been going through a series of substation upgrades over the past five years and will look to renovate several additional substations over the course of the next two years. The City's Bridge Street and Brantley substations were renovated within the past five years, and the Schoolfield and Riverside substations were completed at the end of 2020. Staff is currently working on upgrading the Kentucky and Whitmell substations in Pittsylvania County with completions set for August 2021. Engineering is also complete on the Southside and Westover substations, with most of the equipment on order for the project, to begin later this fall. The West Fork Substation expansion will increase our reliability and provide additional switching capabilities during maintenance and unplanned outage events.

RECOMMENDATION

Staff recommends that Danville City Council approve the purchase of 42.85 acres of property adjacent to West Fork substation, in the amount of \$180,000, in order to expand the West Fork substation footprint and add a fourth delivery point from AEP.

Attachments

Resolution

Agreement

Property Map

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION AUTHORIZING AND APPROVING THE CITY OF DANVILLE, VIRGINIA, TO ENTER INTO A PURCHASE AGREEMENT, AS WELL AS THE ACUTAL PURCHASE OF 42.85 ACRES OF LAND AT 581 LONG CIRCLE WITHIN THE DANVILLE UTILITIES SERVICE TERRITORY.

WHEREAS, the Utility Commission recommends approval of purchasing 42.85 acres of land for an amount not to exceed \$180,000 plus closing cost to expand the current West Fork Substation footprint to allow for a fourth delivery point from AEP; and

WHEREAS, the additional land would benefit the ratepayers of Danville Utilities by allowing more reliable equipment and service; and

WHEREAS, Danville Utilities is going through a series of substation upgrades having completed four substation upgrades, with two under construction, and an additional two substations in the engineering process.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that is does hereby approve and authorize the City of Danville, Virginia to enter into a purchase agreement, substantially in the form attached hereto and made a part hereof as if fully set out herein, as well the actual purchase 42.85 acres of land for a one-time payment not to exceed \$180,000 plus closing costs in order to expand the West Fork substation footprint and add an additional AEP delivery point in western Pittsylvania County; and

BE IT FURTHER RESOLVED, by the Council of the City of Danville, Virginia, that the City Manager, be, and is hereby, authorized and directed to execute or sign the purchase agreement and any and all documents necessary to be executed or signed to complete this transaction.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this ____ day of _____ 2021, between LINDA B LONG, whose address is 544 Parker Road, Danville, Virginia 24540 (hereinafter called "Seller"), and the CITY OF DANVILLE, VIRGINIA, a municipal corporation, whose address is P.O. Box 3300, Danville, Virginia 24543 (hereinafter "Purchaser").

WITNESSETH:

WHEREAS, Seller are the owner of that certain parcel of real property described as Parcel #1358-35-8704 (ST RD 708 35.59 AC WESTOVER MAGISTERIAL DISTRICT) commonly known as 603 Long Circle, located in Pittsylvania County, Virginia; and

WHEREAS, Seller are the owner of that certain parcel of real property described as Parcel #1358-46-2848 (ST RD 708 3.23 AC WESTOVER MAGISTERIAL DISTRICT) commonly known as 547 Long Circle, located in Pittsylvania County, Virginia; and

WHEREAS, Seller are the owner of that certain parcel of real property described as Parcel #1358-35-9076 (ST RD 708 1.00 AC WESTOVER MAGISTERIAL DISTRICT) commonly known as 603 Long Circle, located in Pittsylvania County, Virginia; and

WHEREAS, Seller are the owner of that certain parcel of real property described as Parcel #1358-34-8888 (ST RD 708 1.03 AC WESTOVER MAGISTERIAL DISTRICT) commonly known as 611 Long Circle, located in Pittsylvania County, Virginia; and

WHEREAS, Seller are the owner of that certain parcel of real property described as Parcel #1358-35-1294 (ST RD 708 2.00 AC WESTOVER MAGISTERIAL DISTRICT) commonly known as 609 Long Circle, located in Pittsylvania County, Virginia; and

WHEREAS, Seller desires to sell the above-referenced property to Purchaser (hereinafter be referred to as the "Property"), identified on the attached Exhibit dated September 30, 2021, that is incorporated into this contract by reference, and Purchaser desires to purchase the Property from Seller, subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, do hereby agree as follows:

1. Purchase and Sale. Subject to the terms and conditions hereinafter set forth, Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the Property, together with (a) all rights, easements and privileges, appurtenances belonging and appertaining thereto, including, without limitation, all easements, rights of way or other interests in, on or

under any lands, highways, alleys, streets, or rights of way abutting or adjoining the Property, (b) all buildings and other improvements thereon, and (c) and any fixtures attached to the Property.

2. Purchase Price. (a) The purchase price ("Purchase Price") paid by Purchaser to Seller for the Property shall be One-Hundred Eighty Thousand Dollars (\$180,000.00).

(b) At "Closing", the Purchase Price payable by Purchaser to Seller shall be paid by cash, cashier's check or wire transfer. At Closing, the "Deposit" (hereinafter defined) shall be delivered by the Closing Agent to Seller and shall be credited against the Purchase Price.

