



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

April 6, 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 - Vice Mayor Gary P. Miller

PLEDGE OF ALLEGIANCE TO THE FLAG

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.

MEETING MINUTES

- A. Consideration of Approval of Minutes from Regular Council Meeting held on March 2, 2021.
Council Letter Number CL - 2518.

APPOINTMENTS

- A. Consideration of Appointments to Boards and Commissions.
Council Letter Number CL - 2512.
 - 1. A Resolution Reappointing Gladys D. Webb to the Southern Area Agency on Aging.
 - 2. A Resolution Appointing Andre Bethea to the Southern Area Agency on Aging.

NEW BUSINESS

- A. Consideration of Granting a Special Use Permit at 1560 Halifax Road.
Council Letter Number CL - 2520.
 - 1. Public Hearing
 - 2. An Ordinance Granting a Special Use Permit to Application 2021-25 for Agriculture in Accordance with Article 3.B, Section C.1. of the Code of the City of Danville, Virginia, 1986, as amended, at 1560 Halifax Road, Parcel ID #74777.

- B. Consideration of Refinancing Industrial Development Authority Bonds.
Council Letter Number CL - 2505.

Resolution Approving a Plan to Finance Capital Improvements for Various Governmental Purposes and Refinance Certain Outstanding Indebtedness Through the Issuance of Lease Revenue Obligations by the Industrial Development Authority of the City of Danville, Virginia.

- C. Consideration of Approval of a Moral Obligation for 500 Stinson Drive.
Council Letter Number CL - 2508.

A Resolution 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.

- D. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Additional State Aviation Funding in the Amount of \$1,178,023 and the Local Share in the Amount of \$310,639.
Council Letter Number CL - 2522.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for Additional State Aviation Funding for the Purpose of Completing Design Services to Renovate the Airport Terminal Building, for Construction Activities to Widen Taxiway A and Complete Facility Improvements to Support Future Corporate, and T-Hangar Building Development in the Amount of \$1,178,023 Plus Local Share in the Amount of \$310,639.

FIRST READING

- E. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Funds Related to Project Imagine Work Force Readiness Program.
Council Letter Number CL - 2517.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenue for a U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention Grant in the Amount of \$488,595 and Local Share in the Amount of \$79,983 for a Total Appropriation of \$568,578 to be Used to Fund Support Staff, and Other Expenditures Relating to the Project Imagine Work Force Readiness Program.

FIRST READING

- F. Consideration of Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Contributions to Provide a Summer Youth Jobs Program.
Council Letter Number CL - 2513.

An Ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for Contribution from Community Non-Profit Partners in the Amount of \$72,341 and a Transfer from Unreserved Fund Balance in the Amount of \$131,193 for a Total Appropriation of \$203,534 to Provide a Summer Youth Jobs Program and Appropriating the Same.

FIRST READING

COMMUNICATIONS FROM:

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

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter

City of Danville, Virginia



CL-2518

Meeting Minutes A.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 04/06/2021

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on March 2, 2021.

Council Letter Number CL - 2518.

Attachments

Meeting Minutes

March 2, 2021

The Regular March meeting of the Danville City Council was held on March 2, 2021, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

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

INVOCATION

The Invocation was given by L.G. "Larry" Campbell, Jr., followed by the Pledge of Allegiance.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Tommy Bennett, President of the Danville Chapter of the NAACP who discussed the Danville-Opoly game. Mr. Bennett noted he has received many complaints about the game because it did not include references to Danville's black history.

Mayor Jones recognized Barry Koplen, Danville, who noted his agreement with Mr. Bennett and thinks Walmart should pull the game.

MEETING MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Whittle, Minutes from the Regular Council Meeting held on February 2, 2021, were approved as presented. Draft copies of the minutes had been distributed prior to the meeting.

NEW BUSINESS

PUBLIC HEARING – CONSIDERATION OF REZONING 255 RANCH DRIVE FROM T-R THRESHOLD RESIDENTIAL TO SR-R SANDY RIVER RESIDENTIAL

Mayor Jones opened the floor for a Public Hearing regarding rezoning 255 Ranch Drive. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 16, 2021 and February 23, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Vogler **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-03.01

REZONING 255 RANCH DRIVE, PARCEL ID #70900 FROM T-R THRESHOLD RESIDENTIAL TO SR-R SANDY RIVER RESIDENTIAL

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

March 2, 2021

PUBLIC HEARING – CONSIDERATION OF GRANTING A SPECIAL USE PERMIT FOR A MAXIMUM DENSITY WAIVER AT 618 CRAGHEAD STREET

Mayor Jones opened the floor for a Public Hearing regarding a Special Use Permit at 618 Craghead Street. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 16, 2021 and February 23, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Buckner **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-03.02

GRANTING SPECIAL USE PERMIT APPLICATION 2021-6 FOR A MAXIMUM DENSITY WAIVER IN ACCORDANCE WITH ARTICLE 3.L, SECTION C.13, OF THE CODE OF THE CITY OF DANVILLE VIRGINIA, 1986, AS AMENDED, AT 618 CRAGHEAD STREET, PARCEL ID #21748

The Motion was **seconded** by Council Member Whittle.

Mr. Whittle questioned the difference between the maximum density waiver compared to what was in place now. Division Director of Planning Doug Plachcinski noted they were proposing fifty seven units per acre and the City has a residential density of twenty four units per acre in that district. Mr. Whittle noted he knows there was a parking issue downtown, does this give them double the parking spaces. Mr. Plachcinski stated it will generate approximately twice the parking as without the waiver; the recently completed parking study of that area shows a substantial surplus at this point in time. In response to Mayor Jones, Mr. Plachcinski stated there was ample parking adjacent to the development.

The **Motion** was carried by the following vote:

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

PUBLIC HEARING – CONSIDERATION OF GRANTING A SPECIAL USE PERMIT FOR A GARBAGE TRANSFER STATION AT 461 GYPSUM ROAD

Mayor Jones opened the floor for a Public Hearing regarding a Special Use Permit at 461 Gypsum Road. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 16, 2021 and February 23, 2021.

Mayor Jones recognized Nick Setliff, Chief Operating Officer at First Piedmont Corporation, who explained the property in question was originally designed and built as a transfer station; it was operated by Waste Management when the City of Danville closed their landfill in the nineties. They would simply like to reinstate that; they have an existing landfill in their Ringgold facility and were reaching a point where they either have to rebuild that building or use the existing facility they have at Gypsum. No one further desired to be heard and the Public Hearing was closed.

Council Member Vogler **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-03.03

GRANTING SPECIAL USE PERMIT APPLICATION 2021-10 FOR A GARBAGE TRANSFER STATION IN ACCORDANCE WITH ARTICLE 3.Q, SECTION C.22, OF THE ZONING ORDINANCE OF THE CODE OF CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, AT 461 GYPSUM ROAD, PARCEL ID#76479

The Motion was **seconded** by Council Member Hood.

Council Member Campbell questioned the history of why the landfill was closed, and was there any environmental dangers; Mr. Larking noted the former landfill was monitored for certain conditions, was under compliance and regulated appropriately. Mr. Larking stated he did not have the information on why it was closed. A lot of older landfills were closed because they were old, and it was more efficient and environmentally sound to work with other established lined landfills in other locations.

The **Motion** was carried by the following vote:

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

PUBLIC HEARING – CONSIDERATION OF GRANTING A SPECIAL USE PERMIT FOR A MINIMUM YARD REQUIREMENT WAIVER AT 2291 MEMORIAL DRIVE

Mayor Jones opened the floor for a Public Hearing regarding a Special Use Permit at 2291 Memorial Drive. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 16, 2021 and February 23, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Saunders noted one of the responders talked about having a seven year old child and a lot of children playing in the backyard near where this request was being made. Was that issue addressed by staff with the neighbor or what needs to happen to make sure her children would be safe. Mr. Plachcinski noted they have not addressed this particular concern yet, but staff will reach out and connect with the petitioner and property owner who had the concern and see if there was any mitigation that can happen.

Council Member Saunders **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-03.04

GRANTING SPECIAL USE PERMIT APPLICATION 2021-33 A MINIMUM YARD REQUIREMENT WAIVER IN ACCORDANCE WITH ARTICLE 3.I, SECTION C.19, OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, AT 2291 MEMORIAL DRIVE, PARCEL ID #51478.

The Motion was **seconded** by Council Member Mayo.

Mr. Whitfield explained this was for the Police Department; there was a minimum amount of space between two buildings, but the way the Police Department was designed, they will actually be

March 2, 2021

closer than that, so there should be no effect on the neighbors. This was making those buildings as close together as they were designed to be, to be legal under the City Code.

The **Motion** was carried by the following vote:

VOTE: 8-0-1
AYE: Campbell, Hood, Jones, Mayo, Miller,
Saunders, Vogler and Whittle (8)
NAY: None
ABSTAIN: Buckner (1)

PUBLIC HEARING – CONSIDERATION OF GRANTING A SPECIAL USE PERMIT FOR AN ACCESSORY USE AT 864 MONUMENT STREET

Mayor Jones opened the floor for a Public Hearing regarding a Special Use Permit at 864 Monument Street. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 16, 2021 and February 23, 2021.

Mayor Jones recognized Mike Herbert with Delorean Power, Alexandria, Virginia, whose company has been developing this project in collaboration with Jason Grey at Danville Utilities. This will be used to dispatch the battery during peak events, saving the City money on their wholesale electricity costs. No one further desired to be heard and the Public Hearing was closed.

Council Member Buckner **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-03.05

GRANTING SPECIAL USE PERMIT APPLICATION 2021-34 FOR AN ACCESSORY USE IN ACCORDANCE WITH ARTICLE 3.L, SECTION C.14, OF THE ZONING ORDINANCE OF THE CODE OF CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, AT 864 MONUMENT STREET. PARCEL ID#24916.

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

CONSIDERATION OF AMENDING CHAPTER 2 OF THE DANVILLE CITY CODE TO ADD AN EX-OFFICIO MEMBER TO THE DANVILLE UTILITY COMMISSION

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

ORDINANCE NO. 2021-03.06

AMENDING AND REORDAINING SECTIONS 2-267 ENTITLED “COMPOSITION; APPOINTMENT AND QUALIFICATIONS OF MEMBERS OF UTILITY COMMISSION” 2-268 ENTITLED “TERMS OF MEMBERS; FILLING OF VACANCIES” AND 2-271 ENTITLED “CHAIR AND VICE-CHAIRMAN” OF ARTICLE XI ENTITLED “UTILITY COMMISSION” OF CHAPTER 2

March 2, 2021

ENTITLED "ADMINISTRATION" OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986,
AS AMENDED

The Motion was **seconded** by Council Member Buckner.

Council Member Vogler noted this was discussed several years ago, he had thought it was a good idea and still thinks it was a good idea. Pittsylvania County residents make up close to 40% of the customer base of Danville Utilities. The City talks about regional cooperation, so it makes sense for them to have a seat at the table when the Utility discussions were had. Mr. Vogler noted his support of this item.

Council Member Saunders noted the request tonight was to add someone from the Pittsylvania County Board of Supervisors, who would not be a voting member. Mr. Saunders stated while he was not opposed to the motion, it was his understanding the Utility Commission often talks about matters of economic development; that was a private matter for all jurisdictions. When he served on the Pittsylvania County Economic Development Association, and then became a member of City Council, when matters of Pittsylvania County only economic development were discussed, he excused himself. He did not think he should be in the room as a Danville City Council member. He was asking, should that occur in Danville, speaking about economic development specifically for the City, that the Pittsylvania County person appointed, please excuse himself or herself.

Vice Mayor Miller stated this was a non-voting member and in consultation with the City Attorney, he does not think Council can require them to excuse themselves, but they were under all confidentiality restrictions. If the Commission goes into closed session and they chose to remain in there, it was like meetings they have with RIFA; they have to keep things confidential. Mayor Jones asked the City Attorney, in those meetings, can there be a document signed by the individual stating that all business matters must be confidential. Mr. Whitfield stated they can do that and it might not be a bad idea since they were not City Council, to have each of them sign; it was very few times they go into closed session for economic development. Mr. Saunders questioned if they could at least ask for a gentlemen's agreement to respect the privacy of a jurisdiction, if that person has no residential address there and Mr. Whitfield stated he thinks they can do that. The proper protocol might be for the City Manager to address the County Administrator; if they choose to stay in, the City can make them sign a confidentiality agreement.

Council Member Buckner stated he thought this was a great thing, he believes the County makes up about 40% of customers in utilities and it was about time they had some representation on the board. Mr. Buckner noted he does not think anyone would have a problem with a gentlemen's agreement. Council Member Whittle stated he thought there was a seat available for a Pittsylvania County resident, it could be a board supervisor or anybody for that position. Mr. Whitfield stated as he understood it, it could be someone from Halifax, Henry or Pittsylvania County. He did not think it was limited to elected officials, it was basically a seat for those citizens who receive electricity from the City of Danville and were not residents of the City.

City Manager Ken Larking explained the City Code right now allows for one member who was not in the City limits and one member at large which means that second person could be in the City or out of the City; up to two members can be County residents, and they were voting members. What was under consideration here was to have a Pittsylvania County Board of Supervisor member as an ex-officio member, similar to Dr. Miller's position; it was a non-voting member.

Mr. Vogler stated what they were discussing tonight was a non-voting position. They would have the ability to be in the room for the discussions and being an elected official, it was someone who

March 2, 2021

was directly accountable to Pittsylvania County residents. They can go back to their citizens and have first-hand accounts of why decisions were made; it was a good thing to improve relationships. Mr. Vogler noted he was in support of this item.

Mr. Saunders stated this would be two positions on the commission that would not necessarily be Danville City residents and Mr. Whitfield noted that was correct. There was a requirement that somebody who gets their utilities from Danville be on the Commission, but they can't live in the City limits. The at large member also at times has switched back and forth between being a citizen of Danville and a citizen of Pittsylvania County. Mr. Larking stated it might need to be someone served by the utilities as well. Vice Mayor Miller noted this was a request from the County and, as Mr. Vogler stated, it gives the County residents someone they know and have access to, when they have utility issues. It was a non-voting member, they can make comments, and gather or give information.

Council Member Campbell questioned Mr. Saunders' concerns with reference to the City of Danville, it would be better for that person to step out of the meeting and Mr. Saunders stated that would be the way he would see it. That was what he did when he served on a Pittsylvania County board after he was elected to Council and they discussed economic development issues for the County only. He felt, and they agreed, it was inappropriate that he be in those meetings.

Mr. Whitfield noted something that was mentioned that should be added to the Code section, and Council might want to amend this code section to say that, not only were they a Pittsylvania County Board of Supervisors member, but also a customer of Danville Utilities. Council would move to amend the Ordinance requiring the person to be a customer of Danville Utilities.

Mr. Saunders **moved** to amend the Motion to include that the Pittsylvania County Board of Supervisors member would also be a customer of Danville Utilities. The Amendment to the Motion was **seconded** by Council Member Buckner and carried by the following vote:

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

The **Amended Motion** was carried by the following vote:

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

Mayor Jones noted he, Dr. Miller, Mr. Larking, the County Administrator and the Chair and Vice Chair of the Pittsylvania County Board of Supervisors had a great mini-retreat at the Airport. The purpose was to continue to build those relationships. They have also planned a quarterly lunch where they will meet and continue to build upon those relationships. Mayor Jones thought the meeting went very well.

COMMUNICATIONS

City Manager Ken Larking noted he wanted to announce to City Council and the Public a new vaccination clinic that can serve as a mass vaccination site. He and Corrie Bobe had a meeting

with the owners of the mall a couple weeks ago. They graciously offered the former JCP site as a permanent/semi-permanent location, to serve not only Danville, but the surrounding areas as well for mass vaccinations through the end of the summer and maybe after that if necessary. Mr. Larking noted his appreciation to the people at the mall for allowing them to use that site, they were offering it to the City at no cost – and there will be no cost to the mall. The City will pay the utilities, if there was an issue related to the facilities, the City would take care of it. Mr. Larking noted he also wanted to announce that the team has been working locally with the health department, hospital, Pittsylvania County, Averett University and the DCC nursing staff. The City will have a clinic this Friday at JCP. They have had volunteers from many organizations, people that have gone out into the community to make sure the underserved have been represented and were able to register for the appointments. They have volunteers who vaccinated, registered citizens, and directed traffic, with a tremendous amount of community involvement for these events. Mr. Larking noted his great appreciation to all those organizations working together, pulling together their resources to make these things happen. With the help of all those partners, a lot of City departments, Parks & Recreation, Public Works, Fire, Police, IT and Utilities, they basically have the site up and ready; all they have to do was bring the people and get them vaccinated. Citizens do have to pre-register and get an appointment, they cannot just show up. They were going out to the community to get at risk citizens to make sure they have an opportunity to register. Anyone who has challenges with technology, they will assist those people, before it goes out to the broader groups. Mr. Larking thanked all the partners again and noted this was just the beginning; the hope was to ramp up the site so it was going at an almost every day basis, with thousands of vaccines every day until the entire community was up to herd immunity.

