

A Regular Work Session of the Danville City Council convened on March 7, 2023 at 8:42 p.m. in 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, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (7). Mayor Alonzo L. Jones and Barry Mayo were absent. (2). *Council Member Campbell left the meeting at 8:12 p.m.*

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

Vice Mayor Miller presided.

MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Vogler, Minutes of the Regular Work Session held on February 7, 2023, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

DISCUSSION OF REVENUE BONDS FOR ELECTRIC AND WATER INFRASTRUCTURE

Chief Financial Officer Michael Adkins explained the Utility Department was concerned about the lingering effects of the pandemic on supply chain problems. Electrical infrastructure, transformers specifically, and water related infrastructure were delayed more than usual. Staff believes they need to be proactive and develop an inventory of those items so they do not have concerns with the integrity of the systems. To do so, they need to have money in place for these orders, and they need to order the products now so they will be here when they were needed. The recommended approach to this was to issue Revenue Bonds. The City can issue Revenue Bonds very soon; he has been working with the Virginia Resource Authority which the City has used in the past for revenue bonds for utility operation, and they will be doing an issue very soon. If the City decides to do this, Mr. Adkins noted, he would be bringing a resolution to Council at the next meeting, to authorize the revenue bonds. They were looking at \$3M in electric to buy transformers and \$4M for water infrastructure materials, plus a few hundred thousand to cover issuance and closing costs. In total, the resolution will be for \$7.5M in revenue bonds.

Director of Utilities Jason Grey explained lead times for transformers has greatly extended; they used to get transformers in 18 to 24 months and now it could be anywhere from one to three years depending on the type of transformer. They were projecting out several years in order to keep stock, make sure the City's system was reliable and that they have the inventory they need to maintain their system. They also have a lot of growth in the area as far as economic development, so they were forecasting what they need for different projects, and making these orders ahead of time to meet those timeframes.

Council Member Campbell questioned the cost of a transformer, and Mr. Grey noted it depended on what size, there were about fifty different variations. A typical industrial customer, for a 2000 kVA transformer, used to cost about \$20,000, now they cost about \$80,000. They will order different variations and sizes of transformers, and keep several quantities in stock depending on how many they use at any one time. Mr. Campbell questioned how long a transformer lasted and Mr. Grey noted about twenty to thirty years.

In response to Vice Mayor Miller, Mr. Grey explained they were getting them from various distributors and manufacturers that they haven't worked with before, because they were trying to get the most economical deal as well as the best lead times. They were branching out, and checking references on different manufacturers to see if they can get stock quicker. This was a national problem, not just Danville; there were multiple components to a transformer, the transformer manufacturer was waiting on different parts to come in from different suppliers, who were struggling to meet deadlines as well.

Mr. Whittle noted he was told it was all worked out through the Utilities committee, but he thought he should be informed like the rest of Council. He would like to see a general ledger, see what the City spends, what they bring in; everybody should be concerned. He doesn't get it in the budget, all he gets in the budget was what the City Manager gives them. Mr. Whittle noted he has not seen any information at all on how the power system works, operates, or generates. Mr. Larking stated he would be happy to set up a meeting with him anytime and go over any questions he has. Mr. Grey explained they do those types of financial reports at the Utility Commission meeting every month and would be glad to sit down with Mr. Whittle to go over them.

Vice Mayor Miller questioned what staff needed from Council, and Mr. Grey stated, their approval to move forward with the bonds. Mr. Larking noted at the next meeting, Council will consider a resolution to authorize the pursuit of revenue bonds to pay for this needed infrastructure. Mr. Whittle questioned didn't they just do bonds for the Utility Department and Mr. Grey noted they did through the budget process for what they knew coming into the year, but the costs have increased; supply chain issues have extended and lead times were more of an issue. Staff did not feel that this could wait until the next budget process.

Council agreed to put this item on an upcoming business agenda.

PROGRAM UPDATES

Mr. Larking noted there were going to be some two on two budget meetings next week; several Council Members have signed up already and he was looking forward to those conversations, discussing more details of the budget and questions Council Members might have.