3. Representations and Warranties of Seller. Seller, to induce Purchaser to enter into this Agreement and to complete Closing, makes the following representations and warranties to Purchaser, which representations and warranties are true and correct as of the date of this Agreement, and shall be true and correct at and as of the Closing Date in all respects as though such representations and warranties were made both at and as of the date of this Agreement, and at and as of the Closing Date:

(a) There is no action, suit or proceeding pending or, to the knowledge of Seller, threatened against or affecting the Property or any portion thereof.

(b) Seller has not received any written notice of any condemnation proceeding or other proceedings in the nature of eminent domain ("Taking") which is currently pending in connection with the Property, and to Seller's knowledge no Taking has been threatened.

(c) Seller represents to the best of her knowledge that the Property is free and clear of any hazardous materials, waste or other contamination and that there are no underground storage tanks located on the Property.

(d) Seller has and on the closing date shall have full power and authority to enter into and perform this Agreement and all documents, instruments and contracts entered into or to be entered into by it pursuant to this Agreement and to carry out the transactions contemplated hereby. This Agreement is, and all documents to be executed by Seller and delivered to Purchaser at the Closing will be on the Closing Date, duly authorized, executed and delivered by Seller and all consents and approvals of third parties have been obtained. This Agreement is, and all documents to be executed by Seller and delivered to Purchaser at the Closing will be the legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms will not violate any provisions of any agreement, judicial order or any other thing to which Seller are a party or to or by which Seller or the Property are subject or bound.

(e) The Property is not subject to any roll back tax or any similar tax related to the discontinuance of any use to which the Property has been put.

(f) Seller has not received any notice or notices of violation (or claimed violations) of any law, ordinance, order, statute, rule or regulation or any complaints, order, citation or notice with regard to, affecting or relating to the Property.

(g) No tax appeals are currently pending with respect to the Property.

(h) Seller has not entered into any presently effective contract regarding the sale, conveyance, transfer or disposition of the Property (except for this Agreement). Seller has not granted to anyone and no one possesses any option to purchase or right of first refusal to purchase the Property. Seller has not entered into any occupancy agreement, lease or the like with respect to, and no one has any right to use or occupy, the Property subsequent to the Closing, and any such occupancy agreement, lease, or right to use or occupy the Property shall be concluded and any tenants or similar such persons shall have been legally and physically evicted or removed from the Property as of the time of Closing.

5. Inspections. (a) Seller and Purchaser hereby acknowledge that as of the date of the execution of this Agreement, Purchaser has not yet had an opportunity to fully review and evaluate this transaction. If on or before 5:00 p.m. (Eastern Standard Time) on a date which is ninety (90) days from the Date of this agreement ("Inspection Completion Date"), Purchaser determines, in its sole and absolute discretion, that Purchaser does not desire to purchase the Property, then Purchaser shall have the right to give written notice to Seller electing to terminate this Agreement, provided such notice is delivered to Seller prior to 5:00 p.m. (Eastern Standard Time) on the Inspection Completion Date. In the event such notice of termination is delivered on or before 5:00 p.m. (Eastern Standard Time) on the Inspection Completion Date, then the Closing Agent will deliver to Purchaser the Deposit, and the parties shall be released from all further obligations each to the other under this Agreement. In the event that the Purchaser does not terminate this Agreement as set forth in this Section 5, then Purchaser's right to terminate this Agreement shall be deemed waived by Purchaser.

(b) Upon reasonable prior notice to Seller, Purchaser, its agents, employees and representatives shall have access to the Property at all reasonable times prior to the Inspection Completion Date or earlier termination of this Agreement to inspect the Property and to conduct reasonable tests thereon including, but not limited to, soil and groundwater borings and hazardous waste studies, and to make such other examinations with respect thereto as Purchaser, its counsel, licensed engineers, surveyors or other representative may deem reasonably necessary. Seller reserves the right to be present, or have her agent or representative present during Purchaser's investigations of the Property. Any tests, examinations or inspections of the Property by Purchaser and all costs and expenses in connection with Purchaser's inspection of the Property shall be at the sole cost of Purchaser and shall be performed in a manner not to unreasonably interfere with the Seller's ownership of the Property. Further, Purchaser shall be responsible for any and all damage caused by such inspections, examinations, testing and disposal of all waste produced at the Property as a result of such investigations, and shall sign, as generator, all forms necessary for such disposal. Purchaser shall immediately remove any lien of any type which attaches to the Property by virtue of any of such inspections,

examinations or tests. Upon completion of any such inspection, examination or test, Purchaser shall restore any damage to the Property caused by such inspection, examination or test.

(c) Within sixty (60) days of the Date of this Agreement, Purchaser may obtain, at its sole option and at its sole cost and expense, a title insurance commitment ("Commitment") issued by the Closing Agent covering the Property, a survey (the "Survey") of the Property, dated subsequent to the date hereof, prepared by a licensed surveyor or Registered Professional authorized to do business in the Commonwealth of Virginia, and an Environmental Site Assessment ("Environmental Assessment") dated subsequent to the date hereof.