Mayor Jones thanked the City Manager for getting this done and was glad to hear the team would be helping people get into the system. There was a new liaison from Richmond, Tracy Deshazor, a Danville native, the Governor has just appointed here. Senior citizens were having a tough time registering electronically and she was offering to help Danville with this. Dr. Miller noted his senior patients were having a difficult time with the technology and that there was only one website now to register: vaccinate.virginia.gov. If citizens were not registered previously, they need to go to that website and get on the list. Dr. Miller commended Mr. Larking for getting this together so quickly.

In response to Mr. Saunders' questions, Mr. Larking noted it was his understanding that the portal was a pre-registration site; citizens would get a notification when there was an opportunity to get a vaccine. If citizens had an opportunity to get a vaccine at their pharmacy, doctor or some other place, to go ahead and get it if they wanted to. Council Member Vogler noted the CVSs in the region have made the vaccine available; to sign up it was CVS.com/immunization/COVID-19-vaccine.

Mr. Larking noted Friday was the planned first clinic and they have started recruiting volunteers; that was the first step in the process. The second step was to go out in the community and get as many of those people who were not tech savvy signed up as quickly as possible. Mr. Larking noted this has reinforced something he knows intuitively and that was the importance of community and partnerships. They have a great community of institutions who have trust within the City, were able to come together and put these events on, trusting that each person involved, each group involved would do their part to make it happen. He would encourage people to look after their family members, people in the neighborhood; if they know there was someone that was not tech savvy, volunteer to register them. Mr. Larking noted he wanted to give a shout out to his department heads, he sent out an email, it was his number one priority to get the community vaccinated and whatever they could do as a team to make that happen and they have really stepped up. He very much appreciated it.

March 2, 2021

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

Council Member Buckner noted he wanted speak about the homeless problem in the City with children, adults and families. One of the biggest reasons for this was the City does not have a place for homeless people to go other than the homeless shelter on Patton Street, who were doing an excellent job. The City of Los Angeles recently opened a homeless community and thinks the biggest reason Danville hasn't done something like that, was the requirements in place about required square footages to be called a dwelling. People in Los Angeles were producing very small, energy efficient homes for the homeless people to spend the night in, right in the middle of Los Angeles. He realizes that Danville does not have the problems of Los Angeles, but if Council can do something to help people get back on their feet, he was for it. He would like Council to discuss this in the very near future.

Council Member Campbell commended Mr. Buckner for an excellent idea; homelessness in Danville has increased. Mr. Campbell noted he spoke with a pastor this week, Pastor Larry Dade at Sandy Creek, who honored Sherman and Sandy Saunders for their many years of service. Mr. Campbell noted it was outstanding that they gave more praise to his wife than Mr. Saunders.

Council Member Hood noted he wanted to speak on his own transparency. With the weather being nice, he was able to get out into the community and safely talk to citizens. Their responses showed him a lot; he feels that what a lot of citizens want to see was even more transparency. Mr. Hood commended everyone on Council and staff today, and his appreciation to Mr. Saunders for bringing up his concern, because that was a concern of his as well. To get a better understanding as a new member, he has been sitting back and soaking up information. He does not want to be a city leader, but a city servant, to be able to hear things and take things in from the community. Tonight he felt Council showed a lot of transparency and concerns to see what was best for the City.

Council Member Mayo stated his agreement with Mr. Hood, because there was so much information given to Council and so much to take in. Mr. Mayo noted a great job to the City Manager getting everyone together for the vaccination center; he has received a lot of phone calls and can send people in the right direction. He also wanted to mention PATHS was going out to many places including Danville, Pittsylvania County, Boynton, Martinsville and surrounding areas. Mr. Buckner had a good point with what he said about the homeless; he wanted to add with the transition of offenders coming out of incarceration, some have the same homelessness. He would like to see more with halfway houses being established for those individuals who do not have a place to live or who have lost connections with family.

Vice Mayor Miller noted today he got a call from a gentlemen from California who wanted to know about Danville. He has looked up and down the East Coast, he and his wife want to relocate and one name that kept popping up was Danville, Virginia. It looked like a good place and wanted to speak to someone who lived here, did they think the community was thriving, and was it on its way up. Dr. Miller spoke to him about the new resort casino and downtown, all the new businesses that were coming and then found out he and his wife had already spoken to a realtor. Dr. Miller stated the only negative thing was that some of the City's website information on crime; the daughter was concerned that crime was high. Dr. Miller reassured them that the crime was down. Dr. Miller gave a shout out to Reverend Bridgeforth advocating for the people; he was in the hospital for a long time but was getting better.

Council Member Saunders noted to all Council Members, the City Manager, Deputy City Manager, City Attorney, City Clerk, and all 1,100 city employees, thanks for what they all do every single day, and thanks to their families for supporting them.

March 2, 2021

Council Member Vogler noted about a week ago citizens shared a link to an article talking about the innovative solution to homelessness being done in Los Angeles; there were also places like Minnesota doing similar things. He spoke to Mr. Buckner, who stated he had already seen it, and was looking to see what they could do to make it happen. Mr. Vogler noted he was in agreement with Mr. Buckner about this and the first thing they need to do was fix the regulations in place that have prevented the City from doing this in the past. These were pre-fabricated tiny homes that were solving the problem of homelessness. There were children in the school system who do not have a roof over their head at night and that was unacceptable, not only for one family but for the numbers they were seeing. Mr. Vogler stated he believed they have an opportunity to solve this problem and was ready for the City to move as quickly as possible.

Mayor Jones stated to hear Council tonight talk about those who were homeless or incarcerated, those who have had some tough times, and talking about caring and uniting people. People were given second chances and Mr. Mayo was very passionate about that; you never know what people were going through. Like Mr. Hood stated when you see people in the communities, you don't know what they were going through, but just pause and say how are you doing. Dr. Miller mentioned someone from California, seeing what Danville was doing; the City had new people coming into the community and they welcomed those persons. Mayor Jones noted new businesses were opening in the community, the Candy Shack, Captain Cooks and the new funeral home on old Piney Forest Road, and he got word that the Mayflower was opening back up in a few weeks. Danville is a great place to be.

ADJOURNED: 8:21 P.M.

APPROVED:

MAYOR

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2512

Appointments A.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Consideration of Appointments to Boards and Commissions

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 04/06/2021

SUMMARY

Consideration of appointments to boards and commissions:

1. Southern Area Agency on Aging.

Attachments

Resolutions

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021 - __. __

**A RESOLUTION REAPPOINTING GLADYS D. WEBB AS A MEMBER OF THE
SOUTHERN AREA AGENCY ON AGING.**

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Gladys D. Webb be, and she is hereby reappointed as a member of the Southern Area Agency on Aging for a three year term commencing March 1, 2021 and ending February 28, 2024.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021 - __. __

**A RESOLUTION APPOINTING ANDRE BETHEA AS A MEMBER OF THE
SOUTHERN AREA AGENCY ON AGING.**

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Andre Bethea be, and he is hereby appointed as a member of the Southern Area Agency on Aging for a three year term commencing March 1, 2021 and ending February 28, 2024.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2520

New Business A.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Consideration of Granting a Special Use Permit for Agriculture at 1560 Halifax Road (Parcel ID# 74777)

From: Doug Plachcinski, Planning Division Director

COUNCIL ACTION

Business Meeting: 04/06/2021

SUMMARY

Special Use Permit Application PLSUP-2021-25, filed by property owners Cynthia and Shawn McKnight, requests a Special Use Permit for agriculture in accordance with Article 3.B Section C.1. of the Zoning Ordinance of the Code of City of Danville, Virginia 1986, as amended, at 1560 Halifax Road (Parcel ID #74777). The applicant requests a Special Use Permit for "homesteading" type agriculture in the T-R Threshold Residential Zoning District.

BACKGROUND

This applicant would like to raise animals as allowed under the agriculture provisions in the Zoning Ordinance.

The Planning Division sent ten (10) notices to surrounding property owners within 300' feet of the subject property.

RECOMMENDATION

The Planning Commission, at their March 8, 2021 meeting, voted 7-0 to recommend approval of Special Use Permit Application PLSUP2021-25 with the following conditions:

1. The applicant comply with all City Ordinances, including those in Chapter 5, regulating poultry and livestock.
2. The applicant may have up to five (5) chickens and one (1) livestock animal (excluding swine).

Attachments

ORDINANCE

PLANNING BACKUP

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021____.____

AN ORDINANCE GRANTING A SPECIAL USE PERMIT TO APPLICATION 2021-25 FOR AGRICULTURE IN ACCORDANCE WITH ARTICLE 3.B, SECTION C.1. OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, AT 1560 HALIFAX ROAD, PARCEL ID#74777.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the report of the Planning Commission recommending approval of Special Use Permit Application PLSUP-2021-25, filed by property owners Cynthia and Shawn McKnight, requests a Special Use Permit for agriculture in accordance with Article 3.B, Section C.1. of the Zoning Ordinance of the Code of City of Danville, Virginia, 1986, as amended, at 1560 Halifax Road, Parcel ID#74777, is hereby received; and

BE IT FURTHER ORDAINED that in consideration of said report and the public hearing this day held by Council, Special Use Permit Application PLSUP-2021-25, filed by property owners Cynthia and Shawn McKnight, requests a Special Use Permit for agriculture in accordance with Article 3.B, Section C.1. of the Zoning Ordinance of the Code of City of Danville, Virginia, 1986, as amended, at 1560 Halifax Road, Parcel ID#74777, is hereby approved, with the following conditions:

1. The applicant comply with all City Ordinances, including those in Chapter 5, regulating poultry and livestock.
2. The applicant may have up to five (5) chickens and one (1) livestock animal (excluding swine).

APPROVED:

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

CITY ATTORNEY



City Planning Commission

RECOMMENDATION

DATE: MARCH 10, 2021
TO: CITY COUNCIL
FROM: CITY PLANNING COMMISSION
RE: SPECIAL USE PERMIT APPLICATION 2021-25

REQUEST

Special Use Permit Application PLSUP-2021-25, filed by property owners Cynthia and Shawn McKnight, requests a Special Use Permit for agriculture in accordance with Article 3.B Section C.1. of the Zoning Ordinance of the Code of City of Danville, Virginia 1986, as amended, at 1560 Halifax Road (Parcel ID#74777). The applicant requests a Special Use Permit for "homesteading" type agriculture in the T-R Threshold Residential Zoning District.

This applicant would like to raise animals as allowed under the agriculture provisions in the Zoning Ordinance.

The Planning Division sent ten (10) notices to surrounding property owners within 300' feet of the subject property.

RECOMMENDATION

The Planning Commission, at their March 8, 2021 meeting, voted 7-0 to recommend approval of Special Use Permit Application PLSUP2021-25 with the following conditions:

1. The applicant comply with all City Ordinances, including those in Chapter 5, regulating poultry and livestock.
2. The applicant may have up to five (5) chickens and one (1) livestock animal (excluding swine).

Mr. Harold E. Garrison, Chair

RESPONSES

Ten (10) notices were sent to surrounding property owners within three hundred (300) feet of the subject property. Three (3) responses were received, Three (3) unopposed (Hudgins, Kent and Terry).



City Planning Commission

STAFF REPORT

DATE: February 17, 2021
TO: Planning Commission
FROM: Doug Plachcinski, Planning Division Director
RE: SPECIAL USE PERMIT APPLICATION - 1560 HALIFAX ROAD

Special Use Permit Application PLSUP-2021-25, filed by property owners Cynthia and Shawn McKnight, requests a Special Use Permit for agriculture in accordance with Article 3.B Section C.1. of the Zoning Ordinance of the Code of City of Danville, Virginia 1986, as amended, at 1560 Halifax Road (Parcel ID#74777). The applicant requests a Special Use Permit for “homesteading” type agriculture in the T-R Threshold Residential Zoning District.

BACKGROUND

This applicant would like to raise animals as allowed under the agriculture provisions in the Zoning Ordinance. The Planning Division sent ten (10) notices to surrounding property owners within 300' feet of the subject property.

STAFF ANALYSIS AND RECOMMENDATION

The applicants, property owner Cynthia and Shawn McKnight, applied to the Planning Division for agriculture in the T-R Threshold Residential Zoning District. The application is attached to this report.

Chapter 41 Article 15, zoning ordinance definitions

Agriculture. The production, keeping or maintenance, for sale or lease on lots or portions of lots over two (2) acres, of plants and animals useful to man, including, but not limited to: forage and sod crops, grains and seed crops; dairy animals and dairy products; poultry and poultry products; livestock, including beef cattle, sheep, swine, horses, ponies, mules, goats or any mutations or hybrids thereof, including the breeding and grazing of any or all such animals; bees and apiary products; fur animals; trees and forest products; fruits of all kinds, including grapes, nuts and berries; vegetables; nursery, flora, ornamental and greenhouse products. The raising of livestock shall be no more than one (1) form of livestock animal or five poultry per every three (3) acres.

Additionally, City Ordinance Chapter 5, Section 32(b.) also defines “poultry or animal yard” as every lot, parcel, enclosure, shed, or structure used to house ten (10) or more live fowl, including in the term “fowl”; chickens, ducks, geese, and other poultry, or any cattle, horses, sheep, goats, or other domestic, native, or exotic animals, excluding dogs, cats, and rabbits.

Nine (9) or fewer poultry do not meet the “poultry or animal yard” definition, therefore the applicant must keep the area used by the five (5) poultry within one hundred twenty-five (125) feet of any building used for residence purposes by anyone other than the one maintaining such fowl clean, sanitary, and free from all refuse. The proposed one (1) livestock (excluding swine) animal must be kept 125' away from adjacent dwellings. The homes to the south of the subject property, along Halifax Road, are all more than 125' away from the shared property line.

The City may allow agriculture in the T-R Threshold Residential Zoning District. (Chapter 41 Zoning Ordinance, Article 3.B. §C.1.).

The Comprehensive Plan puts the subject property in the South Boston Road planning area. The future land use designation for the subject parcel is 'Rural Residential'. If approved, the Special Use Permit is in harmony with the T-R Threshold Residential Zoning District which is established to provide for single family detached residences at relatively low densities which are compatible with the Comprehensive Plan's goals for large lot residential development in selected locations in Danville.

The neighboring adjacent properties on Halifax Road are also residential. If granted, this proposed Special Use Permit is in harmony with the character of adjacent properties and the surrounding neighborhoods and also with existing and proposed development, is adequately serviced by streets, drainage, fire protection and public water + sewer, will not negatively impact any ecological, scenic, or historic community assets, and will not hinder or discourage the appropriate development or use of adjacent properties and surrounding neighborhoods.

Danville City Code allows City Council impose any conditions necessary to assure that the proposed use will conform to zoning ordinance requirements. The Planning Division recommends approving this project as proposed. The Planning Division recommends the Planning Commission endorse Special Use Permit Application PLSUP-2021-25 for City Council approval with the following conditions:

1. The applicant comply with all City Ordinances, including those in Chapter 5, regulating poultry and livestock.
2. The applicant may have up to five (5) chickens and one (1) livestock animal (excluding swine).

CITY PLANNING COMMISSION ALTERNATIVE ACTIONS

1. Recommend approval of Special Use Permit Application PLSUP-2021-25 as submitted;
2. Recommend approval of Special Use Permit Application PLSUP-2021-25 with conditions per Staff;
3. Recommend approval of Special Use Permit Application PLSUP-2021-25 with conditions per Planning Commission; or
4. Recommend denial of Special Use Permit Application PLSUP-2021-25.

ATTACHMENTS

- ✓ Application
- ✓ Data Sheet
- ✓ Property Ownership/Zoning Map
- ✓ Existing Land Use Map
- ✓ Future Land Use Map



**PLANNING COMMISSION
SPECIAL USE PERMIT APPLICATION**

PLANNING DIVISION PROVIDED INFORMATION

Application #: _____ PC Meeting Date: _____
Date Received: _____ Received By: _____
Parcel ID: _____ Address: _____
Existing Zoning: _____ Future Land Use: _____

APPLICANT PROVIDED INFORMATION

Property Location (address/ID#): **1560 Halifax Rd., Danville, VA 24540**
Applicant: **Cynthia McKnight**
Applicant's Address: **1560 Halifax Rd., Danville, VA 24540**
Applicant's Phone Number: **(919) 495-7600**
Applicant's E-mail: _____
Describe Proposed Development: _____

Article 6 Section B. General Standards and Criteria for Special Use Permit Review. Please explain how the Special Use Permit request meets the following review standards and criteria:

1. The proposed use shall be: a. in harmony with the adopted Comprehensive Plan; b. in harmony with the intent and purpose of the zoning district in which the use is proposed to be located; and c. in harmony with the character of adjacent properties and the surrounding neighborhoods and also with existing and proposed development.

-
2. The proposed use shall be adequately served by essential public services such as streets, drainage facilities, fire protection and public water and sewer facilities:
-
-

3. The proposed use shall not result in the destruction, loss or damage of any feature determined to be of significant ecological, scenic or historic importance:

-
4. The proposed use shall be designed, sited and landscaped so that the use will not hinder or discourage the appropriate development or use of adjacent properties and surrounding neighborhoods:
-
-

Applicant Signature

Property Owner Signature
(if not applicant)

Article 6. Section D. Application Requirements for Special Use Permit.

1. An application for a special use permit shall be made by the owner, contract purchaser with the owner's written consent, or the owner's agent, of the property on which the proposed use is to be located. The application shall be submitted to the Director of Planning/Zoning Administrator, and shall be accompanied by the filing fee as established by the City Council.
2. If the request for a special use permit has been denied by City Council, a request in substantially the same form shall not be resubmitted within one (1) year of the date of denial.
3. The application shall include the following information:
 - a. A preliminary site plan in accordance with the Site Plan Regulations.
 - b. A description of the proposed use and, where applicable, the hours of operation and the proposed number of employees/patrons.
 - c. A written statement of proposed project compatibility with the following:
 - (1.) The Comprehensive Plan.
 - (2.) The applicable zoning district.
 - (3.) The surrounding properties.
 - (4.) Current and future neighborhood conditions.
 - (5.) Pedestrian and vehicular traffic patterns, on-site and off-site.
 - (6.) Adequate public facilities.
 - d. When requested by the Director of Planning/Zoning Administrator, the Planning Commission, or the City Council, the following information shall be provided by the applicant:
 - (1.) The architectural elevations and floor plans of proposed building(s).
 - (2.) Traffic impact analysis.
 - (3.) Fiscal impact analysis.
 - (4.) Parking and site circulation analysis.
 - (5.) Photographs of property and surrounding area.
 - (6.) Environmental impact statement.

Describe Proposed Development

1560 Halifax Road is a 3.5 acre parcel located at the end of Wren Dr with no other frontage road. It is an isolated lot with minimal neighbor interaction zoned TR.

I would like to turn it into a homestead. We would like to begin with no-till, raised bed, environmentally conscious gardening and fruit and nut trees. In conjunction we would like to have poultry and one form of livestock. They would be contained in appropriate fencing or enclosures 125 feet or further from all other residences except ours.

Special Use Permit request meets the following review standards

Comprehensive Plan

Homesteading at 1560 Halifax Rd will have very little impact on the surrounding neighborhood and Danville as a whole in terms of land use, resource consumption, effecting transportation and public resources. However, it may have a very positive effect on environmental factors such as bee populations, bird populations, water consumption, and local availability of healthy affordable food. Not to mention a large impact on me and my family economically and reducing dependency on public assistance.

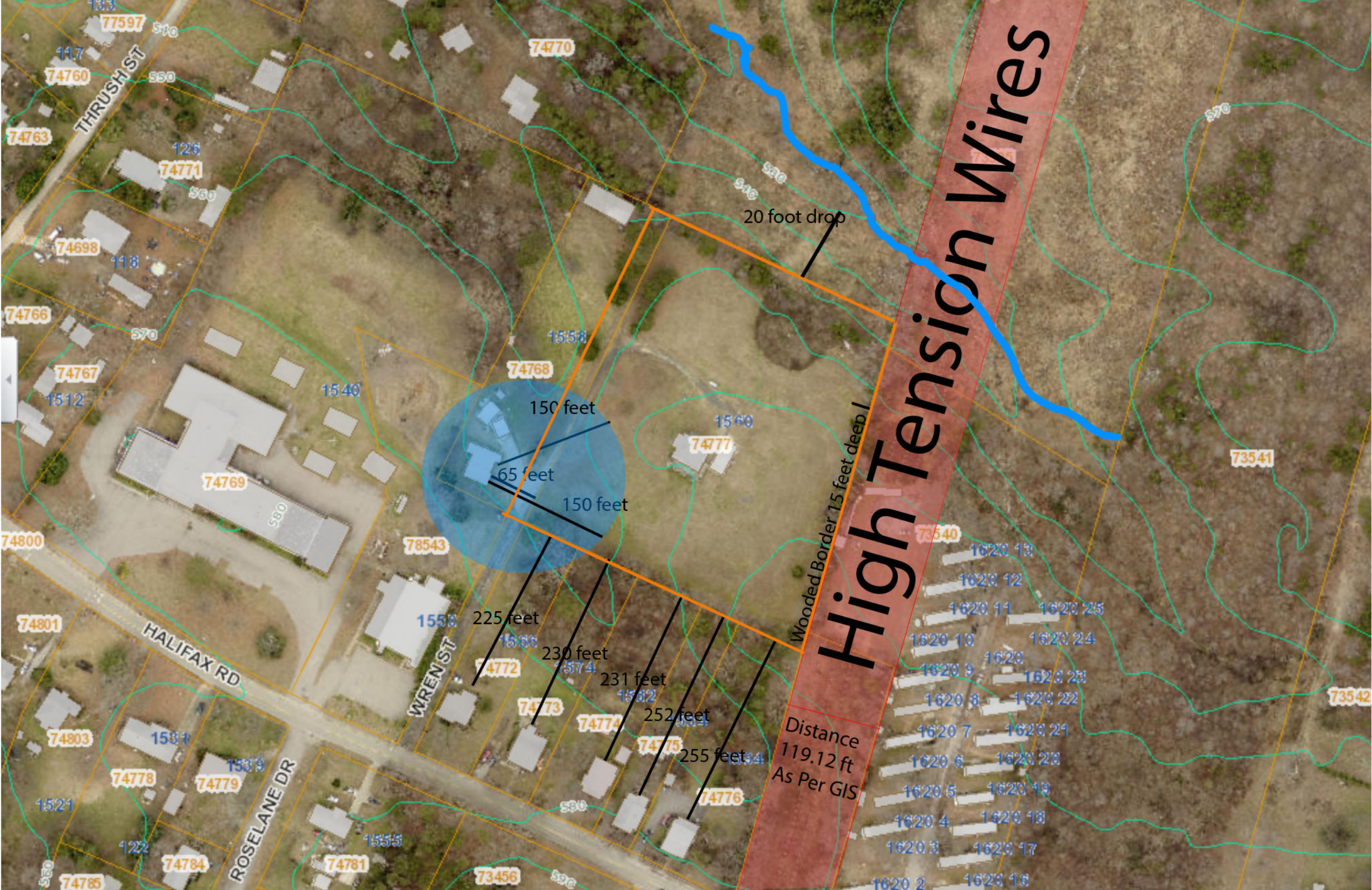
Small farms are on the endangered list. But it is small farms that reduce carbon emissions in our food supply. Especially no-till and raised bed farms. This homestead will be no different. We focus on the use of everything working together.

Initially, I am proposing this Special Use for personal gain. I wish to assist my family economically by providing quality food and security. This will provide an opportunity to produce healthy vegetables we will use directly. In addition, it is anticipated, we will produce an abundance affording the opportunity to sell at local markets to supplement income. The neighborhood gets healthy locally grown vegetables and fruits. We both benefit.

The land will be enriched by this use. Bare dirt is the worst use of open land. Grass covered areas are better. But gardening can actually improve the soil, and increase the soil. The no till method acts on the idea of adding coverage, allowing decay, composting on site which actually adds top soil. This property was potentially going to be another trailer park. When this property is taken up for another use in the future the land will be improved not reduced and will be able to be developed again.

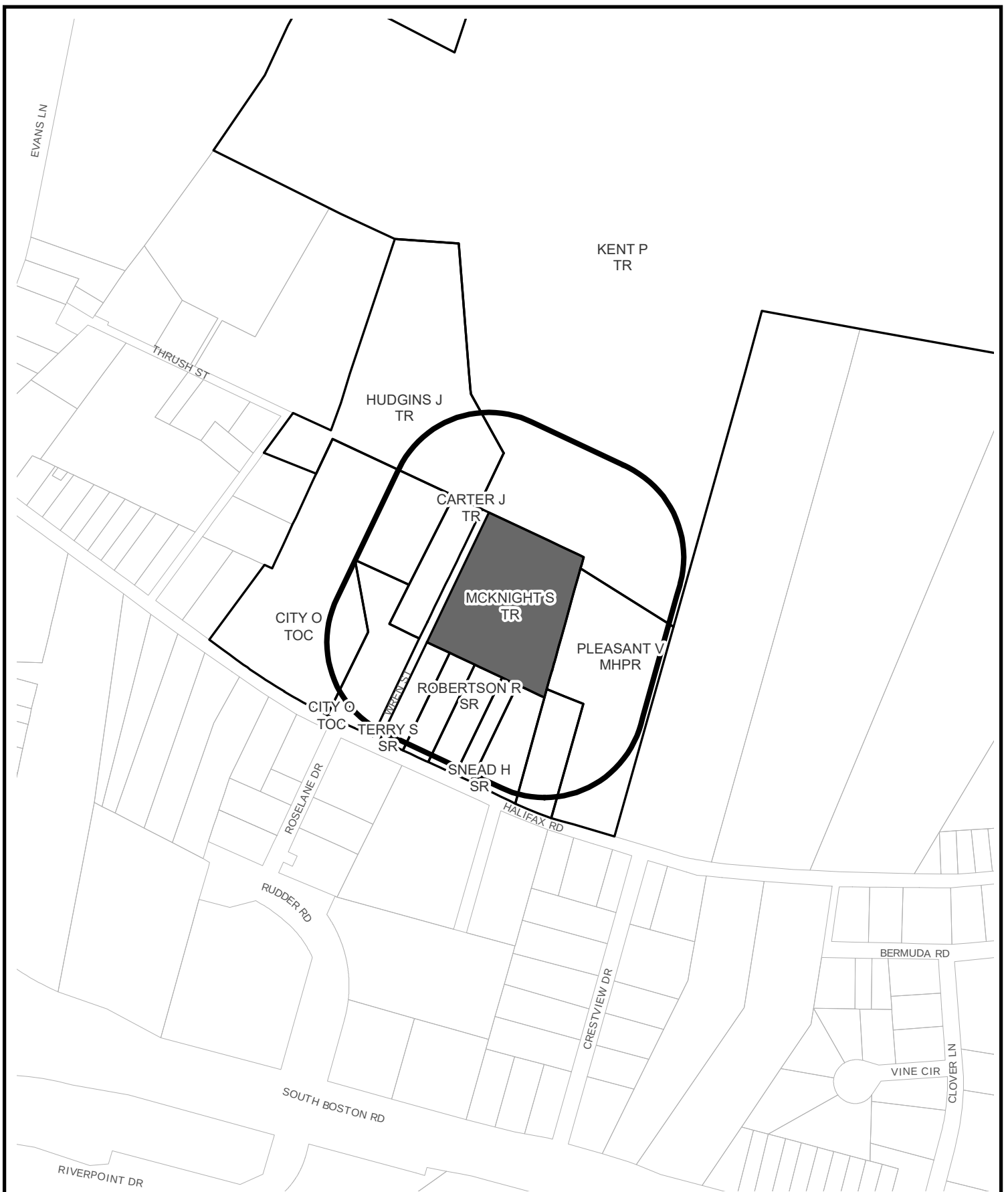
Local resources will be conserved by this homestead. We will be actively recovering rain water, reducing run off, solar panels that will feed the excess electricity back on to the grid. There will be no store front so no extra traffic from shoppers. Any waste produced will be composted onsite. We will try to use as little of the local resources as possible.

We feel this homestead will be a benefit to all. Thank you for your consideration!



SPECIAL USE PERMIT REQUEST DATA SHEET PLSUP 2021-25

PUBLIC HEARING DATES:	MARCH 8, 2021 PLANNING COMMISSION AT 3PM
LOCATION OF PROPERTY:	NORTH SIDE OF HALIFAX ROAD OFF OF WREN STREET
PRESENT ZONE:	T-R (THRESHOLD RESIDENTIAL ZONING DISTRICT)
PROPOSED ZONE:	NO CHANGE
ACTION REQUESTED:	THE APPLICANT REQUESTS A SPECIAL USE PERMIT FOR AGRICULTURE IN THE T-R THRESHOLD RESIDENTIAL ZONING DISTRICT.
PRESENT USE OF PROPERTY:	RESIDENTIAL
PROPOSED USE OF PROPERTY:	RESIDENTIAL
FUTURE LAND USE DESIGNATION:	RURAL RESIDENTIAL
PROPERTY OWNER (S):	CYNTHIA AND SHAWN MCKNIGHT
NAME OF APPLICANT (S):	CYNTHIA AND SHAWN MCKNIGHT
PROPERTY BORDERED BY:	MIXED USE AND VACANT
ACREAGE:	3.49 ACRES TOTAL
CHARACTER OF VICINITY:	RESIDENTIAL AND VACANT LANDS
INGRESS AND EGRESS:	WREN STREET
TRAFFIC VOLUME:	LOW – 1100 (2019 AADT)

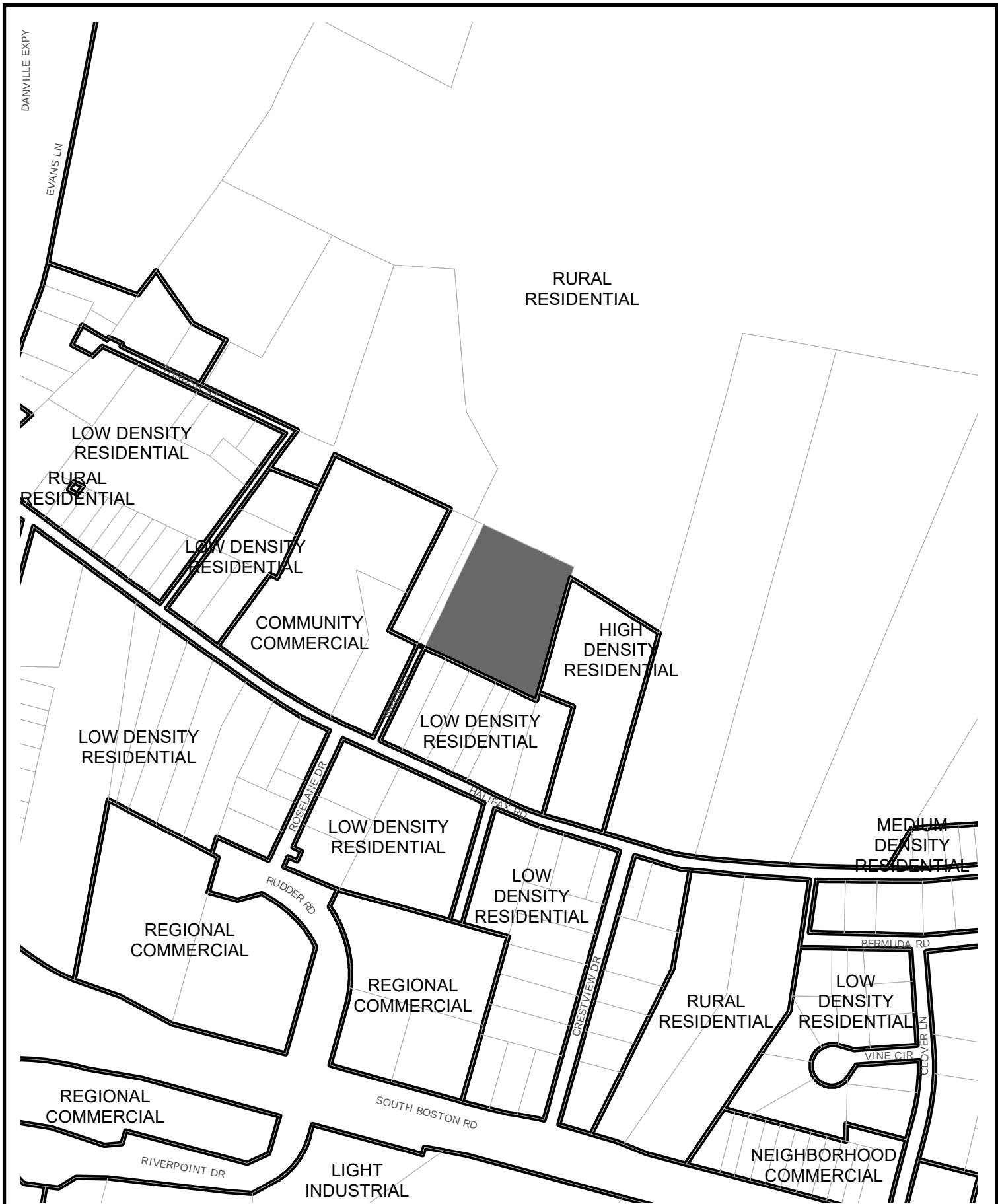


SURROUNDING PROPERTY OWNERS AND ZONING WITHIN 300 FEET OF SUBJECT PROPERTY



Prepared by:
Planning Division
1/21/2021

Disclaimer: Information contained on this map is to be used for reference purposes only. The City of Danville is not responsible for any inaccuracies herein contained. The City of Danville makes no representation of warranty as to this map's accuracy, and in particular, its accuracy in labeling, dimensions, contours, property boundaries, or placement or location of any map features thereon. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, use or misuse of the information herein provided.



YEAR 2030 LAND USE PLAN FOR AREA SURROUNDING SUBJECT PROPERTY

Prepared by:
Planning Division
1/21/2021

Disclaimer: Information contained on this map is to be used for reference purposes only. The City of Danville is not responsible for any inaccuracies herein contained. The City of Danville makes no representation of warranty as to this map's accuracy, and in particular, its accuracy in labeling, dimensions, contours, property boundaries, or placement or location of any map features thereon. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, use or misuse of the information herein provided.

Council Letter

City of Danville, Virginia



CL-2505

New Business B.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Refinancing of IDA bonds and Issuance of Bond Anticipation Note

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 04/06/2021

SUMMARY

With guidance from Davenport & Company, the City's financial advisor, plans have been made to refinance the existing IDA bonds and to issue a bond anticipation note under the City's master lease financing program. This will take advantage of the currently low interest rates and provide funding for Fiscal Year 2022 and Fiscal Year 2023 economic development initiatives. As a result, the annual debt service on the IDA bonds will decrease and the need to budget FY 2022 and FY 2023 economic development activities from unreserved fund balance will be minimized or eliminated.

BACKGROUND

On Saturday, February 6, 2021, City Council and City staff participated in a planning retreat to discuss utilization of casino revenues and the community's identified priorities. The retreat included a discussion with Davenport & Company, the City's financial advisor, to address the best financial strategy to optimize use of current casino revenue, as well as continued improvement to the City's credit rating.

In lieu of extinguishing the IDA bonds that were used to purchase the Schoolfield site, Davenport recommends refinancing this debt over its remaining life, as well as issuing a bond anticipation note to fund the known economic development initiatives for FY 2022 and FY 2023. This will take advantage of the current low interest rates, reducing the annual debt service on the IDA bonds, and minimizing or eliminating the need to budget use of unreserved fund balance for the next two years. This will be viewed positively by rating agencies and will enable the City to consider enhancing fund balance policy sooner.

The bond anticipation note will have a five-year term at a fixed interest rate. Debt service on the note will be interest only during this term. At any time during the five years, the City has several options. The note can be retired by: payoff with future casino revenues, payoff from fund balance, conversion into traditional long-term general obligation bonds, or any combination of these options. As is customary, City Council will be required to appropriate the proceeds from the bond anticipation note before funds can be spent on approved projects.

In evaluation of this strategy, Davenport assumed the minimum guaranteed casino revenue, along with the City's ample unused debt capacity. Staff has reviewed and supports this recommended financing plan.

RECOMMENDATION

It is recommended that City Council approve the attached Resolution to proceed with refinancing the IDA bonds and issuing a bond anticipation note under the City's master lease financing program.

Attachments

Resolution

Attachment 1

Attachment 2

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-__.

RESOLUTION APPROVING A PLAN TO FINANCE CAPITAL IMPROVEMENTS FOR VARIOUS GOVERNMENTAL PURPOSES AND REFINANCE CERTAIN OUTSTANDING INDEBTEDNESS THROUGH THE ISSUANCE OF LEASE REVENUE OBLIGATIONS BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA.

WHEREAS, the Industrial Development Authority of the City of Danville, Virginia (the “Authority”), pursuant to the Industrial Development and Revenue Bond Act (the “Act”), under which it was created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a city in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a city, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source as security for the payment of principal of and premium, if any, and interest on any such obligations; and

WHEREAS, the Council (the “Council”) of the City of Danville, Virginia (the “City”), desires to finance capital improvements for various governmental purposes, including, but not limited to, public safety, parks and recreation, economic development, transportation, public works and educational purposes (collectively, the “2021 Project”); and

WHEREAS, at the request of the City, the Authority previously issued its \$5,920,000 Taxable Public Facility Lease Revenue Refunding Bond, Series 2017 (the “2017 Bond”), to refinance the acquisition of the Schoolfield Site and the acquisition, construction, improvement and renovation of various projects located in the River District for economic development purposes (the “Schoolfield Project”); and

WHEREAS, the Council desires to finance the 2021 Project and refinance the Schoolfield Project by requesting the Authority to issue two series of public facility lease

revenue obligations (as hereinafter described, the “Obligations”) and use the proceeds thereof to (a) finance the costs of the 2021 Project, (b) refund the outstanding principal of the 2017 Bond, (c) pay as desired interest on the Obligations allocable to the financing of the 2021 Project for up to one year following completion of the 2021 Project, (d) fund as desired a debt service reserve account for one or both Obligations and (e) pay related costs of issuance and refunding; and

WHEREAS, the Obligations will be secured by certain rental payments appropriated from time to time by the Council and payable to the Authority in accordance with the terms of the Financing Lease (as hereinafter defined); and

WHEREAS, the City’s administration, in collaboration with the City’s financial advisor, Davenport & Company LLC (the “Financial Advisor”), has recommended that the Authority obtain two loans from one or more commercial banking or other financial institutions to be evidenced by the Obligations; and

WHEREAS, the Financial Advisor has solicited bids, on behalf of the City and the Authority, for such loans; and

WHEREAS, the Council desires to delegate to the City Manager (the “City Manager,” which term as used herein shall include any Assistant or Deputy City Manager), in collaboration with the Authority and the Financial Advisor, authority to award the sale of the Obligations to one or more of the bidders and to determine the final pricing terms of the Obligations within certain parameters set forth below; and

WHEREAS, there have been circulated prior to this meeting drafts of the following documents (collectively, the “Documents”), proposed in connection with the issuance and sale of the Obligations:

- (a) a Second Supplemental Agreement of Trust, supplementing an Agreement of Trust dated as of March 1, 2017, as previously supplemented (collectively, the “Trust Agreement”), all between the Authority and U.S. Bank National Association (the “Trustee”), pursuant to which the Obligations are to be issued and which is to be acknowledged and consented to by the City; and

- (b) a First Supplemental Deed and Agreement of Financing Lease (the "Supplemental Financing Lease"), supplementing a Deed and Agreement of Financing Lease dated as of March 1, 2017 (collectively, the "Financing Lease"), between the Authority and the City, pursuant to which the Authority has conveyed a subleasehold interest in the Property (as defined in the Financing Lease) to the City and will loan the proceeds of the Obligations to the City and, in exchange, the City will undertake to make rental payments in amounts sufficient to pay the principal of and premium, if any, and interest on the Obligations, subject to appropriation by the Council from time to time of sufficient amounts for such purposes;

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF DANVILLE,

VIRGINIA:

1. The Council hereby approves the following plan of financing of the 2021 Project and refinancing of the Schoolfield Project. The Authority will issue a federally taxable public facility lease revenue note in a principal amount not to exceed \$10,000,000 (the "2021 Project Note") and a federally taxable public facility lease revenue refunding bond in a principal amount not to exceed \$4,500,000 (the "2021 Refunding Bond" and, together with the 2021 Project Note, the "Obligations"). The Authority will use (a) the proceeds of the 2021 Project Note to (i) finance the costs of the 2021 Project, (ii) pay as desired interest on the 2021 Project Note for up to one year following completion of the 2021 Project, (iii) fund as desired a debt service reserve account for the 2021 Project Note and (iv) pay related costs of issuance, and (b) the proceeds of the 2021 Refunding Bond to (i) refund the outstanding principal of the 2017 Bond, (ii) fund as desired a debt service reserve account for the 2021 Refunding Bond and (iii) pay related costs of issuance and refunding. Pursuant to the terms of the Financing Lease, the Authority will lease the Property to the City and the City will undertake to make certain rental payments to the Authority in amounts sufficient to pay the principal of and premium, if any, and interest on the Obligations, to pay the fees or expenses of the Authority and the Trustee and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Obligations will be limited to the rental payments received from the City. The Obligations will be secured by an assignment of such rental payments for the benefit of the holders of the Obligations. The undertaking by the City to make such rental payments will be subject to the appropriation by the Council from time to time of sufficient amounts for such purposes. The plan of financing of the 2021 Project and refinancing of the Schoolfield Project shall contain such additional requirements and provisions as may be approved by the City Manager and the Chairman or Vice Chairman of the Authority.

2. The Council, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make appropriations in future fiscal years in amounts sufficient to make all payments due under the Financing Lease and hereby recommends that future Councils do likewise during the term of the Financing Lease. The Council hereby confirms that the components of the 2021 Project and the Schoolfield Project are important to the welfare or quality of life of the citizens of the City, and the Council anticipates that such components will continue to be so during the term of the Financing Lease.

3. The Mayor and the City Manager, either of whom may act, are hereby authorized and directed to execute, or acknowledge and consent to, the Documents to which the City is a signatory, which shall be in substantially the forms circulated prior to this meeting. Such forms of the Documents are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer

signing such Documents. Such officer's execution and delivery thereof shall constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes.

4. In making completions to the Supplemental Financing Lease, the City Manager, in collaboration with the Financial Advisor and the Authority, shall provide for payments of Basic Rent and Additional Rent (as each is defined in the Financing Lease) in amounts equivalent to the payments on the Obligations, which shall be sold to the purchaser(s) thereof on terms as shall be satisfactory to the City Manager; provided that (a) the 2021 Project Note shall (i) be issued in a principal amount (or in aggregate principal advances) not to exceed the amount set forth in Section 1, (ii) mature no later than December 31, 2026, (iii) have an initial interest rate not to exceed 5.00% per year, subject to adjustment pursuant to terms of the winning bid as may be approved by the City Manager, (iv) be subject to optional redemption, if at all, at a redemption price not to exceed 102% of the principal amount thereof and (v) be sold to the purchaser thereof at a price not less than 100% of the principal amount thereof, and (b) the 2021 Refunding Bond shall (i) be issued in a principal amount not to exceed the amount set forth in Section 1, (ii) mature no later than December 31, 2027, (iii) have an initial interest rate not to exceed 5.00% per year, subject to adjustment pursuant to terms of the winning bid as may be approved by the City Manager, (iv) be subject to optional redemption, if at all, at a redemption price not to exceed 102% of the principal amount thereof and (v) be sold to the purchaser thereof at a price not less than 100% of the principal amount thereof. Subject to the foregoing limitations, the City Manager is also hereby authorized to approve, in collaboration with the Chairman or Vice Chairman of the Authority, lesser principal amounts, maturity schedules and redemptions provisions for the Obligations, all as the City Manager and such officers shall determine to be in the best interests of the City and the Authority. Following the sale of the Obligations, the City Manager shall file a certificate with the records of the Council setting forth the final terms of the Obligations and the Supplemental Financing Lease. The actions of the City Manager in approving the terms of the Obligations and the Supplemental Financing Lease shall be conclusive, and no further action shall be necessary on the part of the City.

5. Subject to the pricing parameters of the Obligations described above, the Council hereby authorizes the City Manager, in consultation with the Financial Advisor and in collaboration with the Chairman or Vice Chairman of the Authority, to review the bids received for the loans and related purchase of the Obligations and to select the bid(s) that such officers determine to be in the best interests of the City and the Authority. The banking or other financial institution(s) submitting such winning bid(s) shall be selected to make the loans and purchase the Obligations (such institution(s) shall be referred to herein collectively as the "Bank").

6. All costs and expenses in connection with the financing of the 2021 Project and the refinancing of the Schoolfield Project and the issuance of the Obligations, including the Authority's fees and expenses and the related fees and expenses of bond counsel, counsel for the Authority, the Financial Advisor, the Bank and Bank counsel, shall be paid from the proceeds of the Obligations or other legally available funds of the City. If for any reason the Obligations are not issued, it is understood that all such fees and expenses shall be paid by the City from its legally available funds and that the Authority shall have no responsibility therefor.

7. The Council hereby (a) requests the Authority to take all proper steps to call for redemption the outstanding principal of the 2017 Bond and to prepare and deliver any notices and correspondence necessary therefor and (b) authorizes and directs the City Manager to

take such action as may be considered necessary or desirable to assist the Authority in redeeming the 2017 Bond.

8. The officers of the City are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Obligations, the financing of the 2021 Project and the refinancing of the Schoolfield Project.

9. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and, if applicable, to record such document.

10. All other acts of the City Manager and other officers of the City that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Obligations, the financing of the 2021 Project and the refinancing of the Schoolfield Project are hereby approved and ratified.

11. This Resolution shall take effect immediately.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

CITY ATTORNEY

This document has been prepared by
and, after recording, please return to:

W. Clarke Whitfield, Jr., Esq.
City of Danville
P.O. Box 3300
Danville, Virginia 24543

Tax Parcel Numbers: 24143 and 26472

RECORDER'S NOTE: THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA, AND THE CITY OF DANVILLE, VIRGINIA, ARE EXEMPT FROM RECORDATION TAXES PURSUANT TO SECTION 58.1-811(E) OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, AND CLERK'S FEES PURSUANT TO SECTION 17.1-266 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED.

FIRST SUPPLEMENTAL DEED AND AGREEMENT OF FINANCING LEASE

between

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA,**

as Grantor

and

CITY OF DANVILLE, VIRGINIA,

as Grantee

Dated as of [_____ 1, 2021]

ALL RENTALS PAYABLE UNDER THIS LEASE HAVE BEEN ABSOLUTELY ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF U.S. BANK NATIONAL ASSOCIATION, TRUSTEE, UNDER AN ASSIGNMENT AGREEMENT WITH THE AUTHORITY DATED AS OF MARCH 1, 2017, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME. INFORMATION CONCERNING SUCH ASSIGNMENT AND SECURITY INTEREST MAY BE OBTAINED FROM THE TRUSTEE IN RICHMOND, VIRGINIA.

TABLE OF CONTENTS

	Page
Parties.....	1
Recitals.....	1
Granting Clauses.....	2

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.....	2
Section 1.2. Rules of Construction	3

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority	3
Section 2.2. Representations by City	4

ARTICLE III

AGREEMENT TO MAKE LOANS AND ISSUE SERIES 2021 BONDS

Section 3.1. Agreement to Make Loan to Finance the Series 2021 Project.....	5
Section 3.2. Agreement to Issue Series 2021 Bonds	5

ARTICLE IV

LEASE TERMS; PAYMENT OF RENT

Section 4.1. Lease Terms	6
Section 4.2. Basic Rent Payable	6
Section 4.3. No Series Debt Service Reserve Account.....	6

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1. Prepayment and Redemption	6
--	---

ARTICLE VI

MISCELLANEOUS

Section 6.1. Severability	7
Section 6.2. Successors and Assigns.....	7
Section 6.3. Counterparts.....	7

Section 6.4. Governing Law	7
Section 6.5. Federally Required Information.....	7
Signatures.....	9
Receipt	10
Exhibit A - Schedule of Payments	A-1
Exhibit B - Series 2021A Project Description	B-1

THIS FIRST SUPPLEMENTAL DEED AND AGREEMENT OF FINANCING LEASE dated as of the 1st day of [____], 2021, by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), and the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “City”), provides:

WITNESSETH:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”);

WHEREAS, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a city in furtherance of the purposes of the Act (including but not limited to promoting economic development), to finance or refinance and lease facilities for use by, among others, a city, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any other source, as security for the payment of the principal of and interest on any such obligations;

WHEREAS, the City desires to undertake a program of financing the acquisition, construction and equipping of various public facilities that the City determines to undertake from time to time;

WHEREAS, in furtherance of the purposes of the Act, the City has requested the Authority to undertake one or more Projects (as defined in the Master Financing Lease, as hereinafter defined), and the Authority has determined to issue from time to time pursuant to the terms of an Agreement of Trust dated as of March 1, 2017, between the Authority and U.S. Bank National Association, Richmond, Virginia, as trustee (the “Trustee”), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of [____] 1, 2021], between the Authority and the Trustee (collectively, the “Agreement of Trust”), its public facility lease revenue bonds and to loan the proceeds thereof to the City to finance costs incurred in connection with such Projects and costs of issuing such bonds;

WHEREAS, in furtherance of the purposes of the Act, the Authority and the City have entered into a Deed and Agreement of Financing Lease dated as of March 1, 2017 (the “Master Financing Lease”), pursuant to which the Authority has agreed to lease the Property (as defined in the Master Financing Lease) to the City and to loan from time to time such proceeds to the City and, in exchange, the City has agreed to make rental payments in amounts sufficient to pay the principal of and premium, if any, and interest on such bonds, subject to appropriation by the City Council from time to time of sufficient amounts for such purposes;

WHEREAS, within the limitations and in compliance with the Agreement of Trust, the City has requested the Authority to issue two series of federally taxable Bonds (collectively, the “Series 2021 Bonds”) and to loan the proceeds thereof to the City (a) to finance costs of the Series

2021 Project (as hereinafter defined) and (b) to pay the related costs of issuance and refunding pursuant to the terms of this First Supplemental Financing Lease; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this First Supplemental Financing Lease have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this First Supplemental Financing Lease;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions.

Unless otherwise defined in this First Supplemental Financing Lease, all capitalized terms used herein shall have the meanings assigned to such terms in the Agreement of Trust or the Master Financing Lease. The following capitalized terms as used in this First Supplemental Financing Lease shall have the following meanings unless a different meaning clearly appears from the context:

“Financing Lease” shall mean the Master Financing Lease, as supplemented by this First Supplemental Financing Lease.

“First Supplemental Financing Lease” shall mean this First Supplemental Deed and Agreement of Financing Lease dated as of [_____] 1, 2021], between the Authority and the City, which supplements the Master Financing Lease.

“Master Financing Lease” shall mean the Deed and Agreement of Financing Lease dated as of March 1, 2017, between the Authority and the City.

“Second Supplemental Agreement of Trust” shall mean the Second Supplemental Agreement of Trust dated as of [_____] 1, 2021], between the Authority and the Trustee, which supplements the Master Trust Agreement.

“Series 2021 Bonds” shall mean, collectively, the Series 2021A Bond and the Series 2021B Bond.

“Series 2021 Agreements” shall mean, collectively, the Second Supplemental Agreement of Trust and this First Supplemental Financing Lease.

“Series 2021 Project” shall mean, collectively, the Series 2021A Project and the Series 2021B Project.

“Series 2021A Bond” shall mean the Authority’s \$[_____] Public Facility Lease Revenue Bond, Series 2021A (Federally Taxable), authorized to be issued pursuant to the Second Supplemental Agreement of Trust.

“Series 2021A Project” shall mean the capital improvements described in Exhibit B attached hereto, including payment of related costs of issuance.

“Series 2021B Bond” shall mean the Authority’s \$[_____] Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable), authorized to be issued pursuant to the Second Supplemental Agreement of Trust.

“Series 2021B Project” shall mean the refunding of the Authority’s \$5,920,000 Taxable Public Facility Lease Revenue Refunding Bond, Series 2017, including payment of related costs of issuance and refunding. The proceeds of the Series 2017 Bond were used to refinance the acquisition of the Schoolfield Site and the acquisition, construction, improvement and renovation of various projects located in the River District for economic development purposes.

Section 1.2. Rules of Construction.

The following rules shall apply to the construction of this First Supplemental Financing Lease unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of a Series 2021 Bond shall not be deemed to refer to or connote the payment of such Series 2021 Bond at its stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this First Supplemental Financing Lease.

(d) The headings herein and the Table of Contents herein are solely for convenience of reference and shall not constitute a part of this First Supplemental Financing Lease and shall not affect its meaning, construction or effect.

(e) All references herein to payment of Series 2021 Bonds are references to payment of principal of and interest on the Series 2021 Bonds.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) The Authority is the owner of a leasehold estate in the Property granted by the Prime Lease;

(c) The undertaking by the Authority to lease the Property to the City has been authorized, as required by the Act, by the affirmative vote of a majority of the members of the Authority present at a meeting at which a quorum was present and acting throughout;

(d) Pursuant to the Act, the Authority has full power and authority to enter into the Series 2021 Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered the Series 2021 Agreements;

(e) The execution and delivery by the Authority of the Series 2021 Agreements, and compliance by the Authority with the terms and conditions thereof, will not conflict with or constitute or result in a default under or violation of (i) any existing law, rule or regulation applicable to the Authority or (ii) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Series 2021 Agreements, except that no representation is made as to the applicability of any federal or state securities laws; and

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened against the Authority with respect to (i) the creation and existence of the Authority, (ii) the authority of the Authority to execute and deliver the Series 2021 Agreements, (iii) the validity or enforceability of the Series 2021 Agreements or the performance of the Authority's obligations thereunder, (iv) the title of any officer of the Authority executing the Series 2021 Agreements or the Series 2021 Bonds, (v) the ability of the Authority to issue and sell the Series 2021 Bonds or (vi) the power of the Authority to lease the Property to the City.

Section 2.2. Representations by City.

The City makes the following representations:

(a) The City is a political subdivision of the Commonwealth of Virginia;

(b) The Property comprises facilities that are essential to the proper, efficient and economic operation of the City and to the health and welfare of its residents;

(c) The City has full power and authority to enter into this First Supplemental Financing Lease and to perform the transactions contemplated hereby and to carry out its

obligations hereunder and by proper action has duly authorized, executed and delivered this First Supplemental Financing Lease;

(d) The City is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(e) The City is not in default under or in violation of, and the execution and delivery by the City of this First Supplemental Financing Lease, and the compliance by the City with the terms and conditions hereof, will not conflict with or constitute or result in a default under or violation of (i) any existing law, rule or regulation applicable to the City or (ii) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the City or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the City with the terms and conditions of this First Supplemental Financing Lease; and

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the City pending or, to the knowledge of the City, threatened against the City with respect to (i) the authority of the City to execute and deliver this First Supplemental Financing Lease, (ii) the validity or enforceability of this First Supplemental Financing Lease or the performance of the City's obligations hereunder, (iii) the title of any officer of the City executing this First Supplemental Financing Lease, (iv) the ability of the City to undertake the Series 2021 Project and (v) the power of the City to lease the Property from the Authority.

ARTICLE III

AGREEMENT TO MAKE LOANS AND ISSUE SERIES 2021 BONDS

Section 3.1. Agreement to Make Loan to Finance the Series 2021 Project.

The Authority hereby agrees to make, but solely from the proceeds of the Series 2021A Bond and the Series 2021B Bond, and the City hereby agrees to accept, two loans to finance the Costs of the Series 2021A Project and the Series 2021B Project. Subject to the limitation of Section 5.3 of the Master Financing Lease, the City agrees to make all payments of Basic Rent and Additional Rent when and as the same shall become due and payable to repay such loans.

Section 3.2. Agreement to Issue Series 2021 Bonds.

In order to provide funds for making the loans described in Section 3.1, the Authority shall contemporaneously with the execution and delivery hereof proceed with the issuance and sale of

the Series 2021 Bonds bearing interest, maturing and having the other terms and provisions set forth in the Agreement of Trust.

ARTICLE IV

LEASE TERMS; PAYMENT OF RENT

Section 4.1. Lease Terms.

Except as otherwise specifically provided herein, the terms of the Master Financing Lease remain in full force and effect.

Section 4.2. Basic Rent Payable.

The Master Financing Lease is hereby amended to replace in its entirety the Exhibit A attached thereto with the new schedule of Basic Rent payments attached hereto as Exhibit A. Pursuant to Article V of the Master Financing Lease and subject specifically to the limitation of Section 5.3 thereof, the City shall pay Basic Rent to the Authority on or before each May 15 and November 15 in the years and in the amounts set forth on Exhibit A attached hereto. Payments of Basic Rent shall be payable without notice or demand at the designated corporate trust office of the Trustee in Richmond, Virginia.

Section 4.3. No Series Debt Service Reserve Account.

There shall be no Series Debt Service Reserve Account established for the Series 2021 Bonds.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1. Prepayment and Redemption.

(a) The City shall have the option to prepay all or a portion of the Basic Rent upon damage to, destruction of, condemnation of or loss of title to the Property as set forth in Article VII of the Master Financing Lease, and the Authority shall cause the Trustee to redeem a corresponding portion of the Series 2021 Bonds in accordance with the provisions of Article VII of the Master Financing Lease and Article III of the Second Supplemental Agreement of Trust.

(b) The City shall have the option to prepay all or a portion of the Basic Rent at the times and in the amounts as necessary to enable the Authority to exercise its option to cause either Series 2021 Bond to be redeemed according to the provisions set forth in such Series 2021 Bond and the Second Supplemental Agreement of Trust. Such prepayments of Basic Rent shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the applicable Series 2021 Bond as set forth in such Series 2021 Bond and the Second Supplemental Agreement of Trust. Upon the exercise of such option, the City shall also pay as Additional Rent, the amounts necessary to pay the premium, if any, due on such Series 2021 Bond on the date fixed for its redemption.

(c) The City shall, on behalf of the Authority, send to the Trustee notice of any redemption of a Series 2021 Bond at least five days prior to the latest date that notice of redemption may be given pursuant to Section 2.303 of the Second Supplemental Agreement of Trust, and such notice shall specify the date fixed for redemption, the principal amount of such Series 2021 Bond to be redeemed, the premium, if any, and the section of the Second Supplemental Agreement of Trust pursuant to which such redemption is to be made.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Severability.

If any provision of this First Supplemental Financing Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 6.2. Successors and Assigns.

This First Supplemental Financing Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 6.3. Counterparts.

This First Supplemental Financing Lease may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 6.4. Governing Law.

This First Supplemental Financing Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 6.5. Federally Required Information.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee is required to ask for documentation to verify its formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Remainder of Page Intentionally Left Blank]

By: _____
City Manager

By: _____
W. Clarke Whitfield, City Attorney

The foregoing instrument was acknowledged before me in _____, Virginia, this ____ day of _____, 2021, by Kenneth F. Larking, City Manager, City of Danville, Virginia.

My Registration Number is: _____

RECEIPT OF TRUSTEE

Receipt of the foregoing original counterpart of the First Supplemental Deed and Agreement of Financing Lease dated as of [_____] 1, 2021, between the Industrial Development Authority of the City of Danville, Virginia, and the City of Danville, Virginia, is hereby acknowledged.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
[Becky D. Burton, Assistant Vice President]

SCHEDULE OF BASIC RENT PAYMENTS

[REVISE PAYMENT PROVISIONS IF LOAN IS STRUCTURED AS PRINCIPAL
ADVANCES]

Series 2021A Bond			
Payment Date	Principal Component	Interest Component	Total Payment

Total

Series 2021B Bond			
Payment Date	Principal Component	Interest Component	Total Payment

Total

Total Debt Service			
Payment Date	Principal Component	Interest Component	Total Payment

Total

SERIES 2021A PROJECT DESCRIPTION

The Series 2021A Project consists of [_____].

SECOND SUPPLEMENTAL AGREEMENT OF TRUST

between

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

and

**U.S. NATIONAL ASSOCIATION,
as Trustee**

Dated as of [_____] 1, 2021]

TABLE OF CONTENTS

Parties.....	1
Recitals.....	1
Granting Clause	1

ARTICLE I

SECOND SUPPLEMENTAL AGREEMENT

Section 2.101	Authorization of Second Supplemental Agreement	2
Section 2.102	Definitions	2
Section 2.103	Rules of Construction	3

ARTICLE II

AUTHORIZATION, DETAILS AND FORMS OF SERIES 2021 BONDS

Section 2.201	Authorization of Series 2021 Bonds	3
Section 2.202	Details of Series 2021 Bonds	3
Section 2.203	Forms of Series 2021 Bonds	4
Section 2.204	Delivery of Series 2021 Bonds.....	5

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 2.301	Extraordinary Optional Redemption of Series 2021 Bonds	5
Section 2.302	Optional Redemption of Series 2021 Bonds	5
Section 2.303	Notice of Redemption of Series 2021 Bonds	5

ARTICLE IV

PROCEEDS OF SERIES 2021 BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 2.401	Establishment of Fund and Accounts	6
Section 2.402	Application of Proceeds of Series 2021 Bonds	6

ARTICLE V

SECURITY FOR SERIES 2021 BONDS

Section 2.501	Security for Series 2021 Bonds	6
---------------	--------------------------------------	---

ARTICLE VI

MISCELLANEOUS

Section 2.601	Limitation of Rights	7
Section 2.602	Severability.....	7
Section 2.603	Successors and Assigns	7
Section 2.604	Applicable Law	7
Section 2.605	Notices.....	7
Section 2.606	Counterparts	8
Section 2.607	Federally Required Information	8
Exhibit A - Form of Series 2021A Bond		A-1
Exhibit B - Form of Series 2021B Bond.....		B-1

THIS SECOND SUPPLEMENTAL AGREEMENT OF TRUST dated as of the 1st day of [____], 2021 (this “Second Supplemental Agreement”), by and between the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association having a corporate trust office in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, herein called the “Trustee”), provides:

WHEREAS, the Authority and the Trustee have entered into an Agreement of Trust dated as of March 1, 2017 (the “Master Trust Agreement”), pursuant to which the Authority has agreed to issue from time to time public facility lease revenue bonds or notes and use the proceeds thereof to finance costs incurred in connection with certain Projects (as hereinafter defined) for the benefit of the City of Danville, Virginia (the “City”);

WHEREAS, within the limitations of and in compliance with the Master Trust Agreement, the City has requested the Authority to issue (a) a federally taxable public facility lease revenue bond in the principal amount of \$[_____] (the “Series 2021A Bond”) to (i) finance the costs of the Series 2021A Project (as hereinafter defined), (ii) pay as desired interest on the Series 2021A Bond for up to one year following completion of the Series 2021A Project and (iii) pay related costs of issuance and (b) a federally taxable public facility lease revenue refunding bond in the principal amount of \$[_____] (the “Series 2021B Bond” and, together with the Series 2021A Bond, the “Series 2021 Bonds”) to (i) refund the outstanding principal of the Authority’s \$5,920,000 Taxable Public Facility Lease Revenue Refunding Bond, Series 2017, and (ii) pay related costs of issuance and refunding;

WHEREAS, the Authority has agreed to issue the Series 2021 Bonds, secured by a pledge of the revenues and receipts derived from a Deed and Agreement of Financing Lease dated as of March 1, 2017, as supplemented by a First Supplemental Deed and Agreement of Financing Lease dated as of [____] 1, 2021] (collectively, the “Financing Lease”), all between the Authority and the City, and the City has undertaken, subject to the appropriation by the City Council of the City from time to time of sufficient amounts for such purposes, to make certain rental payments that will be sufficient to pay the principal of and premium, if any, and interest on such the Series 2021 Bonds as the same shall become due; and

WHEREAS, the Authority has taken all necessary action to make the Series 2021 Bonds, when authenticated by the Trustee and issued by the Authority, valid and binding limited obligations of the Authority and to constitute this Second Supplemental Agreement a valid and binding agreement authorizing and providing for the details of the Series 2021 Bonds;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

SECOND SUPPLEMENTAL AGREEMENT

Section 2.101 Authorization of Second Supplemental Agreement.

This Second Supplemental Agreement is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Trust Agreement. All terms, covenants, conditions and agreements of the Master Trust Agreement shall apply with full force and effect to the Series 2021 Bonds and to the holders thereof, except as otherwise provided in this Second Supplemental Agreement.

Section 2.102 Definitions.

Except as otherwise defined in this Second Supplemental Agreement (including the Recitals), words defined in the Master Trust Agreement are used in this Second Supplemental Agreement with the meanings assigned to them in the Master Trust Agreement. In addition, the following capitalized terms shall have the following meanings unless a different meaning clearly appears from the context:

“First Supplemental Financing Lease” shall mean the First Supplemental Deed and Agreement of Financing Lease dated as of [_____] 1], 2021, between the Authority and the City, which supplements the Master Financing Lease.

“Master Financing Lease” shall mean the Deed and Agreement of Financing Lease dated as of March 1, 2017, between the Authority and the City.

“Purchaser” shall mean [_____] , as purchaser of the Series 2021 Bonds.]

“Second Supplemental Agreement” shall mean this Second Supplemental Agreement of Trust between the Authority and the Trustee, which supplements the Master Trust Agreement.

“Series 2017 Bond” shall mean the Authority’s \$5,920,000 Taxable Public Facility Lease Revenue Refunding Bond, Series 2017.

“Series 2021 Project” shall mean, collectively, the Series 2021A Project and the Series 2021B Project.

“Series 2021 Project Account” shall mean the Series 2021 Project Account established in Section 2.401(a) of this Second Supplemental Agreement.

“Series 2021A Bond” shall mean the Authority’s \$[_____] Public Facility Lease Revenue Bond, Series 2021A (Federally Taxable), authorized to be issued pursuant to this Second Supplemental Agreement.

“Series 2021A Project” shall have the meaning set forth in the First Supplemental Financing Lease.

“Series 2021B Bond” shall mean the Authority’s \$[_____] Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable), authorized to be issued pursuant to this Second Supplemental Agreement.

“Series 2021B Project” shall have the meaning set forth in the First Supplemental Financing Lease.

Section 2.103 Rules of Construction.

The following rules shall apply to the construction of this Second Supplemental Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of a Series 2021 Bond shall not be deemed to refer to or connote the payment of such Series 2021 Bond at its stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Second Supplemental Agreement.

(d) The headings herein and Table of Contents to this Second Supplemental Agreement herein are solely for convenience of reference and shall neither constitute a part of this Second Supplemental Agreement nor affect its meaning, construction or effect.

(e) All references herein to payment of the Series 2021 Bonds are references to payment of principal of and premium, if any, and interest on the Series 2021 Bonds.

ARTICLE II

AUTHORIZATION, DETAILS AND FORMS OF SERIES 2021 BONDS

Section 2.201 Authorization of Series 2021 Bonds.

Pursuant to Article III of the Master Trust Agreement, there is hereby authorized to be issued (a) the Series 2021A Bond in the original principal amount of \$[_____] to (i) finance the Costs of the Series 2021A Project, including to pay as desired interest on the Series 2021A Bond for up to one year following completion of the Series 2021A Project. and (ii) pay related costs of issuance and (b) the Series 2021B Bond in the original principal amount of \$[_____] to (i) finance the Costs of the Series 2021B Project and (ii) pay the related costs of issuance and refunding. [UPDATE AS APPROPRIATE FOR 2021A DRAWDOWN LOAN AND TO ADD RESERVE ACCOUNT]

Section 2.202 Details of Series 2021 Bonds.

(a) The Series 2021A Bond shall be designated “Public Facility Lease Revenue Bond, Series 2021A (Federally Taxable),” shall be dated [_____, 2021], shall be issued as a single,

registered bond and shall be numbered RA-1. [The Series 2021A Bond shall bear interest at an annual rate of [_____] % [(subject to adjustment as provided in Section [____])], payable semiannually on each June 1 and December 1, beginning [December 1, 2021], and shall mature in principal installments on [December 1] in years and amounts, as follows:] [UPDATE AS APPROPRIATE FOR DRAWDOWN LOAN]

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
-------------	---------------	-------------	---------------

(b) The Series 2021B Bond shall be designated “Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable),” shall be dated [_____, 2021], shall be issued as a single, registered bond and shall be numbered RB-1. The Series 2021B Bond shall bear interest at an annual rate of [_____] % [(subject to adjustment as provided in Section [____])], payable semiannually on each June 1 and December 1, beginning [December 1, 2021], and shall mature in principal installments on [December 1] in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
-------------	---------------	-------------	---------------

(c) Principal, premium, if any, and interest shall be payable in lawful money of the United States by the Trustee, at the option of the registered owner, (i) by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose by the Trustee on the 15th day of the month preceding each interest payment date or (ii) by wire transfer pursuant to the most recent wire instructions received by the Trustee from such registered owner.

(d) Except as otherwise provided herein, the Series 2021 Bonds shall be payable, executed, authenticated, registrable, exchangeable and secured as set forth in the Master Trust Agreement.

Section 2.203 Forms of Series 2021 Bonds.

The Series 2021A Bond and the Series 2021B Bond shall be in substantially the forms set forth in Exhibit A and Exhibit B, respectively, with such appropriate variations, omissions and insertions as are permitted or required by the Master Trust Agreement and this Second Supplemental Agreement.

Section 2.204 Delivery of Series 2021 Bonds.

The Trustee shall authenticate and deliver the Series 2021 Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Trust Agreement.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 2.301 Extraordinary Optional Redemption of Series 2021 Bonds.

If the City exercises its option to prepay all or a portion of the Basic Rent upon damage to, destruction of, condemnation of or loss of title to the Property as provided in Article VII of the Master Financing Lease, a corresponding portion of the outstanding principal of the Series 2021 Bonds shall be redeemed upon payment of 100% of the principal amount thereof to be redeemed plus interest accrued to the date fixed for redemption.

Section 2.302 Optional Redemption of Series 2021 Bonds.

[Each Series 2021 Bonds shall be subject to redemption prior to maturity at the option of the Authority (at the direction of the City), in whole at any time, at a redemption price equal to the sum of (a) the outstanding principal amount of such Series 2021 Bond, (b) the interest accrued and unpaid to the date fixed for redemption and (c) a redemption premium equal to one percent (1%) of the principal amount to be redeemed; provided that the Authority (at the direction of the City) shall also be permitted to make a one-time partial prepayment of the principal amount of such Series 2021 Bond at any time without penalty.] [UPDATE TO MATCH WINNING BID(S)]

Section 2.303 Notice of Redemption of Series 2021 Bonds.

(a) Without regard to the provisions of Section 402(a) of the Master Trust Agreement, notice of redemption of either or both Series 2021 Bonds shall be given by facsimile or electronic transmission, registered or certified mail or overnight express delivery, to (i) the Trustee at 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: [Becky D. Burton]), and (ii) the Purchaser, as Bondholder, at [_____].

(b) To exercise either of the options under Section 2.301 or Section 2.302, the City, on behalf of the Authority, shall give written notice to the holder of the applicable Series 2021 Bond specifying (i) the date fixed for redemption of such Series 2021 Bond, which shall not be less than two Business Days from the date such notice is sent, (ii) the principal amount of such Series 2021 Bond to be redeemed, (iii) the redemption premium, if any, on such Series 2021 Bond and (iv) the section of this Second Supplemental Agreement pursuant to which such redemption is to be made.

ARTICLE IV

PROCEEDS OF SERIES 2021 BONDS; ESTABLISHMENT OF FUNDS AND ACCOUNTS

Section 2.401 Establishment of Fund and Accounts.

(a) Series 2021 Project Account: There shall be established within the Project Fund a special account entitled “Series 2021 Project Account.” The proceeds of the Series 2021A Bond and a portion of the proceeds of the Series 2021B Bond shall be deposited in the Series 2021 Project Account as described below. Money in the Series 2021 Project Account shall be used in accordance with the provisions of Sections 502 and 503 of the Master Agreement of Trust to pay Costs of the Series 2021 Project, including to pay as desired interest on the Series 2021A Bond for up to one year following completion of the Series 2021A Project and to pay the costs of issuing the Series 2021 Bonds and refunding the outstanding principal of the Series 2017 Bond. [CONSIDER WHETHER TO ESTABLISH SEPARATE CAP I ACCOUNT IN BOND FUND]

(b) No Series Debt Service Reserve Account: No Series Debt Service Reserve Account will be established within the Debt Service Reserve Fund for purposes of the Series 2021 Bonds. No funds on deposit in, or for the account of, the Debt Service Reserve Fund shall secure the Series 2021 Bonds.

Section 2.402 Application of Proceeds of Series 2021 Bonds.

(a) The Purchaser shall transfer the proceeds of the Series 2021A Bond (\$[____]) to the Trustee to be deposited in the Series 2021 Project Account.

(b) The Purchaser shall transfer the proceeds of the Series 2021B Bond (\$[____]) to the Trustee to be applied as follows:

(i) \$[____] shall be deposited to the Bond Fund and then immediately transferred to Truist Bank (successor in interest to Branch Banking & Trust Company), as holder of the Series 2017 Bond, to redeem the Series 2017 Bond; and [NOTE ANY CITY EQUITY CONTRIBUTION]

(ii) \$[____] shall be deposited in the Series 2021 Project Account.

ARTICLE V

SECURITY FOR SERIES 2021 BONDS

Section 2.501 Security for Series 2021 Bonds.

The Series 2021 Bonds shall be equally and ratably secured under the Master Trust Agreement with any other series issued pursuant to Article III of the Master Trust Agreement, without preference, priority or distinction of any Bonds over any other Bonds, except as provided in the Master Trust Agreement. As described in Section 2.401(c), the Debt Service Reserve Fund shall not secure the Series 2021 Bonds, and no debt service reserve fund or account is currently established or funded in connection with the issuance of the Series 2021 Bonds.

ARTICLE VI

MISCELLANEOUS

Section 2.601 Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Second Supplemental Agreement or the Series 2021 Bonds is intended or shall be construed to give to any person other than the parties hereto and the holders of Series 2021 Bonds any legal or equitable right, remedy or claim under or in respect to this Second Supplemental Agreement or any covenants, conditions and agreements herein contained as this Second Supplemental Agreement and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the holders of Bonds as herein provided.

Section 2.602 Severability.

If any provision of this Second Supplemental Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Second Supplemental Agreement shall be construed and enforced as if such illegal provision had not been contained herein.

Section 2.603 Successors and Assigns.

This Second Supplemental Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 2.604 Applicable Law.

This Second Supplemental Agreement shall be governed by and construed and enforced in accordance with the applicable laws of the Commonwealth of Virginia, without regard to its conflict of law principles.

Section 2.605 Notices.

Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the City, at 427 Patton Street, Municipal Building, P.O. Box 3300, Danville, Virginia 24543 (Attention: City Manager), (b) if to the Authority, c/o of the City Attorney's Office, at 427 Patton Street, Municipal Building, P.O. Box 3300, Danville, Virginia 24543 (Attention: Chairman), (c) [if to the initial holder of the Series 2021 Bonds, [_____] (Attention: _____)] and (d) if to the Trustee, 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: [Becky D. Burton]).

Section 2.606 Counterparts.

This Second Supplemental Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 2.607 Federally Required Information.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee is required to request documentation to verify its formation and existence as a legal entity. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Second Supplemental Agreement to be executed in their respective corporate names as of the date first above written.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

By: _____
[____], Chairman

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
[Becky D. Burton, Assistant Vice President]

Acknowledged and Consented To:

CITY OF DANVILLE, VIRGINIA

By: _____
Kenneth F. Larking, City Manager

REGISTERED

REGISTERED

RA-1

[_____, 2021]

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA

Public Facility Lease
Revenue Bond
Series 2021A (Federally Taxable)

[UPDATE AS NEEDED FOR DRAW DOWN LOAN]

The Industrial Development Authority of the City of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”), for value received, hereby acknowledges itself indebted and promises to pay to [_____] , or its registered assigns or legal representatives, the principal sum of [_____] **AND 00/100 DOLLARS** (\$[_____]). Principal of this bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule I attached hereto. Interest on this bond shall be payable on the unpaid principal at the annual rate of [_____] % [(subject to adjustment as provided herein)], calculated on the basis of a 360-day year of twelve 30-day months, on each June 1 and December 1, commencing [December 1, 2021]. Principal and interest shall be payable in lawful money of the United States by the Trustee (as hereinafter defined), at the option of the registered owner hereof, (i) by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose by the Trustee on the 15th day of the month preceding each interest payment date or (ii) by wire transfer pursuant to the most recent wire instructions received by the Trustee from such registered owner.

This bond is authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. This bond is also issued under and secured by an Agreement of Trust dated as of March 1, 2017 (the “Master Trust Agreement”), between the Authority and U.S. Bank National Association, Richmond, Virginia, as trustee (the “Trustee”), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of [_____ 1, 2021] (the “Second Supplemental Agreement of Trust” and, together with the Master Trust Agreement, the “Agreement of Trust”). This bond will be secured on parity with the Authority’s \$[_____] Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable) (the “Series 2021B Bond”). The Agreement of Trust, together with an Assignment Agreement dated as of March 1, 2017, between the Authority and the Trustee, assigns to the Trustee, as security for this bond, the Series 2021B Bond and all other bonds issued thereunder, (a) certain rental payments derived from a Deed and Agreement of Financing Lease dated as of March 1, 2017 (the “Master Financing Lease”), as supplemented by the First Supplemental Deed and Agreement of Financing Lease dated as of

[____ 1, 2021] (collectively, the “Financing Lease”), between the Authority and the City of Danville, Virginia (the “City”), and (b) the Authority’s rights under the Financing Lease and the related Deed and Agreement of Prime Lease dated as of March 1, 2017, between the Authority and the City (except for the Authority’s rights under the Financing Lease to the payment of certain fees and expenses and to receive notices).

Reference is hereby made to the Agreement of Trust for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of this bond and the terms upon which this bond is issued and secured. Additional bonds secured by a pledge of revenues and receipts derived from the City under the Financing Lease on parity with this bond and the Series 2021B Bond may be issued under the terms and conditions set forth in the Agreement of Trust. Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Agreement of Trust.

This bond is issued to (a) finance [____], and (b) pay related costs of issuance. Pursuant to the Financing Lease, the City has undertaken to make payments that will be sufficient to pay the principal of and premium, if any, and interest on this bond as the same shall become due in accordance with its terms and the provisions and the terms of the Agreement of Trust; provided, however, that the undertaking by the City to make such payments constitutes a current expense of the City that is subject to appropriation by the City Council of the City from time to time of sufficient moneys for such purposes. The undertaking by the City to make payments under the Financing Lease does not constitute a debt of the City within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the City beyond any fiscal year for which the City has appropriated moneys to make such payments.

THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND RECEIPTS DERIVED FROM THE CITY RECEIVED BY THE AUTHORITY UNDER THE FINANCING LEASE, AND FROM CERTAIN FUNDS, AND THE INVESTMENT INCOME THEREON, HELD UNDER THE AGREEMENT OF TRUST, WHICH REVENUES, RECEIPTS AND FUNDS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither the Chairman of the Authority nor any officer thereof executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance hereof.

If the City exercises its option to prepay all or a portion of the Basic Rent upon damage to, destruction of, condemnation of or loss of title to the Property as provided in Article VII of the Master Financing Lease, a corresponding portion of the principal of this bond shall be redeemed upon payment of 100% of the principal amount hereof to be redeemed plus interest accrued to the date fixed for redemption.

[This bond shall be subject to redemption prior to maturity at the option of the Authority (at the direction of the City), in whole at any time, at a redemption price equal to the sum of (a) the outstanding principal amount hereof, (b) the interest accrued and unpaid to the date fixed for redemption and (c) a redemption premium equal to one percent (1%) of the principal amount to be redeemed; provided that the Authority (at the direction of the City) shall also be permitted to make a one-time partial prepayment of the principal amount hereof at any time without penalty.]
[UPDATE AS APPROPRIATE]

To exercise either of the options under the two preceding paragraphs, the City, on behalf of the Authority, shall give written notice to the holder of this bond specifying (a) the date fixed for redemption of this bond, which shall not be less than two Business Days from the date such notice is sent, (b) the principal amount of this bond to be redeemed, (iii) the redemption premium, if any, hereon and (iv) the section of the Second Supplemental Agreement of Trust pursuant to which such redemption is to be made.

This bond is issued as a registered bond and may be transferred only in accordance with the provisions with respect thereto as provided in the Agreement of Trust.

The registered owner of this bond shall have no right to enforce the provisions of the Agreement of Trust or to institute any action to enforce the covenants therein or to take any action with respect to any Event of Default under the Agreement of Trust or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Agreement of Trust. Modifications or alterations of the Agreement of Trust, the Financing Lease or the other Basic Agreements, or of any supplement or amendment thereto, may be made only to the extent and in the circumstances permitted by the Basic Agreements.

Upon surrender for transfer or exchange of this bond at the designated corporate trust office of the Trustee in St. Paul, Minnesota, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new bond or bonds in the manner and subject to the limitations and conditions provided in the Agreement of Trust, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the

Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the holder on the registration books, except that interest payments shall be made to the person shown as holder on the registration books on the date fifteen days preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in connection with the issuance of this bond have happened, exist and have been performed.

This bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Agreement of Trust or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Industrial Development Authority of the City of Danville, Virginia, has caused this bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this bond to be dated the date first written above.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

(SEAL)

By _____
Chairman

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This bond is the Series 2021A Bond described in the within mentioned Agreement of Trust.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree

: _____ :
: _____ :
: _____ :

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

_____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

SCHEDULE I

Payment Date	Principal Amount	Interest Payment	Debt Service	Annual Debt Service
-------------------------	-----------------------------	-----------------------------	---------------------	--------------------------------

REGISTERED**REGISTERED****RB-1**

[_____, 2021]

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA

Public Facility Lease
Revenue Refunding Bond
Series 2021B (Federally Taxable)

The Industrial Development Authority of the City of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “Authority”), for value received, hereby acknowledges itself indebted and promises to pay to [_____] , or its registered assigns or legal representatives, the principal sum of [_____] **AND 00/100 DOLLARS (\$[_____])**. Principal of this bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule I attached hereto. Interest on this bond shall be payable on the unpaid principal at the annual rate of [_____] % [(subject to adjustment as provided herein)], calculated on the basis of a 360-day year of twelve 30-day months, on each June 1 and December 1, commencing [December 1, 2021]. Principal and interest shall be payable in lawful money of the United States by the Trustee (as hereinafter defined), at the option of the registered owner hereof, (i) by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose by the Trustee on the 15th day of the month preceding each interest payment date or (ii) by wire transfer pursuant to the most recent wire instructions received by the Trustee from such registered owner.

This bond is authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. This bond is also issued under and secured by an Agreement of Trust dated as of March 1, 2017 (the “Master Trust Agreement”), between the Authority and U.S. Bank National Association, Richmond, Virginia, as trustee (the “Trustee”), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of [_____ 1, 2021] (the “Second Supplemental Agreement of Trust and, together with the Master Trust Agreement, the “Agreement of Trust”). This bond will be secured on parity with the Authority’s \$[_____] Public Facility Lease Revenue Bond, Series 2021A (Federally Taxable) (the “Series 2021A Bond”). The Agreement of Trust, together with an Assignment Agreement dated as of March 1, 2017, between the Authority and the Trustee, assigns to the Trustee, as security for this bond, the Series 2021A Bond and all other bonds issued thereunder, (a) certain rental payments derived from a Deed and Agreement of Financing Lease dated as of March 1, 2017 (the “Master Financing Lease”), as supplemented by the First Supplemental Deed and Agreement of Financing Lease dated as of [_____ 1, 2021] (collectively, the “Financing Lease”), between the Authority and the City of Danville, Virginia (the “City”), and (b) the Authority’s rights under the Financing Lease and the related Deed and

Agreement of Prime Lease dated as of March 1, 2017, between the Authority and the City (except for the Authority's rights under the Financing Lease to the payment of certain fees and expenses and to receive notices).

Reference is hereby made to the Agreement of Trust for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of this bond and the terms upon which this bond is issued and secured. Additional bonds secured by a pledge of revenues and receipts derived from the City under the Financing Lease on parity with this bond and the Series 2021A Bond may be issued under the terms and conditions set forth in the Agreement of Trust. Capitalized terms not otherwise defined herein shall have the meanings assigned such terms in the Agreement of Trust.

This bond is issued to (a) refund the outstanding principal of the Authority's \$5,920,000 Taxable Public Facility Lease Revenue Refunding Bond, Series 2017, and (b) pay related costs of issuance and refunding. Pursuant to the Financing Lease, the City has undertaken to make payments that will be sufficient to pay the principal of and premium, if any, and interest on this bond as the same shall become due in accordance with its terms and the provisions and the terms of the Agreement of Trust; provided, however, that the undertaking by the City to make such payments constitutes a current expense of the City that is subject to appropriation by the City Council of the City from time to time of sufficient moneys for such purposes. The undertaking by the City to make payments under the Financing Lease does not constitute a debt of the City within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the City beyond any fiscal year for which the City has appropriated moneys to make such payments.

THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND RECEIPTS DERIVED FROM THE CITY RECEIVED BY THE AUTHORITY UNDER THE FINANCING LEASE, AND FROM CERTAIN FUNDS, AND THE INVESTMENT INCOME THEREON, HELD UNDER THE AGREEMENT OF TRUST, WHICH REVENUES, RECEIPTS AND FUNDS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT HEREOF. THIS BOND AND THE PREMIUM, IF ANY, AND THE INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither the Chairman of the Authority nor any officer thereof executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance hereof.

If the City exercises its option to prepay all or a portion of the Basic Rent upon damage to, destruction of, condemnation of or loss of title to the Property as provided in Article VII of the Master Financing Lease, a corresponding portion of the principal of this bond shall be redeemed upon payment of 100% of the principal amount hereof to be redeemed plus interest accrued to the date fixed for redemption.

[This bond shall be subject to redemption prior to maturity at the option of the Authority (at the direction of the City), in whole at any time, at a redemption price equal to the sum of (a) the outstanding principal amount hereof, (b) the interest accrued and unpaid to the date fixed for redemption and (c) a redemption premium equal to one percent (1%) of the principal amount to be redeemed; provided that the Authority (at the direction of the City) shall also be permitted to make a one-time partial prepayment of the principal amount hereof at any time without penalty.]
[UPDATE AS APPROPRIATE]

To exercise either of the options under the two preceding paragraphs, the City, on behalf of the Authority, shall give written notice to the holder of this bond specifying (a) the date fixed for redemption of this bond, which shall not be less than two Business Days from the date such notice is sent, (b) the principal amount of this bond to be redeemed, (iii) the redemption premium, if any, hereon and (iv) the section of the Second Supplemental Agreement of Trust pursuant to which such redemption is to be made.

This bond is issued as a registered bond and may be transferred only in accordance with the provisions with respect thereto as provided in the Agreement of Trust.

The registered owner of this bond shall have no right to enforce the provisions of the Agreement of Trust or to institute any action to enforce the covenants therein or to take any action with respect to any Event of Default under the Agreement of Trust or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Agreement of Trust. Modifications or alterations of the Agreement of Trust, the Financing Lease or the other Basic Agreements, or of any supplement or amendment thereto, may be made only to the extent and in the circumstances permitted by the Basic Agreements.

Upon surrender for transfer or exchange of this bond at the designated corporate trust office of the Trustee in St. Paul, Minnesota, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new bond or bonds in the manner and subject to the limitations and conditions provided in the Agreement of Trust, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the

Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the holder on the registration books, except that interest payments shall be made to the person shown as holder on the registration books on the date fifteen days preceding each interest payment date.

All acts, conditions and things required to happen, exist or be performed precedent to and in connection with the issuance of this bond have happened, exist and have been performed.

This bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Agreement of Trust or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Industrial Development Authority of the City of Danville, Virginia, has caused this bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this bond to be dated the date first written above.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF DANVILLE, VIRGINIA**

(SEAL)

By _____
Chairman

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This bond is the Series 2021B Bond described in the within mentioned Agreement of Trust.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree

: _____ :
: _____ :
: _____ :

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

_____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

SCHEDULE I

Payment Date	Principal Amount	Interest Payment	Debt Service	Annual Debt Service
-------------------------	-----------------------------	-----------------------------	---------------------	--------------------------------

Council Letter

City of Danville, Virginia



CL-2508

New Business C.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Moral Obligation for Mortgage on IDA Property at 500 Stinson Drive

From: Corrie Bobe, Director of Economic Development

COUNCIL ACTION

Business Meeting: 04/06/2021

SUMMARY

The loan on property owned by the IDA at 500 Stinson Drive is due for renewal during April 2021. This is the conclusion of the first five-year term of the mortgage, and American National Bank & Trust will require an updated moral obligation for the next five-year term of the loan. The property is leased to Overfinch North America, and lease payments are current.

BACKGROUND

The property located at 500 Stinson Drive in the Cyber Park was purchased by the IDA on April 13, 2016, and it was financed by American National Bank & Trust Company with a 25-year mortgage which required a moral obligation from the City of Danville. The first five years of the mortgage is now expiring, and a renewed loan is necessary to cover the remaining unpaid principal. That amount is approximately \$778,000, and the next term will be issued with a twenty-five basis points (0.25%) reduction in the interest rate charged for the loan. All other aspects of the transaction will remain in effect as originally documented, and this action by Council will simply maintain a current status of the City's moral obligation to meet the bank's lending requirements.

RECOMMENDATION

Staff requests that the City Council concur in the renewal of the City's moral obligation for a loan on 500 Stinson Drive in Cyber Park owned by the Industrial Development Authority of Danville by adopting a resolution prepared by the City Attorney in conjunction with the Bank's attorney.

Attachments

Resolution

Moral Obligation

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2021-____.____

A RESOLUTION 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.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that a Moral Obligation Agreement, substantially in the form attached hereto and made a part hereof, between the City of Danville and American National Bank and Trust Company, a Virginia banking corporation Company be, and the same hereby is, approved; and

BE IT FURTHER RESOLVED, that the City Manager, or his designee, be, and is hereby, authorized and directed to execute such Moral Obligation Agreement on behalf of the City.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

MORAL OBLIGATION AGREEMENT OF CITY OF DANVILLE

THIS MORAL OBLIGATION AGREEMENT made as of the ____ day of _____, 2021, by and between the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “**City**”), and **AMERICAN NATIONAL BANK AND TRUST COMPANY**, a national banking association (“**American National**”), to-wit:

Background:

A. The Industrial Development Authority of Danville, Virginia (the “**Authority**”), was created under the Industrial Development and Revenue Bond Act (§15.2-4900 et seq.) of the Code of Virginia to promote development, industry and trade.

B. The Authority borrowed funds from American National in 2016 in the form of two (2) loans, one for the purposes of acquiring real estate, and improvements thereon, located at 500 Stinson Drive, Danville, Virginia (the “**Property**”), and the other in order to upfit and provide certain equipment at the Property (the “**Property Up-fit**”), in an effort to induce a key tenant to locate particular aspects of its business operations in the Cyber Park, thereby promoting development and the economy of the City. The loans associated with the Property and the Property Up-fit are set to mature in 2021, and the Authority seeks to renew both loans with American National.

C. In furtherance of the foregoing, the Authority is in the process of obtaining a commitment from American National to (i) renew the Property loan for a term of sixty (60) months in the principal amount Seven Hundred Seventy Five Nine Hundred Two and 00/100 Dollars (\$775,902.00), plus loan origination and related loan and closing costs (the “**Property Loan**”), and (ii) renew the Property Up-fit loan for a term of sixty (60) months in the principal amount of Three Hundred Fourteen Thousand Eight Hundred Seventy and 00/100 Dollars (\$314,870.00), plus loan origination and related loan and closing costs (the “**Property Up-fit Loan**”), and, as part of that commitment, American National requires the moral obligation of the City to repay the Property Loan and Property Up-fit Loan with American National in the event that the Authority fails to do so.

Agreement:

NOW, THEREFORE, for and in consideration of the foregoing promises and the mutual benefit to be derived therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. In the event the Authority fails to repay the indebtedness associated with either the Property Loan, the Property Up-fit Loan, or both, provided by American National in accordance with the respective terms of their repayment stated therein, the City hereby acknowledges that, to the extent permitted by law, it has a moral obligation to pay American National such amounts otherwise due from and payable by the Authority with respect to such loans. In the event of nonpayment by the Authority, American National, by its duly authorized

representative, shall submit an appropriation request to the City in the amount sufficient to make current payments on Property Loan and/or the Property Up-fit Loan, as the case may be, then due American National by the Authority and to protect and maintain the Authority's ownership interest in the Property and related improvements and equipment (the "**Deficiency Amount**"). Subject to the making of appropriations pursuant to the provisions of this Paragraph 1, the City shall pay American National the amount of such appropriations as soon as practicable.

2. American National shall apply any funds so appropriated and paid to it by the City pursuant to this Agreement toward the Authority's obligations under the Property Loan and/or the Property Up-fit Loan, as the case may be, provided by American National as contemplated by this Agreement.

3. Continuing until such time as there is no longer a Deficiency Amount, the City Manager of the City (the "**City Manager**") shall include any Deficiency Amounts due American National with respect to the Property Loan and the Property Up-fit Loan, as the case may be, in his budget submitted to the City Council for the following fiscal year as an amount to be appropriated to or in respect of the Property Loan or the Property Up-fit Loan. The City Manager shall deliver to American National, within fifteen (15) days after the adoption of the City's budget for each fiscal year in which a Deficiency Amount was requested as provided herein, but not later than July 15 of each year, a letter, on letterhead of the City Manager's Office, stating whether the City Council has appropriated for payment to American National an amount equal to the Deficiency Amounts.

4. If at any time American National believes there is a Deficiency Amount or that amounts appropriated by City Council are insufficient to fulfill the Authority's obligations with respect to the Property Loan and/or the Property Up-fit Loan, as the case may be, American National shall notify the City Manager of the Deficiency Amounts or such insufficiency and the City Manager shall request a supplemental appropriation from City Council in the amount necessary to make such payments.

5. The City Manager shall present each request for appropriation pursuant to Paragraph 4 above to City Council and City Council shall consider such request at City Council's next regularly scheduled meeting at which it is possible to satisfy any applicable notification and all other legal requirements. Not later than five (5) business days after such meeting, the City Manager shall notify American National as to whether the amounts so requested were appropriated. If City Council shall fail to make any such appropriation, the City Manager shall add the amount of such requested appropriation to the amount to be requested in the next fiscal year.

6. City Council hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to Paragraphs 3, 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The City Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations.

7. Nothing herein contained is or shall be deemed to be a lending of the credit of the City to American National, the Authority, the Property or to any other person or entity (unless specifically set forth otherwise), and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything herein contained legally bind or obligate the City Council to appropriate funds for the purposes described herein.

8. Any notices or requests required to be given hereunder shall be deemed given if hand-delivered or sent by registered or certified mail, postage prepaid, addressed as follows:

If to the City: City of Danville, Virginia
 Municipal Building, Patton Street
 P. O. Box 3300
 Danville, VA 24543
 Attention: City Manager

With a copy to: The City Attorney's Office
 Municipal Building, Patton Street
 P.O. Box 3300
 Danville, VA 24543

If to American National: American National Bank and Trust Company
 628 Main Street
 P. O. Box 191
 Danville, VA 24543
 Attention: President

9. If any clause, provision, or paragraph of this Agreement shall be held illegal or invalid by a court, the illegality or invalidity of such clause, provision, or paragraph shall not affect any of the remaining clauses, provisions, or paragraphs hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or paragraph had not been contained herein. In the event that any question should arise as to whether any provision contained herein shall be in violation of law, then such provision shall be construed as the agreement of the parties hereto to the full extent permitted by law.

10. This Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia.

10. The parties agree that this Moral Obligation Agreement shall supersede and replace that (a) Moral Obligation Agreement between the parties dated April 12, 2016, made in connection with a 2016 loan to the IDA in the principal amount not to exceed \$880,000.00 for initial acquisition of the Property (the “**2016 Acquisition Loan Moral Obligation Agreement**”), and (b) Moral Obligation Agreement between the parties dated October 19, 2016,

in the principal amount not to exceed \$500,000.00 for the up-fit and related equipment provided at the Property (the “**2016 Up-fit Loan Moral Obligation Agreement**”), and upon the approval and execution of this Agreement and closing of the renewal of the original loans referenced herein the 2016 Acquisition Loan Moral Obligation Agreement and the 2016 Up-fit Loan Moral Obligation Agreement shall terminate and be of no further force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City of Danville, Virginia has caused its name to be subscribed hereunto by its City Manager, as authorized and directed by the City Council, City of Danville, and its seal to be hereto affixed and attested by the City Clerk, and American National has caused its name to be subscribed hereunto by Ted R. Laws, its duly authorized representative, all as of the date first above written.

CITY COUNCIL, CITY OF DANVILLE

By: _____
Name: Ken Larking
Title: City Manager

(SEAL)

Attest:

City Clerk

**AMERICAN NATIONAL BANK AND TRUST
COMPANY**

By: _____
Name: Ted R. Laws
Title: Vice President

Council Letter

City of Danville, Virginia



CL-2522

New Business D.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Airport Capital Grants

From: Marc Adelman, Director of Transportation Services

COUNCIL ACTION

First Reading: 04/06/2021

Final Adoption: 04/20/2021

SUMMARY

The Virginia Department of Aviation administers an Airport Capital Grant Program that provides funding for design services and construction activities. The maximum state participation for capital projects is eighty percent. Funding participation for certain projects involving rental space such as terminal buildings varies relative to the percentage of private versus available public use space.

During the March 2021, Virginia Aviation Board meeting, state funding was approved for two airport projects that involve construction activities to support future hangar facility development and architectural services to complete terminal building renovations. State matching funds will finance eighty percent of the cost of the construction project and sixty-five percent of the architectural services fees to complete terminal building renovations.

BACKGROUND

State capital grant requests for two different projects at the Danville Regional Airport have been approved for funding by the Virginia Aviation Board. An approved architectural design services project will support terminal building renovations to improve the building's functionality and establish new amenities for pilots, passengers and the public. Proposed renovations include glass and door modifications that will allow pilots and passengers to travel directly from the terminal ramp through a large unused open area of the terminal.

Other planned terminal building improvements include the replacement of furniture, ceiling tiles and light fixtures, painting, bathroom renovations and the installation of brick pavers, a pilot's shower as well as a counter and office to support business activities. In addition, the state approved funding to widen a taxiway located in the existing t-hangar area to accommodate regional jet aircraft operations, and construct an aircraft parking ramp area and new taxi-lane to support future t-hangar development.

RECOMMENDATION

It is recommended that City Council approve an Ordinance amending the Fiscal Year 2021 Budget Appropriation Ordinance to provide for State Aviation capital grant funding and the local share, and appropriating the same. The local share will be provided through the Support of General Funds.

Attachments

Ordinance

Terminal Building Floor Plan

Taxiway H

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-_____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR ADDITIONAL STATE AVIATION FUNDING FOR THE PURPOSE OF COMPLETING DESIGN SERVICES TO RENOVATE THE AIRPORT TERMINAL BUILDING, FOR CONSTRUCTION ACTIVITIES TO WIDEN TAXIWAY H AND COMPLETE FACILITY IMPROVEMENTS TO SUPPORT FUTURE CORPORATE, AND T-HANGAR BUILDING DEVELOPMENT IN THE AMOUNT OF \$1,178,023 PLUS LOCAL SHARE IN THE AMOUNT OF \$310,639.

WHEREAS, architectural design services are needed to complete airport terminal building improvements; and

WHEREAS, the architectural services project will be funded at sixty-five percent with state capital aid; and

WHEREAS, airport facility improvements are needed to support future hangar development including the widening of a taxiway and construction of a taxi-lane and an aircraft parking area; and

WHEREAS, construction activities to support airport facility improvements will be funded at eighty percent with state capital aid.

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 for grants from the Virginia Department of Aviation and transfers from the General Fund for Design Services for Terminal Building Renovation in the amount of \$86,035 and Taxiway H Widening in the amount of \$1,402,627 for a total appropriation of \$1,488,662 such funds to be appropriated as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Architectural Design Services Project – Terminal building renovations		
State Aviation Funds	61658000-45712	\$ 55,922
Transfer General Fund	61658000-6101	<u>\$ 30,113</u>
	SUB TOTAL	\$ 86,035

Taxiway H Widening, New Taxi-lane and aircraft parking area (Construction)		
State Aviation Funds	61659000-45712	\$1,122,101
Transfer from Support of General Funds	61659000-6101	<u>\$ 280,526</u>
	SUB TOTAL	\$1,402,627
	GRAND TOTAL	<u><u>\$1,488,662</u></u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
AP-Terminal Bldg FY 21	61658999-50	\$ 86,035
AP-Widen Taxiway H	61659999-50	<u>\$1,402,627</u>
	GRAND TOTAL	<u><u>\$1,488,662</u></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

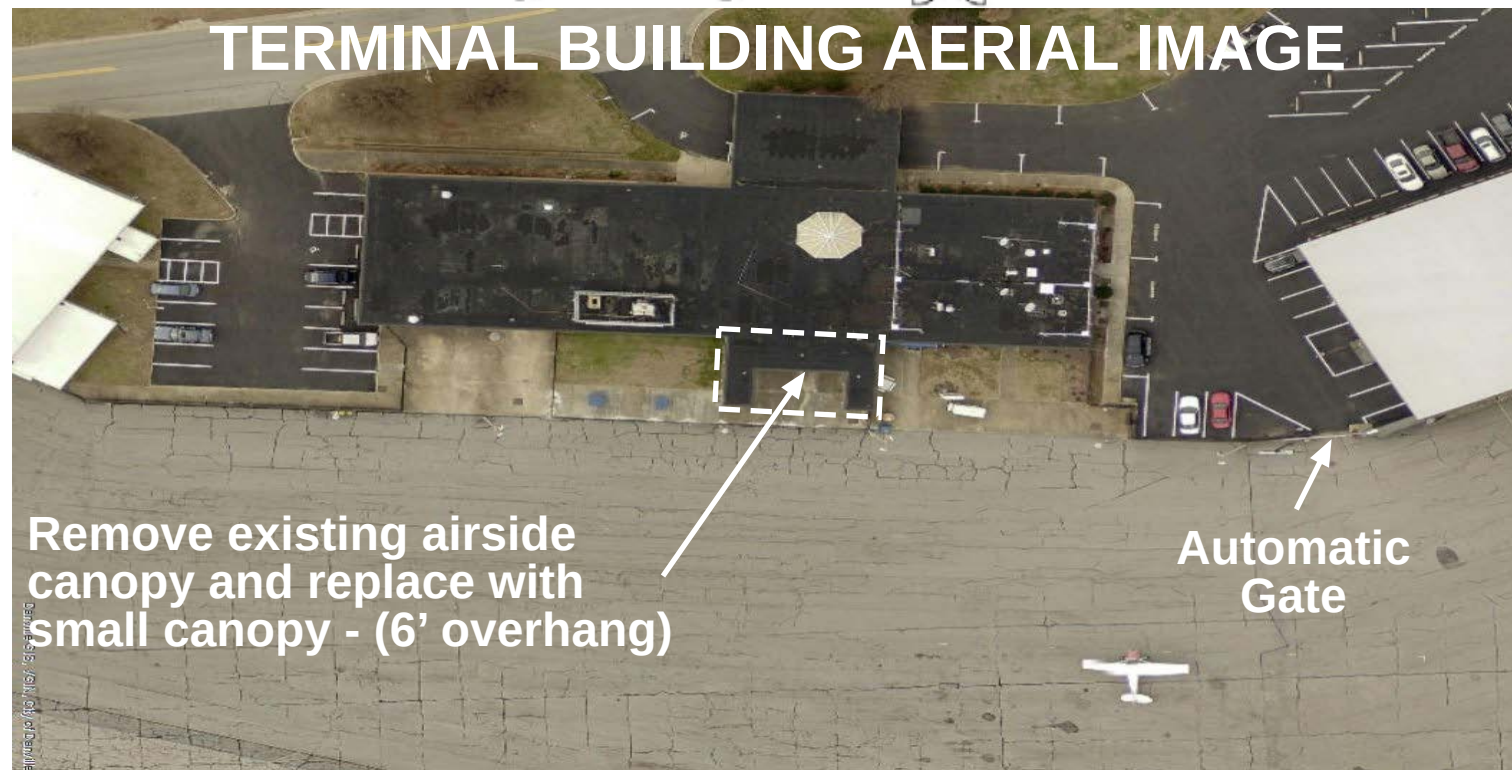
Approved as to
Form and Legal Sufficiency:

CITY ATTORNEY

Renovations

- Replace Existing Sliding Glass Door Sections (4) with (2) Glass Sections
- New Vending Machine Area
- New FBO Passenger Waiting Area (Kept Open, No additional walls)
- New Canopy!
- Install Brick Pavers Wide Sidewalk
- Remove Existing Glass Manual Doors and Install one (1) Sliding Glass Door
- New FBO Counter and construct access from counter to existing FBO Area
- Existing FBO Area Move FBO Manager's Office
- Conference Room becomes New Pilot's Lounge
- Kitchen
- Current FBO Manager's Office and Testing Center
- Mechanical Room
- Relocating Vending South E
- Passage to FBO Office
- Vending
- Weather Computer/Info
- FAA Radio Room - No Revenue Received
- New Pilot's Quiet Area
- FBO Admin Office
- Airport Admin. Area
- FBO Office
- STO
- JAN
- WOMEN
- MEN
- STORAGE
- OFFICE
- BREAK RM.
- CONFERENCE
- OFFICE
- MECH.
- CONF/TRAINING ROOM

MINIMAL BUILDING AERIAL IMAGE



- Existing FBO Area
- Existing Conference Room/ New Pilot's Lounge
- Existing Pilot's Lounge/New Quiet Area
- Existing Vending Machine/ New Pilot's Shower

New Furniture planned for New Passenger Waiting Area and New Pilot's Lounge

TAXIWAY H WIDENING AND CONSTRUCTION OF AIRCRAFT PARKING AREAS AND NEW TAXI-LANE

Future
Employee
Parking Lot

Taxiway
Widening
Aircraft
Parking

Aircraft
Parking

13,000 Square
foot hangar

New Taxi-lane

Future T-Hangar Building

LEGEND	
TAXIWAY 'H' WIDENING (AIP)	
HANGAR APRON (NON-AIP)	
T-HANGAR TAXILANE (AIP)	
T-HANGAR APRON (NON-AIP)	
CORPORATE HANGAR, ACCESS RD & PARKING (NON-AIP)	

CURRENT PLANS CALLS FOR FUTURE CONSTRUCTION OF THREE (3) 100' X 130' CORPORATE HANGARS AND A 5 UNIT T-HANGAR BUILDING

DESIGNED BY:	PROJECT ENG.:	PROJECT NO.:	DRAWN BY:	CHECKED BY:	DATE ISSUED:
	CBS		BBV		MAY 2020

DANVILLE
Virginia
DANVILLE REGIONAL AIRPORT

TAXIWAY 'H' WIDENING AND
HANGAR DEVELOPMENT
4 UNIT T-HANGAR AND 1 BOX HANGAR EXHIBIT
SCALE: 1"=40'
FILE NAME:

Council Letter

City of Danville, Virginia



CL-2517

New Business E.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Project Imagine Grant

From: Cynthia Thomasson, Budget Director

COUNCIL ACTION

First Reading: 04/06/2021

Final Adoption: 04/20/2021

SUMMARY

This grant will provide funding for gang outreach workers who will reach out to identified gang members and link them to services and institutions, as well as provide access to resources to reduce attachment of youth to gangs and gang activities. The worker will serve as an advocate for the youth in securing social services, education, and job-related opportunities. The worker will provide appropriate referrals and maintain detailed documentation of all contact with youth. The grant will also provide funding for youth that enter into Project Imagine, to submit to a Clifton Strength-based assessment, Casey Life skills assessment, workforce readiness training, and life skills training. The youth will attend 15 hours of preparatory classes before they are allowed to begin at a Project Imagine worksite. The youth will receive incentives for goal achievement and for completion of the courses.

This grant covers funding for three years.

BACKGROUND

Project Imagine provides intervention for active gang members and high-risk youth. The program is a 9-week work readiness program for ages 15 to 21 that provides at-risk and gang-affiliated individuals with employment education and on the job training. The idea is that the program creates a positive "image" in the mind of the youth so that he or she can "Imagine" a life without gangs or crime. The participants receive hands-on training at a work-site, up to 40 hours per week through partnerships with city departments, non-profit organizations, and for-profit businesses. The program also guides the youth and family through referrals to additional services such as education, housing, and mental health. The Department of Juvenile Justice, schools, and community agencies provide the referrals to the program and the program is funded through the Virginia Workforce YES program. Project Imagine has been effective in organizing partners and stakeholders, however with the appropriate funding, the program will have the additional staff to expand to the 18 and underage group in the city.

RECOMMENDATION

It is recommended City Council adopt the attached ordinance to provide funding for Project Imagine.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FOR A U.S. DEPARTMENT OF JUSTICE, OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION GRANT IN THE AMOUNT OF \$488,595 AND LOCAL SHARE IN THE AMOUNT OF \$79,983 FOR A TOTAL APPROPRIATION OF \$568,578 TO BE USED TO FUND SUPPORT STAFF, AND OTHER EXPENDITURES RELATING TO THE PROJECT IMAGINE WORK FORCE READINESS PROGRAM.

WHEREAS, the City of Danville has received an award from the U.S. Department of Justice (DOJ), Office of Juvenile Justice and Delinquency Prevention for the City's Project Image Work Force Readiness Program in the amount of \$488,595 and Local Share in the amount of \$79,983 for a total appropriation of \$568,578; and

WHEREAS, the funding for this grant is a three-year grant and will be used for annual salary and benefits of a Support Staff, and related expenditures for the Program; and

WHEREAS, the grant will cover expenditures from October 1, 2020 through September 30, 2023.

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 revenues to anticipate the receipt of funds in the amount of \$488,595 from the U.S. DOJ Office of Juvenile Justice and Delinquency Prevention for grant award and Local Share in the amount of \$79,983, appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
US DOJ-Project Imagine		
Federal Revenue	61653000-48230	\$488,595
Transfer In From General Fund	61653000-6101	<u>79,983</u>
Total		<u>\$568,578</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Project Image		
Salaries & Wages FT	61653000-51100	\$ 90,000
FICA	61653000-51450	6,900
Retirement	61653000-51525	3,100
Group Health/Life Ins	61653000-51600	24,200
Travel	61653000-54900	12,933
Materials & Supplies	61653000-55930	49,375
Machinery/Eqpt	61653000-57500	9,056
Project Control (Yr 2/3)	61653000-50000	<u>373,014</u>
Total		<u>\$ 568,578</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 this appropriation shall be a flexible budget for Federal, State, and other grant funding; 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-2513

New Business F.

City Council Regular Meeting

Meeting Date: 04/06/2021

Subject: Danville's Summer Youth Jobs Program

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

COUNCIL ACTION

First Reading: 04/06/2021

Final Adoption: 04/20/2021

SUMMARY

The City, in partnership with community non-profit partners, has developed a program to offer summer employment opportunities to fifty (50) youth and young adults (ages 16-24) during the summer of 2021. The total cost of the program is anticipated to be \$203,534.00 with the City share estimated to be \$131,193.00 or 64.5% of the estimated total program cost.

BACKGROUND

The program design which is being recommended is as follows:

Summer Youth Employment Program

Goals:

1. Provide meaningful, paid work-based learning experiences for 50 youth/young adults, ages 16 – 24.
2. Identify opportunities to leverage/pool funding from multiple sources based on identified “wins” for participating partners.
3. Connect employers to a diverse talent pool.
4. Prepare students with transferable, in-demand skills and provide an opportunity to earn industry certifications (ex. NCRC).

Structure and Timeline:

This is an eight-week experience with an expectation that participants will complete 280 hours (avg. 35 hours per week).

In-School Youth

Work Readiness Boot Camp	June 7th –	June 11th
Week 1: OJT/Worksite	June 14th -	June 17th
Debrief/Workshops	June 18th	
Week 2: OJT/Worksite	June 21st -	June 25th
Week 3: OJT/Worksite	June 28th -	July 1st
Debrief/Workshops	July 2nd	(Optional)
Week 4: OJT/Worksite	July 5th -	July 9th
Week 5: OJT/Worksite	July 12th -	July 16th

Week 6: OJT/Worksite	July 19th -	July 23rd
Week 7: OJT/Worksite	July 26th -	July 28th
Debrief/Celebration	July 29th -	July 30th

The above timeline can be replicated for *out-of-school youth*, starting as early as funding is secured and partners have availability to assist. This would allow partner agencies an opportunity to expend dedicated funding during the FY 21 fiscal year ending June 30, 2021.

Interns will be paid a stipend of \$2,800 based on performance and attendance. The stipend will be paid in four biweekly installments of \$700 per installment (less applicable taxes).

WBL/Career Coaches will be available to provide intensive 1:1 coaching. It is recommended that we have a 1:10 coach to youth ratio. Coaches will conduct scheduled visits to work sites and document participant progress providing comprehensive data to understand how youth are progressing in the program. The team will also use this information to make adjustments, modifying and improving the experience. Coaches will also assist with identifying more immediate participant needs: food insecurity, housing challenges, behavioral concerns, etc.

Lead Agency and Partners:

The West Piedmont Workforce Development Board (WPWDB) will serve as the lead agency and fiscal agent. The WPWDB will leverage WIOA funds for eligible out-of-school youth participants and adults (age 18 and over). The WPWDB will issue stipends to eligible participants. The WPWDB will also provide intern support services.

The City of Danville, via support from City Council, will provide funding for youth who are not eligible for WIOA funds. The City, as one of the region's largest employers, will also provide internship experiences. The City's Youth and Gang Violence Prevention Coordinator, Robert David, will assist in identifying potential youth participants.

Danville Public Schools (DPS) will also assist in identifying youth participants (in and out-of-school) and will also provide intern support services. In addition, DPS will host the Work Readiness Bootcamp. DPS, as one of the region's largest employers, will provide internship experiences.

The Institute for Advanced Learning and Research (IALR) will provide project facilitation and evaluation services. IALR will also provide staff and funding to support NCRC (Work Keys) testing and Excel workshops. IALR, on behalf of the Dan River Region Collaborative (DRRC), will provide \$25,000 to support intern stipends. IALR's WBL Coordinator, Dana Wilson, is available to assist with workplace evaluations prior to intern placement.

All of the partners will promote the opportunity, recruiting additional employers to host youth participants.

Budget:

Item	Unit Cost	Number	Total	Description
Intern Stipends	\$2,800	50	\$140,000	
Staff - WPWDB	\$22,500	1	\$ 22,500	4 months 100%: \$50K base and 35% fringe
Transportation	\$160	50	\$ 8,000	\$2 one-way Reserve a Ride; 8Wks X 5 days X\$2 X 50 X 2 ways
Supplies	\$100	50	\$ 5,000	Work-related needs
Recognition	\$15	75	\$ 1,325	Certificates \$200/event – 75 people
Meals – boot camp/ training days	\$25 per diem	500	\$ 12,500	10 days
Admin Fee			\$ 14,199	10% of non WIOA costs (WPWDB)
TOTAL			\$203,524.00	

The goal is for twenty of the youth participants to be WIOA eligible. This would represent 40% of the intern population. Based on a more conservative estimate, we anticipate that 25% of the costs would be paid by the WPWDB, totaling \$47,331. Accounting for this and the IALR/DRRC contribution of \$25,000, Danville City Council would be asked to provide \$131,193.

Meaning of Acronyms:

NCRC - National Career Readiness Certificate

WBL - Work-Based Learning

WIOA - Workforce Innovation and Opportunity Act (formerly the WIA (Workforce Investment Act))

RECOMMENDATION

It is recommended that the Danville City Council adopt the attached ordinance Amending the Fiscal Year 2021 Budget Appropriation Ordinance to provide funding for the Summer Youth Jobs Program.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2021 - _____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR CONTRIBUTION FROM COMMUNITY NON-PROFIT PARTNERS IN THE AMOUNT OF \$72,341 AND A TRANSFER FROM UNRESERVED FUND BALANCE IN THE AMOUNT OF \$131,193 FOR A TOTAL APPROPRIATION OF \$203,534 TO PROVIDE A SUMMER YOUTH JOBS PROGRAM AND APPROPRIATING THE SAME.

WHEREAS, the City, in partnership with community non-profit partners, has developed a program to offer summer employment opportunities to fifty (50) youth and young adults (ages 16-24) during the summer of 2021; and

WHEREAS, the contribution from community non-profit partners is \$72,341 and the City is providing a transfer from unreserved fund balance in the amount of \$131,193 for a total appropriation of \$203,534.

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 a transfer from reserved fund balance to fund the Summer Youth Jobs Program and appropriating same;

TRANSFER FROM

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
General Fund		
Unreserved Fund Balance	XXXX	<u>\$131,193</u>

TRANSFER TO

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
General Fund		
Support of Special Grants	0199502-6014	<u>\$131,193</u>

AND BE IT FURTHER 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 to provide an appropriation for the Summer Youth Jobs Program in the Special Revenue Fund in the amount of \$203,534 and appropriating same;

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Summer Youth Jobs Program		
Private Donations	61656000-43640	\$ 72,341
Transfer In From General Fund	61656000-6101	<u>\$131,193</u>
	Total	<u>\$203,534</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Summer Youth Jobs Program	61656999-50	<u>\$203,534</u>

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