ECONOMIC DEVELOPMENT UPDATES

Director of Economic Development Corrie Bobe noted the City adjusted the hours at the Visitor Center beginning March 1st and wanted to discuss the process and the changes. Staff began advertising the change of the facility's operating hours to 9:00 a.m. to 5:00 p.m., seven days a week, with the exception of a few holidays per year. The reason why the City changed the full structure's operating hours was to better realign its functions, according to the original purpose of a locally run, visitor information center. It has been called a welcome center for most of its existence, but there was a difference between the two, as well as a public rest area overseen by the state. A welcome center was a state run operation that does have a visitor information center component, but also has that 24/7 restroom facilities. The visitor center component within a welcome center, a state run operation, does have similar operating hours, usually 9:00 to 5:00 each day per week and then the rest facilities, which were operated and maintained by the state, continue to be open; they were located in strategic areas throughout the Commonwealth. Rest areas were overseen by VDOT, located on the side of interstates, were 24/7, and just rest room facilities. The third structure was the visitor center which was operated by the local governments. Visitor centers were in multiple localities throughout the Commonwealth, and full facility operating hours were generally 9:00 to 5:00. Ms. Bobe noted she did some online research and saw some

have very interesting operational hours including being closed several days a week. The City wanted to ensure they were maintaining consistency, and opening seven days a week to serve the traveling public. Ms. Bobe explained the purpose of a visitor information center was to provide information about the region, as travelers pass by, help encourage them and redirect them to some of the regional tourism assets. The goal was to help them spend money while in the community as well as come back and stay for an extended period of time. Realigning the hours helps the City better serve their clients and focus on providing information to the traveling public.

Dr. Miller questioned if the restrooms were open after five o'clock; Ms. Bobe noted there was a restroom facility and truck stop just up the road at the Pilot Station. Dr. Miller noted the Pilot was always crowded and there was not a single rest room in the City except for the truck stop. Dr. Miller noted they needed to look into having a rest stop in Danville; truckers need places to stop. The City needed to look into VDOT funds or federal funds to make a rest stop so Danville becomes a rest stop along the way.

Council Member Vogler noted to Dr. Miller's point, going on 29 right across to North Carolina, there was a North Carolina welcome center for the state. With everything the City has going on with Caesars and other things coming, would it make sense for the City to try and reach out to the State to have a Virginia Welcome Center right when crossing into Virginia, in Danville. He would like the City to reach out and try to have those conversations. Ms. Bobe explained that was part of the conversation when the City recently accepted the property from the state at a recent Council meeting. It was part of the conversation with the Virginia Tourism Corporation about the structure, because it was a state owned facility, but operated at a local level, and which direction should the City go in terms of the state owning and operating the facility, versus the City owning and operating the facility. They were very pleased to transfer the property to the City of Danville.

Mr. Larking noted now that the City owns it, they have more control over how it can be upgraded and used, and with the new tourism program and having expertise in house related to tourism, to align the operations to best meet the needs of the traveling public. Based on research, and expertise in house through Lisa Meriweather their tourism manager, staff feels the new operating hours focus on what they were doing in the center better aligns with the City's goals for capturing visitors into the community and directing them to various opportunities for tourism related activities in the region. The state was happy to turn the property over to the City and the City was glad to take it; the only difference right now was that the bathrooms were not open after 5:00 p.m. Other than that, it was really the same except that the City will be doing more enhanced activity related to tourism and promoting tourism in the area.

Mr. Vogler noted no one can pull into the parking lot in the evening anymore, truckers cannot go in there to get off the road and rest; Ms. Bobe noted they can rest but there was no overnight traffic because those who were using it overnight were not using it for resting. The parking lot was predominantly being used for storage and it was multi-day storage. Mr. Vogler questioned, it was decided that the best place for a visitor center was out on 29 and not downtown or more in the City center, and Mr. Larking noted one of the things he and Ms. Bobe have discussed was the possibility of having a downtown, smaller version of the visitor center, maybe at the White Mill; there was a small building that could serve that purpose. That would be in addition to what was on the highway, so there would be two options.

Council Member Saunders noted right across the line in North Carolina was a nice facility with visitors from all over the United States. Was there a way Danville can partner with North Carolina to share that, and Ms. Bobe noted the answer was yes. The City was in the process of finalizing their tourism branding and marketing strategy which will help them create the content of the actual

promotional materials that can be shared throughout Virginia and their partners in North Carolina. They have had multiple conversations with colleagues in North Carolina and their department was now part of associations in order to better promote various corporate charter bus traffic, tour group traffic, events that were based in North Carolina, or groups based in North Carolina to come just across the border and utilize Danville's facilities. The City has already enhanced their marketing and relationships with colleagues in North Carolina and once they were able to have that final brand and marketing materials available, they will share that content and encourage the welcome center across the state line to better promote what was happening in Danville. It sounded like the colleagues in North Carolina were very excited to do the same; Danville will cross promote assets in North Carolina at their visitor center because staff knows Danville has the majority of lodging within the southern Virginia, northern North Carolina region.

Ms. Bobe explained a rest stop along the interstate was that, a place to pull in, use the facilities, have something from the vending machines, rest along the way as they were traveling. A visitor information center was to provide the traveling public with information about the communities where they were located. Staff provides a number of brochures and maps redirecting people into the community and share recommendations on what to do while they were there. There were state run welcome centers that serve as both; what Danville has at the local level was the visitor information center. Mr. Saunders questioned if Danville went to a 24 hour operation, would that necessitate more personnel, additional cost and issues of security. Mr. Larking stated if Danville were to have a 24 hour operation and they were to properly operate it, it would certainly cost more money. If they wanted good security, they would have to have onsite personnel; there were all sorts of situations that could occur unless someone was there to keep track of that. Given the challenges the City already has staffing the facility, it would be quite challenging to find someone.

Dr. Miller noted he thought it was too restrictive to shut it down at five o'clock. Mr. Whittle questioned why the City didn't just give it back to the state. Mr. Larking explained the state was providing funds to help with operations, and the current version of the budget includes additional funding. Ms. Bobe noted she thought it was more about informing the community of the purpose behind that facility because it was constructed as a visitor information center and going into any other community with a visitor information center, most of the rest facilities were inside and were locked at 5:00 p.m. Mr. Buckner noted they should get a cost of operating the visitor center 24/7 and Mr. Larking noted they could do that. His recommendation was to not only look at the cost but also look at the benefit. If they were truly interested in serving the public that was interested in traveling and tourism in the region, they really need to have quality people there answering those questions and that most likely will occur during daylight hours.

Mr. Vogler noted because of the design with the huge parking lot, at some point will the City look at changing how that was laid out and utilizing that other land, and Ms. Bobe noted throughout the day they still get truck traffic that stops, they still need to maintain space ample enough for them to park and turn around and to hold multiple trucks. As part of their budget request this year, there was a request for funds for improvements not only to the interior of the visitor center to make it more customer facing and engaging, but also exterior improvements and landscaping, a LOVE sign, and improvements to the dog facility including a dog LOVE sign.

Mr. Larking noted the purpose of Ms. Bobe reviewing this tonight was because staff understood there were questions from Council Members based on social media posts and they wanted to be here to answer any questions Council may have. Staff recommends keeping the facility the way it was; they have planned enhancements, were improving customer service and felt it was a good recommendation going forward. If Council wants to do something differently, staff will look into it.

Ms. Bobe noted the City will be hosting the Annual Brownfields Conference, June 13-15. It was held every year by the Virginia Department of Environmental Quality; this year the Virginia Department of Energy was participating. They have been able to expand it based on all the growth and expansion in Danville, especially regarding the renovation and redevelopment of Brownfield properties. Caesars Virginia has been incredibly gracious to host a mobile workshop for attendees during that event and the City was talking with their partners at the Alexander Company about doing the same for the White Mill. For those who were Brownfield practitioners, these were two mammoth projects that were incredible for the community to have especially going on at the same time. The City was thrilled to have them in town for three days.

Ms. Bobe noted, at the first work session in April, the City's consultants at WRT will be here to present recommendations for the Schoolfield Master Plan.

Mr. Larking noted that Danville was a member of Virginia First Cities and they have advocated to the General Assembly for funding for Brownfields for local communities; Danville has been fortunate enough to get those grant funds. Danville's membership in that organization and their advocacy for Danville has benefited them greatly. The state has told Danville that it was a model when it comes to using Brownfield funding to help redevelop its sites and all of them should be congratulated for the work they have done in the City. Mr. Larking noted he appreciated Ms. Bobe and all the work that she has done to go after those grants, be successful getting them and for Danville to be able to use those funds in beneficial ways in the community.

CLOSED MEETING

At 8:28 p.m., Council Member Vogler **moved** that this meeting of the City Council of the City of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection A(3) of Section 2.2-3711 of the Code of Virginia, 1950 as amended, and more specifically to consider a discussion regarding the sale and/or potential purchase of specific parcels of property for use by prospective industrial, commercial, and mixed use projects looking to locate in the City; and an Economic Development discussion and update concerning a prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended and more specifically to consider: an update on multiple prospective commercial, mixed use, hospitality, and industrial projects considering locating within the City and/or locating within the region in cooperation with the City's regional partners.

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

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

Upon unanimous vote at 9:00 p.m., Council reconvened in open session and Council Member Vogler **moved** for adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

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

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

Austin Sherer from the Danville Otterbots gave Council an update on his partnerships and activities over the past year, and plans for the upcoming season. Council agreed to direct the City Manager to look into a study for improvements to the stadium.

MEETING ADJOURNED AT 9:25 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK