

November 7, 2024

A Regular Work Session of the Danville City Council convened on November 7, 2024, at 8:48 p.m. in the City Council Conference Room located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, 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 (8). L.G. "Larry" Campbell Jr. was absent (1).

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.

WORK SESSION ITEMS

CONSIDERATION OF APPOINTMENTS TO BOARDS AND COMMISSIONS

Vice Mayor Miller noted the Committee on Appointments met earlier this evening and make the following recommendations:

Reappoint Neal Morris and Russell Reynolds to the Industrial Development Authority.

Council agreed to put this on an upcoming business meeting.

PRESENTATION AND REVIEW OF COMPREHENSIVE PLAN

Director of Planning, Renee Burton gave a brief update on the Comprehensive Plan noting the draft was now live on the PLAN Danville.org website. The process began two years ago, with six community ambassadors, and seventy-five separate events to gather input; the first run of surveys had over 1,200 participants, and they engaged with over 13,000 persons in the region. This plan will be a direct reflection of the citizens of the City of Danville. That responsiveness was how staff achieved their eight goals which turned into the eight chapters; infrastructure was the one that received the most engagement followed by housing and economy. Ms. Burton discussed various events in the community with the focus of building trust as well as wanting to make sure the City heard the citizens. They collected the input, made sure staff responded back to the citizens to ensure that they heard the citizens correctly; that was then placed into that Comprehensive Plan.

There were eight chapters for the eight policies and goals in the comprehensive plan. Community was number one, Land Use, Transportation, Infrastructure, Housing, Economy, Environment and Culture were the others. PLANDanville.org shows all eight chapters; it became available on October 15th, an announcement was made to the public, and staff has received some feedback. To this point, everything has been positive, and everyone has been really excited to see their ideas reflected into the plan. The Plan will be reviewed by the Planning Commission on November 12th, with another special meeting on the 14th if necessary. It will come before City Council at their first meeting in December.

City Manager Ken Larking thanked Ms. Burton for the work and effort put into this; it was a two-year effort, and thanked Council for investing in this. Danville was experiencing a lot of change and being proactive in this effort of PLAN Danville, will help guide the City going forward. The focus was really about getting as much community engagement as possible. One of the reasons Danville became an All-America City this year was because of its community engagement efforts in a number of areas; the star of the show, in his opinion was the effort of PLAN Danville. Mr.

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Larking stated he appreciated all the efforts of Ms. Burton and her team, and everyone's participation throughout the City; the number of engagements was huge.

Mayor Jones and Council noted Ms. Burton's team did an amazing job.

PROGRAM UPDATES

City Manager Ken Larking updated Council on space needs items that staff has been working on. Many years ago, a city-wide space needs study was done that identified a number of areas that needed improvement. There were a few projects that were in some stage of the process, and the first was the Social Services building; that was one of the buildings that was in good shape but not conducive to the environment of the work they were doing. Parking was an issue for the employees and staff has been looking at options for them. They looked at a new construction possibly near Pumpkin Creek Park; the cost estimates came in at \$40M and the City Charter has a limitation of \$6M on the amount the City can borrow. Staff spoke to the mall owners for the purpose of looking at renovating an existing space for Social Services. They provided cost estimates if the City wanted to build a new building on their property; that was about \$33M to build a building that would suit the needs of Social Services, at the mall.

Mr. Larking stated they talked about where the VA offices were located now, there was a space that was the men's Belk building in the past. They have come back to the City and said they think they can renovate the space to suit the needs of Social Services at an estimated cost of about \$1.6M per year for a lease, which was based on a \$22M renovation. In order to explore that further, they want the City to enter into an agreement that says that after they did construction drawings and had it priced out, if the price came out at about that lease rate which was \$1,581,750 per year that the City would move forward with that. That becomes an annual cost, with a twenty-year lease. The City does know that the state does support operational costs for Social Services, but staff does not know what percentage of this would be covered until they submit the information to the state and get it approved through their budget process. Not all of this cost would be borne by the City, but probably most of it. Mr. Vogler questioned if the City looked at the building where the School Board was located and Mr. Larking stated he did not believe it was enough space.

