

November 9, 2023

A Regular Work Session of the Danville City Council convened on November 9, 2023 at 8:47 p.m. in the Conference Room 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 Mayo, Vice Mayor Gary P. Miller and Madison J.R. Whittle (7). Sherman M. Saunders and J. Lee Vogler, Jr. were absent (2).

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.

Mayor Jones presided.

MEETING MINUTES

Upon Motion by Council Member Buckner and second by Council Member Mayo, Minutes of the Regular Work Session held on October 5, 2023, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

CONSIDERATION OF THE RELEASE OF CITY LIENS AGAINST PARCEL NO. 56704 ON WOOD AVENUE

Assistant City Attorney Ryan Dodson noted this item was for a lot on Wood Avenue that the City did demolition on a few years ago. Last year, the owner was sentenced to eight years in prison. A citizen offered, if the City would release the liens, to buy it from the person, and give the City \$1,000.

Council had no questions and agreed to put this on an upcoming business agenda.

CONSIDERATION OF A CODE AMENDMENT REQUEST TO AMEND CHAPTER 41 ENTITLED "ZONING ORDINANCE" OF THE CITY OF DANVILLE, VIRGINIA.

Division Director of Planning Renee Burton noted these Code Amendments were brought before Council a month or so ago. Mr. Buckner noted Council should review these as so many short-term rental items were being brought before Council.

Ms. Burton began a review of the proposed changes to the Code including:

1. Clarifying the terms of a short-term rental being eighteen hours to no more than thirty days;
2. A Business License is required prior to operation;
3. Removing the opportunity for short-term rentals to be an accessory use;
4. Including off street parking at a space of one space per two bedrooms, with the exception of CBC and TW-C;
5. A property manager must be within thirty miles of the operation, currently the Code states fifty.

Mr. Whittle asked why it would exclude the Tobacco Warehouse District and Ms. Burton explained the Tobacco Warehouse and the Central Business District at this time do not require off-street parking for any operation.

Mr. Buckner asked if a house or an apartment has been in the neighborhood and has never had off street parking, were they required to install or provide off street parking, and Ms. Burton noted

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they would unless they were in the CB-C or TW-C. Mr. Buckner stated if he had a house in the Old West End neighborhood that required approval to look like it was supposed to look when it was built, how does someone build a driveway in that area that has never had one. How was parking factored in when it has always been on-street parking. Ms. Burton explained they would look at each one on a case-by-case basis, but as special use permits were approved, they can be approved with conditions. If there was a situation where that may not be an option, that was something that could be conditioned. Mr. Buckner stated he thought some things needed to be fine-tuned, some things were too vague; it needs to be very clear, not on a case-by-case basis.

Mayor Jones suggested the City Manager set up separate meetings with Council Members and staff to discuss the proposed changes.

Vice Mayor Miller noted Ms. Burton was doing a great job. What has happened was that thirty years ago there were no Airbnbs; there were covenants that a person could not rent their house if they lived in certain neighborhoods. Times have changed, and he loves Airbnbs, but the City was trying to put that model into subdivisions that were built thirty years ago. Parking was the biggest problem, where there was no place to park cars, and believed it will have to be looked at on a case-by-case basis. Mr. Mayo noted there were a lot of applications coming on this and Ms. Burton noted there were twelve on the November Planning Commission meeting and the December meeting has another eighteen. Mr. Buckner noted the issue he had was if Council gives them a checklist, the things they need to do, a neighbor should not be able to tell them what they can do with their house. The City should not be able to tell them what they can or cannot do with their house. Mr. Whittle asked if there were any neighborhoods that have ordinances where they cannot have rentals at all in Danville and Ms. Burton noted there were not.

City Manager Ken Larking noted having the two-on-two meetings might be helpful so they can have a good conversation about the issue at hand. There were concerns about lack of housing in Danville, and lack of rental housing. A number of people were coming in and asking for short-term rentals when they do that it takes a house off the market for a long term rental. These were all things that were true, and the City has to work on all of these things, to consider all the impacts of the Council's decisions. Having twelve, fifteen or eighteen short term special permit applications come into Council once a month was a lot; there were things the City can do to ease that a little bit. There were a lot of best practices that staff was looking at; trying to have sensible regulations that were not overly restrictive but also keeping in mind the greater good of the community. Having two on two conversations with staff where they can talk through these issues, Council can have a better understanding of why staff was proposing the things they were, and why cities were grappling with this issue everywhere, would be a wise way to move forward.

ECONOMIC DEVELOPMENT UPDATES

Director of Economic Development, Corrie Bobe stated at the beginning of October, City Council was copied on a series of emails from Mark Hermann and his development team related to several of their projects, either an MOU or Performance Agreement, specifically providing an update on where they were in development, and with a few requests. These agreements were pretty unique in their structure and actually went through City Council for formal approval. Staff wanted to bring these requests back to Council for consideration. The first was related to the former fire station at 297 Bridge Street; this building and the building behind it, the former utilities building were both initially part of an incentive package related to the Dan River Research Building project. Over time, there was an approval to allow the sale of the property to one of the members of that initial team, Mark Hermann and a separate development team, for future development. As part of the original performance agreement related to the redevelopment of this fire station, the plan was to

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have this particular building fully redeveloped by September of this year. As outlined in his email, based on current market conditions, the increase of construction costs since the original MOU and performance agreement were signed, how difficult it was to access financing for commercial projects, he and his team have not been able to secure or finalize financing for this project to move forward; they were asking for an extension. They believe through regrouping the ownership structure, they intend to put together an investment group for this particular project which would be mixed use; with residential, they have an LOI in place for a restaurant and there was consideration for the inclusion of a yoga studio. They would be able to have everything in place, with the building fully constructed or redeveloped by mid-2025. That was the request he would like for Council to consider, the extension of the performance agreement.

Ms. Bobe noted they were also asking for an extension for the utilities building. The utilities building was a little different; it was a complicated structure because of the scale of the property and the limitations on how it can be developed. The lending market was very tight, construction costs were incredibly high, as well as interest rates. Staff recommendation was to give them more time, especially with the fire station, to get their investment team in place. Staff will work with Mr. Hermann and his team to determine the final date before bringing it back to Council.

Council noted their agreement with Ms. Bobe's recommendations.

Mr. Buckner questioned how many extensions the City gave them on that property and Ms. Bobe noted it was complicated because it was in the River District Developers LLC for most of this time. The City entered into an MOU allowing them to transfer or sell the properties to Mr. Hermann and his new development team in 2021, so this new structure has been in place since 2021.

COMMUNICATIONS

Dr. Miller noted that it was ruled that slot machines in convenience stores were illegal. Lynchburg was going to have their police take them out of the facilities and wanted to know what Danville was going to do. Mr. Larking noted there was a plan; the Commonwealth's Attorney and the Police Department worked with the Attorney General's office to work out a plan to enforce the rules against skilled game machines. Mr. Whitfield stated the Attorney General sent out a memo suggesting that people be given a warning that they have thirty days to get the machines out so they were not getting violations. Dr. Miller questioned has the City received any tax revenue from these machines and Mr. Larking noted it was not very much.

CLOSED MEETING

At 9:09 p.m., Vice Mayor Miller **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 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 the sale and/or purchase of a specific property for use by a prospective industrial, commercial, public safety or 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

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region in cooperation with the City's regional partners, and discussion or consideration of the investment of public funds where bargaining is involved, where, made public initially, the financial interest of the governmental unit would be adversely affected as permitted by Subsection (A)(6) of Section 2.2-3711 of the Code of Virginia, 1950 as amended.

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

VOTE: 7-0-2
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Vogler and Whittle (7)
NAY: None
ABSENT: Saunders, Vogler (2)

Upon unanimous vote at 10:32 p.m., Council reconvened in open session and Vice Mayor Miller **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 Mayo and carried by the following vote:

VOTE: 7-0-2
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Vogler and Whittle (7)
NAY: None
ABSENT: Saunders, Vogler (2)

MEETING ADJOURNED AT 10:33 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK