March 13, 2019s

A Special Work Session of the Danville City Council convened on March 13, 2019 at 5:31 p.m. in the Conference Room located on the Fourth Floor of the Municipal Building. Council Members present were: James B. Buckner, Mayor Alonzo L. Jones, Sherman M. Saunders, Fred O. Shanks, III, Adam J. Tomer, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (7). L. G. "Larry" Campbell Jr. and Dr. Gary Miller were absent (2). *Mr. Tomer entered the Meeting at 5:40 p.m.*

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

Mayor Jones presided.

**CONSIDERATION OF DESIGNATION OF THE DNDC AS THE CITY'S OFFICIAL LAND BANK ENTITY**

City Manager Ken Larking stated he wanted to confirm that all the Council Members received the email that was sent earlier today with revisions to the MOU. The main purpose of that revision is to change the MOU to establish a Land Bank Transaction Board. Mr. Reynolds noted that would be made up of five board members, three members appointed by City Council and two from the DNDC Board; the Executive Director would serve as staff, she will not be a voting member. Vice Mayor Vogler questioned if Mr. Reynolds would be eligible as a Board Member to be one of the two appointed and Mr. Reynolds noted he would as a board member, but would not serve.

Mr. Whittle asked what the difference was between the Land Bank and the DNDC and Mr. Reynolds explained the DNDC is already a corporation; it was founded several years ago and already has a board of directors. This is the Land Bank program and they are trying to establish an administrative and operations procedure to put the Land Bank program in place under the management of the Neighborhood Development Corporation. Mr. Whittle asked if the Land Bank program transfers property right out of the City into the Land Bank program, or are they going to transfer it to the DNDC. Mr. Reynolds referred to Section 5 of the MOU, Land Bank Operations and Administration, Item 4, the Establishment of a Land Bank's Properties Transaction Board, is to oversee the acquisition and disposition of Land Bank properties. This Board will be composed of five members, three appointed by the City Council and two DNDC board members. The Board will approve the administrative procedures and policies under which the Land Bank program will operate, and review and approve all proposals for land use of the Land Bank properties. The staff support to the Board will be provided the DNDC Executive Director. The Land Bank Properties Transaction Board shall adopt and make available for the public review, the eligible guidelines and documentation requirements for organizations or individuals seeking to acquire any eligible properties. The DNDC shall provide such other relevant reports as may be reasonably requested by the City Manager.

Mr. Shanks noted Mr. Reynolds had mentioned the Transaction Board and that relieves 90% of his issues. If the three members that are appointed by City Council could include, or be City Council Members, that would eliminate 99% of his concerns. Mayor Jones asked how many members of the City Council would Mr. Shanks want to be Board Members, and Mr. Shanks noted he would prefer all three.

Mr. Reynolds gave his Power Point Presentation, (a copy of which has been retained in Laserfiche, in the City Clerk's folder, Presentations to Council)

Mr. Reynolds reviewed the CDC's beginnings, recommended strategies, studies done to give the City advice on how to improve their blight eradication efforts, and the establishment of a community

development corporation to help with blight eradication. The CDC was established in 2016, and began operations in 2017 as the DNDC. The Corporation has three target areas, the Cardinal Village area, the Westmoreland Area and the White Rock area. In FY 2016 and 2017, the NDC received start-up seed funds from the Blight Eradication Program, and operating support beyond the start up from the City was not promised, nor has it been budgeted. The DNDC becomes self supporting in the following ways: redevelopment activities in targeted areas with blighted properties in the areas of housing, neighborhood commercial redevelopment, and through grants and loans. Projects will have to meet all the criteria of the banking area and the DNDC would be totally liable for any borrowed funds.

The DNDC was chartered in 2016, the Executive Director was hired in June 2017, they visited Youngstown in July 2017, the Strategic Plan was completed in December 2017, and the IRS determination was received in February 2018 but was retroactive to August 4, 2016. The DNDC's mission is to improve Danville's quality of life by empowering neighbors and community associations, encouraging local investment, and building neighborhoods of opportunity and choice. Mr. Reynolds noted the DNDC's Progress and Accomplishments include Community Engagement and Improvement Activities, neighborhood property surveying and planning with residents, neighborhood leadership training and development in partnership with DRF and the City, and redevelopment projects (pending).

Mr. Reynolds reviewed the Land Bank Objectives which include to manage and seek ways to dispose of vacant lots and vacant dilapidated structures currently held in Trust by the DRHA. Additional properties will be added to the inventory as the City continues its tax lien foreclosure process, when properties are gifted to the City, or the City deems that the acquisition of a property is necessary to eliminate neighborhood conditions. To ensure vacant lot maintenance and the security of vacant structures by establishing regularly scheduled site visits, and set up and administer a process which conveys (by sale or gift) properties to individuals, agencies, or corporations whose objective is to put the property back on the tax rolls by creating a project or use that is consistent the City plans and objectives and is also consistent with the expectations of the neighborhood residents where the property is located.

Mr. Whitfield explained whether three Council Members serve on the board or three members are appointed to the Board which makes up the majority of the board, this board will be subject to the Freedom of Information Act, will have to provide notice of its meetings, it will have to have open meetings and will have to take minutes at its meetings. It will function like all other boards and commissions.

Mr. Shanks noted Mr. Reynolds mentioned the 2016 and 2017 grants that were City funded and questioned how much those were and Mr. Reynolds stated they are committed to date, $250,000. Mr. Vogler noted he liked Council Member Shanks' suggestion for the three Council Members to serve on the board, and if Council decides on that, he would like to volunteer to be one of the three. Mr. Shanks stated it needed to be part of the MOU; his concerns are 99% eliminated if Council does the three members of Council. Council Members noted their agreement and Mayor Jones stated the Vice Mayor has indicated he is willing to serve, along with Mr. Buckner and Mr. Whittle. There were no objections from Council on Vice Mayor Vogler, Council Member Buckner and Council Member Whittle serving on the Transaction Board.

Mr. Whitfield noted the language that would be used to amend the MOU, on page 3/5, Section V, Subsection 4, line 3, starting with the word of, would now say: *of five members, three (3) of the Danville City Council appointed by the Danville City Council.* Council had no objections to the language.

Mr. Buckner thanked the City Manager, Deputy City Manager, and Ms. Coles, they answered his questions, and thanked them for a job well done.

Mayor Jones noted his agreement with Mr. Buckner, thanked the visitors for being here and thanked Mr. Reynolds and Ms. Coles for a great job.

Mr. Shanks thanked everyone involved in the change, he thinks it is very good, and it will be a lot of work for the members of Council on the board, but it gives Council a better opportunity to oversee the transactions that take place. He was worried about the lack of oversight and the ability to use properties in ways other than residential without any Council input.

Mr. Tomer thanked staff and the City Manager for seeing this through to fruition and answering all Council's questions. He believes it is a piece of legislation that will do what Council wants it to do and Mr. Shanks had a good idea putting Council on the board for oversight and transparency.

Vice Mayor Vogler thanked staff, Mr. Reynolds especially, it has been four years that he has been hands on with this, and appreciates the amount of time and effort he has put into it. Mr. Vogler thanked him for the information he brought tonight, and thanked staff and Council; he thinks this has the potential to be a really great thing for the City, but it is important that it is done in the right way. Mr. Vogler noted he looks forward to serving with the other Council Members on the board and do something wonderful for the City.

Mr. Whittle noted it took care of his anxiety; he hasn't taken any appointments since he has been on Council, and appreciates staff getting this worked out, it is a real workable situation.

Mr. Whitfield noted under the Virginia Code, the Land Bank specifically does not possess nor is allowed to exercise the power of eminent domain.

MEETING ADJOURNED AT 6:04 P.M.

APPROVED:

*s/ Alonzo L. Jones*
MAYOR

ATTEST:

*s/ Susan M. DeMasi, CMC*
CITY CLERK