(d) Purchaser shall review the Commitment, the Survey and the Environmental Assessment and shall, within ninety (90) days of the Date of this Agreement, notify Seller in writing ("Objection Notice") of any matters ("Defects") evidenced by the Commitment, the Survey, or the Environmental Assessment that adversely affect the marketability of the Property. Any such matters not specified as Defects in the Objection Notice or any Defects waived (or deemed waived) by Purchaser pursuant to the terms hereof shall be deemed Acceptable Exceptions. Upon receipt of the Objection Notice, Seller may, but shall not be obligated to, cure such Defects. In the event that Seller is unwilling or unable to cure any Defect(s) within ten (10) days of the Objection Notice ("Cure Period"), Purchaser, at Purchaser's option, may: (i) elect to accept title to the Property subject to the Defects without any adjustment to the Purchase Price (in which event the remaining Defects shall be deemed Acceptable Exceptions); or (ii) terminate this Agreement by written notice thereof to Seller, whereupon this Agreement shall be terminated, the Deposit shall be returned to Purchaser and both parties shall thereafter be released from all further obligations hereunder. In the event Purchaser fails to elect to terminate the Agreement as provided above within such 10-day period, Purchaser shall be deemed to have elected clause (i) above.

If Seller notifies Purchaser that she intends to take action to effectuate the removal of the objected to exceptions, then Seller shall be obligated to take all action of which it advised Purchaser in the Response Notice that it would take.

(e) The provisions of this Section shall survive any termination of this Agreement.

6. Environmental Studies and Soil Tests.

Purchaser acknowledges that prior to the Closing Date, Purchaser may conduct any environmental and soil tests with respect to the Property which Purchaser may deem necessary or advisable, and Purchaser shall rely upon such tests as well as Seller's Representations and Warranties contained in section four (4) above, in electing whether or not to purchase the Property.

7. Covenants by Seller. Between the date hereof and the Closing, Seller agrees that:

(a) she will maintain the Property in the same condition as it is on the date of this Agreement (reasonable wear and tear excepted);

(b) she will not, by reason of any action or omission of Seller, cause or permit any representation or warranty to become not true, incorrect or inaccurate;

(c) she shall perform any and all material obligations with respect to the Property under all easements, covenants, restrictions and contracts of record;

(d) she will promptly give notice to Purchaser of every threatened or actual litigation whether or not covered by insurance against or relating to the Property (including, without limitation, the sale thereof to Purchaser) or any portion thereof between the date of this Agreement and the Closing;

(e) she will not, without the prior written consent of Purchaser, apply for, consent to or process any applications for zoning, re-zoning, variances, site plan approvals, subdivision approvals or development with respect to the Property or any portion thereof;

(f) she will not, without the prior written consent of Purchaser, grant any rights or other privileges in or with respect to the Property or any portion thereof or grant, or consent to or waive the right to object to, any easements, covenants or restrictions affecting all or any portion of the Property;

(g) she will not enter into or modify any mortgages, operating agreements, ground leases, space leases or other agreements or encumbrances with respect to or affecting the Property or any portion thereof; and

(h) she will promptly notify Purchaser if it discovers, determines or is notified that any warranty or representation made by Seller hereunder is not (or is no longer) true.

(i) she will diligently take all actions necessary to ensure that any tenants or leaseholds are physically removed from the Property and any rights such persons may have to access or occupy the Property have been legally terminated.

8. Seller's Defaults; Purchaser's Remedies. In the event that Seller shall be in material default hereunder for any reason other than Purchaser's default, Purchaser may deliver a written notice to Seller stating with particularity the alleged default of Seller, the action required by Seller to cure such default, and Purchaser's intent to exercise its remedies provided below if the default is not cured. Seller shall have five (5) business days after receipt of such notice to cure the alleged default to Purchaser's reasonable satisfaction (and the Closing Date shall be delayed, if necessary, until the end of such five (5) business day period). In the event such default is not cured within such five (5) business day period, then Purchaser may elect, as its sole and exclusive remedy, to seek to enforce specific performance only for failure to cause the Property to be conveyed in accordance with the terms and provisions hereof or to terminate this Agreement by written notice to Seller and the Closing Agent. It is expressly understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Seller hereunder other than a failure to cause the Property to be conveyed in accordance with the terms and provisions hereof. Purchaser hereby expressly waives its rights to

seek damages in the event of Seller' default hereunder. Purchaser shall be deemed to have elected to terminate this Agreement if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the City on or before sixty (60) days following the date upon which the Closing was to have occurred, at which time the Deposit shall be returned to Purchaser and both parties shall thereafter be released from all further obligations hereunder.

9. Purchaser's Default; Seller's Remedies. In the event that Purchaser shall be in default hereunder for any reason other than Seller's default, Seller may deliver a written notice to Purchaser stating with particularity the alleged default of Purchaser, the action required by Purchaser to cure such default and Seller' intent to terminate this Agreement if the default is not cured. Purchaser shall have five (5) business days after receipt of such notice to cure the alleged default to Seller' reasonable satisfaction (and the Closing Date shall be delayed, if necessary, until the end of such five (5) business day period). In the event such default is not cured within such five (5) business day period, then Seller may, as Seller's sole and exclusive remedy for such default, terminate this Agreement by written notice to Purchaser and the Closing Agent. Seller hereby expressly waive their rights to seek damages in the event of Purchaser's default hereunder.

10. Prorations. At Closing, real estate taxes, assessments and all other items of income and expense shall be prorated as of the Closing Date. Any assessments for prior years due to change in land usage or ownership, including, without limitation, rollback taxes, shall be the sole responsibility of Seller. The terms and provisions of this Section shall survive Closing.

11. Closing Costs. (a) Seller shall not be responsible for any closing costs other than the cost of curing any Title Defects known of and undisclosed by the Seller.

(b) Purchaser shall be responsible for all closing costs including (i) the costs of preparing the Deed, (ii) the Grantor's Tax on the Deed, (iii) the cost of curing any Title Defects other than those known of and undisclosed by any or all of the seller, (iv) the cost to obtain the Commitment, (v) all premiums, and other charges on the owner's title policy issued to Purchaser pursuant to the Commitment (the "Title Policy") and any endorsements to the Title Policy, (vi) all documentary stamps, taxes and transfer taxes on the Deed, with the exception of the Grantor's Tax, (vii) documentary stamps and intangible costs on any deed of trust and notes, and (viii) the recording costs on the Deed.

(c) Each party shall be responsible for payment of its own legal fees.

12. Closing. The "Closing" shall be held no later than thirty (30) days from the Inspection Completion Date. It is expressly agreed by Seller and Purchaser that time is of the essence with respect to the parties' obligations to close this transaction on the Closing Date.

(a) At Closing, Seller shall cause to be executed and delivered to Purchaser the following documents with respect to the Property being conveyed:

(i) A general warranty deed ("Deed") subject only to the Acceptable Exceptions;

(ii) A non-foreign affidavit in a form reasonably acceptable to Purchaser;

(iii) Such other documents that the Closing Agent may reasonable require in connection with the issuance of the owner's policy to Purchaser, including but not limited to, such affidavits required for deletion of the parties in possession and mechanics' lien exceptions appearing on an owner's title insurance policy; and

(b) At Closing, Purchaser shall deliver the Purchase Price (subject to prorations and adjustments, including, but not limited to, a credit for the Deposit).

(c) At Closing, Seller and Purchaser shall each execute counterpart closing statements in a customary form, and such other documents required by the Closing Agent that are reasonably necessary to consummate Closing.

(d) At Closing, both parties shall pay their respective costs by wire transfer, or by cashier's check drawn on a bank reasonably acceptable to Closing Agent.

13. Brokers. Each party warrants and represents to the other that no real estate broker or agent has been involved in negotiations leading to the execution of this Agreement and that no other commission is owed to any other broker or agent as a result of the action of such party.

14. Assignability. Purchaser shall not assign this Agreement and its rights hereunder to any entity or person without Seller' prior consent in writing.

15. Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted via facsimile transmission or mailed by certified or registered mail return receipt requested, in a postage pre-paid envelope, and addressed as follows:

If to Seller:

Linda B Long
544 Parker Road.
Danville, Virginia 24540

If to Purchaser:

City of Danville, VA
C/O City Attorney's Office
P.O. Box 3300
Danville, VA 24541

Notices personally delivered or sent by overnight courier shall be deemed given on the date of receipt, notices sent via electronic mail or facsimile transmission shall be deemed given upon transmission and notices sent via certified mail in accordance with the foregoing shall be deemed given when deposited in the U.S. Mail.

16. Eminent Domain. If, prior to Closing, the Property or any material portion thereof is taken by eminent domain, Seller shall promptly notify Purchaser and Purchaser shall have the option of either: (i) canceling this Agreement by delivery of written notice to Seller, whereupon Closing Agent shall return to Purchaser the Deposit, together with interest thereon, and both parties shall be relieved of all further obligations under this Agreement; or (ii) Purchaser may proceed with the Closing, whereupon Purchaser shall be entitled to and Seller shall assign to Purchaser all of Seller's interest in all condemnation payments, awards and settlements applicable to the Property.

17. Miscellaneous.

(a) This Agreement shall be construed and governed in accordance with laws of the Commonwealth of Virginia and in the event of any litigation hereunder, the venue for any such litigation, shall be the City of Danville, Virginia. All of the parties to this Agreement have participated fully in the negotiation and preparation hereof and, accordingly; this Agreement shall not be more strictly construed against any one of the parties hereto.

(b) In the event any interpretation of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or reconstrued as deleted as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

(c) In the event of any litigation between the parties under this Agreement, each party shall be responsible for its own attorneys' fees and courts costs through all trial and appellate levels. The provisions of this subparagraph shall survive the Closing and any termination or cancellation of this Agreement.

(d) In construing this Agreement, the singular shall be deemed to include the plural, the plural shall be deemed to include the singular and the use of any gender shall include every other gender and all captions and paragraph headings shall be discarded.

(e) All of the Exhibits to this Agreement are incorporated in and made a part of this Agreement.

(f) This Agreement constitutes the entire agreement between the parties for sale and purchase of the Property, and supersedes any other agreement or understanding of the parties with respect to the matters herein contained. This Agreement may not be changed, altered or modified except in writing signed by the party against whom enforcement of such a change would be sought. This Agreement shall be binding upon the parties hereto and their respective successors and assigns.

(g) The term “Effective Date” of such other similar term, shall mean the date on which Seller and Purchaser have executed and delivered this Agreement.

(h) The parties hereby agree that time is of the essence with respect to performance of each of the parties’ obligations under this Agreement. The parties agree that in the event that any date on which performance is to occur falls on a Saturday, Sunday or state or national holiday, then the time for such performance shall be extended until the next business day thereafter occurring.

(i) This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, all of which shall be deemed to be one and the same instrument. Facsimile transmission signatures shall be deemed original signatures.

(j) The Purchaser agrees that the terms set forth in this Agreement, all written materials obtained by Purchaser from Seller with respect to the Property, and all information obtained by Purchaser from sources other than Seller with respect to the Property, shall remain totally and completely confidential and shall not be revealed or disclosed to any person or party whatsoever, except: (i) with the prior written consent of Seller; (ii) as may be disclosed to Purchaser’s attorneys, accountants and other representatives that are involved in connection with the consummation of this transaction, and then only to the extent necessary to accomplish the transactions set forth herein, after having directed each such recipient of such information to maintain the confidentiality of such information; (iii) as may be required by applicable law; (iv) as may be necessary in connection with assisting Purchaser in obtaining necessary governmental approvals; and (v) in connection with any litigation between the parties. If for any reason the Closing does not occur, Purchaser shall (x) return to Seller all materials and other information regarding the Property, and (y) immediately deliver to Seller all written studies, analyses, reports and assessments relating to any of the Purchaser’s investigations.

WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

{Signatures appear on the following pages}

SELLER:

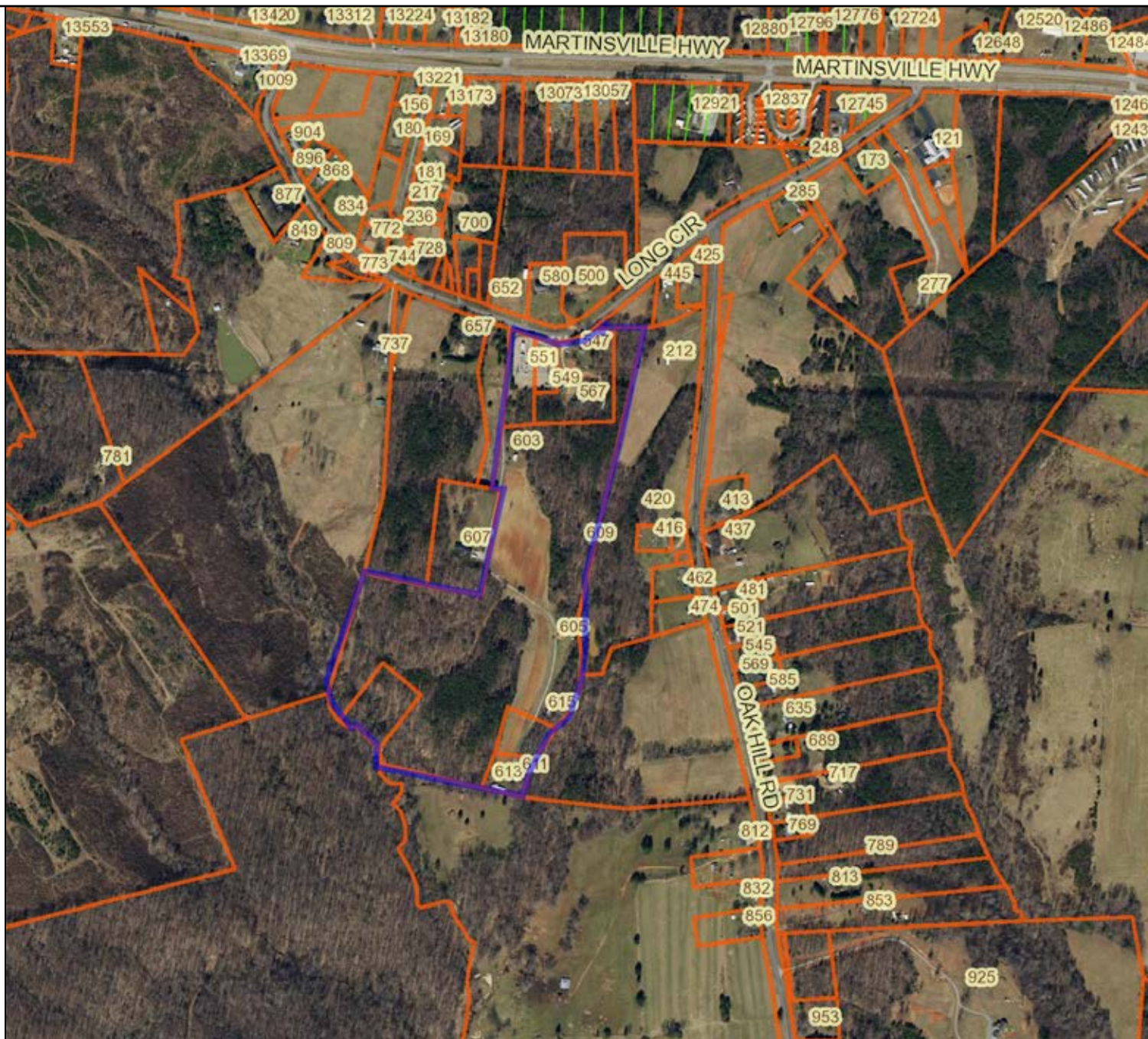
By: _____
Name: Linda B Long

PURCHASER:

By: _____
Name: Ken Larking
Title: City Manager

Legend

- ▬ Assessed Parcels
- ▬ Parcels
- ▬ County Boundary



Title: fourth delivery point

Date: 6/15/2021

DISCLAIMER: This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information, and data obtained from various sources, and Pittsylvania County is not responsible for its accuracy or how current it may be.

Council Letter

City of Danville, Virginia



CL-2587

New Business B.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Rescheduling the August 3, 2021 Danville City Council Meeting

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 07/20/2021

SUMMARY

Danville has long participated in "National Night Out," a unique crime prevention event sponsored by the National Association of Town Watch. The event is intended to heighten crime and drug prevention awareness, generate support for, and participation in, local anti-crime programs, strengthen neighborhood spirit and police-community partnerships, and send a message to criminals letting them know that neighborhoods are organized and fighting back. In previous years, the National Night Out campaign involved citizens, law enforcement agencies, civic groups, businesses, neighborhood organizations and local officials from over 15,000 communities from all 50 states, U.S. territories, Canadian cities, and military bases worldwide. Due to the COVID pandemic, last year's National Night Out consisted of virtual events throughout the City; this year, NNO events will resume in person.

This year's National Night Out event is scheduled for Tuesday, August 3, 2021, with activities at multiple sites across Danville. Because of scheduling conflicts with City Council meetings, levels of participation have been cut short in the past. For the past several years, City Council agreed to move the regular Tuesday Council meeting to Thursday so that members of City Council and City staff could fully participate in the events. Therefore, it is recommended that the regular City Council meeting scheduled for August 3, 2021 be canceled and a special meeting of City Council be held on Thursday, August 5, 2021.

RECOMMENDATION

It is recommended that Danville City Council approve the attached Resolution canceling the August 3, 2021 regular meeting of the Danville City Council, and schedule a special meeting on Thursday, August 5, 2021.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

RESOLUTION CANCELING THE REGULAR MEETING OF DANVILLE CITY COUNCIL SCHEDULED FOR TUESDAY, AUGUST 3, 2021 AND SCHEDULING A SPECIAL MEETING OF CITY COUNCIL ON THURSDAY, AUGUST 5, 2021.

WHEREAS, the "National Night Out" event will be held on Tuesday, August 3, 2021; and

WHEREAS, a regular meeting of Council is scheduled for 7:00 p.m., Tuesday, August 3, 2021; and

WHEREAS, it is desirable to cancel the regular meeting of Council scheduled for August 3, 2021 and schedule a special meeting of Council on Thursday, August 5, 2021 at 7:00 p.m. to permit members of Council and staff to attend the local National Night Out event sites.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Danville, Virginia, that the regular meeting of Council scheduled for Tuesday, August 3, 2021 be, and is hereby, canceled; and

BE IT FURTHER RESOLVED, that a special meeting of Council is called for Thursday, August 5, 2021 at 7:00 p.m. to consider matters of municipal business.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to Form and
Legal Sufficiency:

CITY ATTORNEY

Council Letter

City of Danville, Virginia



CL-2589

New Business C.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Consideration of Amendment to Grant Agreement with River District Development

From: Ken F. Larking, City Manager

COUNCIL ACTION

Business Meeting: 07/20/2021

SUMMARY

In 2014, the City and IDA amended its grant agreement with River District Development (RDD) for the redevelopment of the former Dan River Research Building. The grant agreement included an option for RDD to purchase the former Fire Station and Utility Building adjacent to their property for a nominal amount. RDD exercised their option to purchase these buildings and now owns them. The performance agreement stipulated that RDD had to develop and utilize the buildings within two years. The deadline is July 31, 2021.

BACKGROUND

RDD is requesting that the City and IDA grant permission for RDD to sell the properties to a separate development team, Cobbled Holdings. In addition, they are requesting an extension of the time necessary to have the properties redeveloped. A third request is to consider a 30-60 day extension to the existing agreement in order to provide more time to come to an agreement on the first two requests.

RECOMMENDATION

Staff recommends granting an extension of up to 60 days to the existing grant agreement while the City and IDA negotiate the terms of an amendment.

Attachments

Resolution

RDD Request

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION APPROVING AND AUTHORIZING GRANTING RIVER DISTRICT DEVELOPMENT, LLC A SHORT TERM EXTENSION OF THE UTILIZATION DEADLINES FOR THE FIRE STATION AND THE UTILITY BUILDING PROPERTIES IN THOSE CERTAIN REAL ESTATE PURCHASE OPTIONS BY AND AMONG THE CITY OF DANVILLE, RIVER DISTRICT DEVELOPMENT, LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA.

WHEREAS, on or about August 22, 2014 the City of Danville, River District Development, LLC, and the Industrial Development Authority of Danville, Virginia entered into Real Estate Purchase Options for the former Fire Station Number 1, located at 297 Bridge Street (Parcel ID # 26477) and the former the Utility Building, located at 305 Bridge Street (Parcel ID # 26478); and

WHEREAS, both buildings were required to be developed and in use by July 31, 2021 or said buildings would revert back to the City; and

WHEREAS, neither building will meet the requirement to be developed and in use by July 31, 2021.

NOW THEREFORE, BE IT RESOLVED, by the Council of Danville, Virginia that it hereby approves a short term extension of up to a maximum of Sixty (60) days for both the Utilization Deadlines for the Fire Station and the Utility Building Properties contained in those certain Real Estate Purchase Options by and among the City of Danville, River District Development, LLC and the Industrial Development Authority of Danville, Virginia; and

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

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY



July 8, 2021

VIA E-MAIL ONLY

Ken Larking, City Manager
Corrie T. Bobe, Director – Economic Development
City of Danville
Municipal Building
Danville, Virginia 24541

Re: Former Fire Station and Utility Building Properties located on
Bridge Street, Danville, Virginia (collectively, the “**Properties**”)

Dear Ken and Corrie:

On behalf of our client, River District Development, LLC (“**RDD**”), and at its request and direction, I am writing this letter to request that the City of Danville (and, as you deem necessary or appropriate, the Industrial Development Authority of Danville (the “**IDA**”)) approve and authorize the following with respect to the Properties referenced above:

1. A transfer of the Properties from RDD to Cobbled Holdings, LLC (“**Cobbled**”), pursuant to that purchase and sale agreement effective January 15, 2021, between RDD and Cobbled (which agreement was previously approved by the Members of RDD at a meeting as detailed in my letter dated May 25, 2021, to Clarke Whitfield and the excerpts of meeting Minutes provided to him), to allow Cobbled to close on its pending Opportunity Zone tax credits transaction and proceed with its planned redevelopment of the Properties, the details of which were shared in the joint meeting at the City on June 10, 2021, involving representatives from the City, RDD, and Cobbled;
2. An extension or extensions in the utilization deadlines (the “**Utilization Deadlines**”) for the Properties as more particularly outlined in Section 10 of that Real Estate Purchase Option for Fire Station dated on or about August 22, 2014, and Section 9 of that Real Estate Purchase Option for Utility Building dated on or about August 22, 2014, for a sufficient period of time to allow Cobbled to complete its planned redevelopment of the Properties within timeframes which are consistent with the information shared during the joint meeting; and

3. A short term extension (thirty to sixty days) in favor of RDD of the Utilization Deadlines for the Properties to permit and facilitate City Council's consideration (as well as that of the IDA, as you deem necessary or appropriate) and for RDD and Cobbled to provide additional information requested or which Council or the IDA would like to consider in connection with these requests.

RDD is grateful for the time and attention that both of you have dedicated to working through matters related to these Properties and is committed to continuing the spirit of cooperation to promptly bring the planned redevelopment of the Properties to fruition. Should you have questions or need additional information, please let me know so that RDD may address your issues promptly.

Sincerely,



Edward F. Hodges, Jr.

xc: W. Clarke Whitfield, Esq. (via e-mail only)
Kelvin W. Perry, Project Manager (via e-mail only)
Mark C. Hermann, Manager (via e-mail only)
W. Joe Foster, Treasurer (via e-mail only)
Mr. Jordan Jones (via e-mail only)

Council Letter

City of Danville, Virginia



CL-2567

New Business D.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Ordinance Authorizing Use of Fiscal Year 2022 Debt Capacity

From: Michael Adkins, Director of Finance

COUNCIL ACTION

First Reading: 07/20/2021

Final Adoption: 08/05/2021

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 2022 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, 2023). 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 2022 Capital Improvement Plan in accordance with Council's adopted budget for FY 2022.

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 2022 budget for capital projects includes potential bond financing of approximately \$8.9 million of general governmental 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 Fiscal Year 2022 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. 2021-_____

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, 2021, 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, 2021, 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 and police equipment, (b) information technology software and systems, (c) parks and recreation facility improvements, (d) public building improvements (including, without limitation, roof, elevator and HVAC improvements), (e) acquisition and installation of emergency generators, (f) sidewalk, street and parking lot improvements, (g) stormwater system upgrades, and (h) airport improvements (collectively, the "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 (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-2588

New Business E.

City Council Regular Meeting

Meeting Date: 07/20/2021

Subject: Intitiation of Referendum for School Bonds

From: Michael Adkins, Director of Finance

COUNCIL ACTION

First Reading: 07/20/2021

Final Adoption: 08/05/2021

SUMMARY

At its May 20, 2021 meeting, the School Board of the City of Danville determined that needed construction and improvements to Danville Public Schools' facilities, physical plants, security, and technology infrastructure were critically overdue, and the Board determined that it had insufficient existing capital funding to meet its long-term capital needs for construction, renovation, technology and security upgrades to its facilities. The Board also formally requested that the City Council of the City of Danville, pursuant to Virginia Code § 58.1-605.1, initiate a referendum on the question of, whether the City shall levy a one percent (1%) sales tax that will be solely used to finance those bonds for the construction or renovation of schools. An ordinance is now needed requesting the Circuit Court to order a special election on the issuance of the related general obligation bonds for these construction and improvement projects.

BACKGROUND

The Virginia General Assembly approved HB 1634, which was signed into law by the Governor on March 19, 2019, and which took effect on July 1, 2019, as Chapter 648 of the 2019 Acts of the General Assembly of the Commonwealth of Virginia. HB 1634 is codified at Virginia Code §58.1-605.1. It provides the City of Danville with the statutory authority to levy a general retail sales tax at a rate not to exceed one percent (1%) to provide revenue solely for capital projects for the construction or renovation of schools in the City of Danville if approved by a majority of the voters in a referendum, held in accordance with Virginia Code §24.2-684 and initiated by a resolution of the Council of the City of Danville. This resolution was passed by City Council on June 1, 2021.

After analyzing the revenue that will be generated by this 1% local option sales tax, and working with Davenport & Company the City's financial advisor, it has been determined that general obligation bonds in the amount of \$141 million could be issued. The resulting debt service would be covered in full by the 1% local option sales tax revenue, with any excess revenue being used for pay-as-you-go school capital needs. This is the maximum amount that would be issued. The actual amount of bonds issued may be less once project timelines, the mix of taxable/nontaxable bonds, and the prevailing interest rates have been determined.

RECOMMENDATION

Staff recommends adoption of this ordinance to initiate a referendum on the question of, whether the City shall issue general obligation bonds for the capital construction and improvement needs of Danville Public Schools, in an amount not to exceed \$141 million. Further, Council authorizes and directs the City Attorney and such other appropriate officers of the City of Danville to execute, deliver, and file all such documents, pleadings, petitions, certificates, and instruments, and to take all such further actions as may be necessary, expedient or desirable in connection with, and that are in conformity with the purposes of this ordinance to initiate the above referenced referendum to be held on November 2, 2021.

Attachments

ORDINANCE

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA, REQUESTING THE CIRCUIT COURT TO ORDER A SPECIAL ELECTION ON THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF \$141,000,000 AND AUTHORIZING SUCH BONDS.

WHEREAS, the School Board of the City of Danville, Virginia (the "School Board"), has determined to undertake a program of capital improvement projects involving the renovation of, and construction of additions to, Danville public schools (the "Project").

NOW THEREFOR, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA:

1. The Council (the "Council") of the City of Danville, Virginia (the "City"), hereby determines that it is necessary and expedient to undertake the Project and concurs in the determination by the School Board that the Project will promote the public welfare of the City and its inhabitants.
2. The Council determines that it is advisable to contract a debt and issue general obligation school bonds of the City in the maximum principal amount of \$141,000,000 ("Bonds") pursuant to the City Charter and the Public Finance Act of 1991 to provide funds, together with other available funds, to finance the costs of the Project and to pay the costs of issuing the Bonds.
3. 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 not exceeding the maximum period of years as permitted by law pursuant to the Public Finance Act of 1991 and the City Charter, bear interest at such rate or rates, be in such denominations and form, be executed in such manner and be sold, in one or more series, at such time or times and in such manner as the Council shall hereafter provide by appropriate resolution or resolutions.
4. The Bonds shall be general obligations of the City for the payment of principal of and premium, if any, and interest on which its full faith and credit shall be irrevocably pledged.
5. The Council requests the Circuit Court of the City of Danville, Virginia, to order an election to be held pursuant to Sections 15.2-2610 and 15.2-2611 of the Code of Virginia of 1950, as amended, on the question of contracting a debt and issuing the Bonds for such purpose. The Council hereby requests that the Circuit Court order the ballot question to be worded in substantially the following form:

QUESTION: Shall the City of Danville, Virginia, contract a debt and issue its general obligation public improvement bonds in the maximum amount of ONE HUNDRED FORTY-ONE MILLION DOLLARS (\$141,000,000) to provide funds, together with other available funds, to undertake a program of capital improvement projects involving the renovation of, and construction of additions to, Danville public schools?

6. The Council hereby determines that the average probable period of usefulness of the improvements undertaken as part of the Project is not less than twenty-five (25) years.

7. 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 to be filed with the Circuit Court of the City of Danville, Virginia.

8. This Ordinance shall take effect immediately upon final adoption.

Adopted this 5th day of August, 2021.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to Form and
Legal Sufficiency:

CITY ATTORNEY