Mr. Saunders questioned the Cedarbrook School and Mr. Larking stated that W. Townes Lea had been sold; the school system still owns Glenwood and was using it for the virtual academy and storage. Mr. Whittle suggested knocking through the old Woolworth's building next to Social Services to give them more room, that it would cost the city less to renovate that than what the mall was going to charge to renovate space for them. Mr. Larking noted that he had discussed this with Rick Drazenovich in the past, and it was not a good option. Mayor Jones questioned if they entered into a lease with the mall, how long was that and Mr. Larking stated it would be a twenty-year lease. Mr. Larking explained staff has been through months of studies and looked at multiple sites and options such as building it new, determining that it was too costly and narrowed it down to an option. He originally wanted to own a building rather than lease, but they do not know what Social Services will look like in twenty years. It might be more work at home than work in the office, it could be hybrid or other things. He would caution against spending \$40M or even \$20M on a brand new Social Services building that they own and then it become an empty office building in ten years. Mr. Saunders encouraged staff to check with the state department of social services about paying 83% of the monthly cost. Mr. Larking explained that the mall owners will spend money to upfit the building and will want to have a return on their investment. They will create a lease rate based on whatever it costs them to renovate it. They think it was going to cost \$22M to renovate, amortizing it over a certain period of years and have a lease rate tied to be able to pay back their debt service. They have come back to the City, the proposal was \$1.5M,

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almost \$1.6M per year; it was the cheapest option they have found so far, other than Social Services staying where they were.

Mr. Larking noted in the meantime the Mall wanted to know if the City was interested in pursuing this; right now they want to spend \$300,000 to get construction drawings done for renovating the mall. They will guarantee that lease rate; if it was outside that lease rate, then the City can walk away; the City would pay half for the drawings and likely pay all of it if the City changed their minds.

Mr. Whittle stated that to the City Manager's point, they could downsize to virtual meetings over the years. In the space study, what did it say Social Services needed and Mr. Larking noted 57,000 square feet. Mr. Buckner noted there were different properties for sale that would probably suit them better than that, one that comes to mind was the old School of Nursing on Grey Street which was empty and available, and can be bought for quite a bit less than what was being talked about here. It was a building full of offices and boardrooms with plenty of space and parking.

Mayor Jones noted the City Manager, and his team, have looked at some of the options that were out there; with the Veterans' Center being there and people having access to bus routes and parking, he could go with the Mall if the state paid a percentage. If the City can give something to the citizens that was on a bus route, to the employees where they have free parking and safety, lighting, for people to get in and get the services they need, the Mall was the perfect place if the price was less. Mr. Larking noted this does need discussion but this has been many months of work by staff over time to narrow it down to what they think was the best, cheapest option; this was what they have come up with so far. The agreement that the Mall wanted to have was basically to explore it further, sharing the cost of \$300,000 to get construction drawings, verify the costs and then see whether or not it was something the City wanted to move forward with.

Mayor Jones noted he does not disagree with that; if nothing else, the City has to pay half of that, but it also gives the city time to hear back from the State on how much they were going to pay.

Mayor Jones noted the City Manager was asking Council for approval to go ahead with the \$300,000 study; did Council want to have the City Manager move ahead with an agreement that says that the City will be partners on exploring what the actual cost will be to outfit the building. That cost was \$300,000. Council agreed that City Manager would move ahead with the agreement with the Mall.

Mr. Larking noted they have discussed before the possibility of Parks and Recreation and Economic Development locating in spaces in the White Mill. Parks and Recreation was currently located in various locations but primarily the offices were on Floyd Street. That building was not in good shape; it has heat but does not have air conditioning and was not a quality environment for the type of work they were doing. With all the activity at the White Mill, the Riverfront Park being next door, and the Whitewater Channel, taking a portion of the commercial space that the IDA owns in that building to use for Parks and Recreation, the majority of their staff, would be 12,391 square feet. Based on a quote they received from Urban Construction, the City can renovate that at a cost of, before historic tax credits, just over \$3M, which was \$245 a square foot. After historic tax credits, and why the decision needs to be made now because they have to start in January and be finished by December, will be \$2.2M, about \$178 per square foot. This would not include furniture which was a little over \$600,000.

Economic Development would be on the second floor, 8,597 square feet; the cost before historic tax credits was \$2,031,000 which was \$236 per square foot, after historic tax credits \$1.4M,

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almost \$1.5M, \$172 a square foot. Furniture was about \$400,000 which the City has budgeted for previously. If the City wants to capture the historic tax credit benefit, which was about 30% of the cost, the decision needs to be made now and have that going in January.

Mr. Vogler questioned why they were giving away the prime spot; Mr. Buckner noted it was the best spot in the whole building, it doesn't make sense to put Parks & Rec right there. The second or third floor was better. Director of Economic Development and Tourism, Corrie Bobe, explained there was about 120,000 square feet on the first floor of useable space. The reason why that one was selected was proximity to the Riverfront Park and when looking at the drawings, the front portion was customer facing so people coming in to apply for permits or applications to use parks, register for events or programs offered through Parks & Recreation, there was a large set up where they can engage directly with the client with easy accessibility. They have crews coming in and out with equipment or from activities and felt that was the most convenient spot to get to and from some of their assets and give easy accessibility to the residents they serve. Mr. Buckner noted he thought the White Mill was a great place for them but not in that location.

Mr. Larking noted they had Parks and Rec and ED both on the second floor at one time, but it was not big enough to fit both without putting part of it across the hall. Ms. Bobe explained that they only have the eastern 1/3 of the second floor. If both departments were on the second floor, someone would have to be split across the hall. Mr. Vogler noted on the first floor, why can't Parks and Rec be moved to an interior space and keep the prime spot for someone else. Mayor Jones asked if there was any possibility they can go somewhere else in the White Mill and Mr. Larking noted the timing does not work; they have construction drawings for where they were right now; they have been to bid and have a price. Mr. Vogler stated he will not be rushed into making a terrible decision, which was what it would be to put them in that spot; he will vote no on it. Mr. Whittle noted his agreement.

Mr. Buckner noted Mr. Larking talked about construction costs, layout, it's just a box and that box can be moved to the second or third floor or wherever it needs to be moved to, and Mr. Larking stated he believed it would take time to figure out how to put it in a different part of the building because it was drawn for where it was now. Mr. Larking noted the center of the White Mill was where the outdoor space was and the connection to the bridge was more of where the restaurant type space was because of the option for outdoor dining right next to the pedestrian bridge.

Mayor Jones questioned what Mr. Larking would do now, he did not have the votes to move forward. Mr. Vogler asked about the interior that faces the canal and Mr. Larking explained that was being marketed right now. Ms. Bobe noted one challenge of relocating Parks and Recreation was the redesign of infrastructure to the site that has already been constructed and especially the underground infrastructure that was being put in for plumbing to those spaces but also the corridor which was not equal widths on both sides so some of the spaces would have to be reconfigured. Mr. Vogler asked how this got so far along, Council had talked previously about Parks and Rec moving into the White Mill, but does not remember Council handing that prime spot to them. Mayor Jones noted it sounded like there needed to be an option to what has already been presented. Mr. Buckner asked if there was a way Council could get a layout of the point Ms. Bobe and Mr. Larking were trying to make.

Ms. Bobe reviewed layouts of the remaining available spaces in the White Mill, explaining that the endcaps will be commercial, working into retail space, and then food and beverage in the corridor. Ms. Bobe noted the base lease rate for the space was \$19.06 a square foot and improvements were added to that. Mr. Buckner noted he felt putting an office on the first floor space was a waste and questioned if there was another option.

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Mr. Larking noted Economic Development was 8,597 square feet on the second floor and Council Members noted that made sense to have them there. Mr. Larking stated he would recommend if they were going to go forward with Economic Development, the City pay cash and not borrow the funds, with a budget amendment to appropriate the funds and have them available in January. Council can vote on it, it will be less than \$2M based on the historic tax credits.

Mr. Larking discussed the downtown parking issues, and that there were two parking projects that were \$17M - \$18M, one on Spring Street, one on Lynn Street; they will generate a certain amount of revenue, but not enough to pay off the cost of building those structures. In order to continue to grow in the downtown area, parking was necessary. Those were things that were going to be big ticket items, likely funded through debt and long-term payments that will become operational costs for future budgets.

COMMUNICATIONS

Mr. Vogler noted the owner of Majestic Cleaners called him about the sinkhole in front of his business; the driveway into his business has been blocked on and off for about a year. If something was wrong with City infrastructure that was negatively impacting a privately owned business, what was the protocol. Mr. Larking explained he could submit a claim to the City Attorney's office; this was not an unusual occurrence.

Mr. Vogler noted on Piney Forest near Beaver Mill, there has been something with the sidewalk for about a year with a cone over it, a hole, was it getting fixed and Mr. Larking noted he would look into it.

Mayor Jones asked Mr. Hendrix to put some information out to encourage people to attend the Veterans' Day Parade.

CLOSED MEETING

At 10:06 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: 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 within the region in cooperation with the City's regional partners.

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

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

Upon unanimous vote at 10:36 p.m., Council reconvened in open session and Vice Mayor Miller **moved** for adoption of the following Resolution:

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

MEETING ADJOURNED AT 10:26 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK