

November 19, 2024s

A Special Work Session of the Danville City Council convened on November 19, 2024, at 5:30 p.m. in the Fourth Floor 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 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.

Mayor Jones presided.

## **WORK SESSION ITEMS**

### **DISCUSSION OF PARKING STUDY**

City Manager Ken Larking explained this meeting was to discuss parking in the downtown area; there will be three presentations. One will be about a parking strategy that staff recommends being implemented to help with the various parking concerns downtown. The next two will be two parking deck projects, one on Spring Street and one on Lynn Street, that were in some stage of development.

Assistant Director of Economic Development, Kelvin Perry, noted the City engaged, about 4-5 months ago, Parking Whisperer and Pivot Parking to look at parking enforcement strategies. John Oglesby, Gary Means and Brandon Lauterbach were there this evening.

John Oglesby of Parking Whisperer stated Parking Whisperer was an operational consulting firm; they go into situations and find ways to improve and enhance, increase revenues, and decrease expenses.

Mr. Oglesby explained they came up with six very specific primary recommendations:

1. Initiate and expand the timed parking spaces with consistent compliance to best serve Danville's River District and core downtown areas.
2. Review and Address the needs of the key groups currently using the public parking inventory.
3. Implement a residential parking permit program (RPPP) in appropriate areas.
4. Transition the consulting portion of the project (Phase 3).
5. Create a Parking Authority, it was not mandatory but there were a lot of advantages to it.
6. Funding the parking plan.

Mr. Vogler stated he was glad that loading zones were being looked at; right now they were either usable parking spaces, and some were listed as loading zones and never changed and were not active loading zone anymore. Mr. Oglesby stated their recommendation was that the City, or if the City decided to set up a parking authority, that all final decisions would rest within in that group. Their recommendation specific to Mr. Vogler's question was, no, they do not think it should be paid during loading zone hours; loading zone hours may vary depending on the businesses that it served. Mr. Oglesby noted in Denver, one of the most positive things they did was to recognize where the loading zones that didn't need to be there any longer were removed and converted back into paid parking areas. They found that in most cases by about 3:30 – 4:00 p.m., the loading zones were no longer used and in most cities they either stay loading zones or the signage was quiet. There was a very healthy balance between the loading zone as it was designed to be and then be able to generate income particularly in this area where there was a

November 19, 2024s

real density opportunity where they think they can help improve things as far as the flow and also get more people where they need to be for a greater part of the day.

Mr. Oglesby noted the parking authority typically answers directly to the City Manager and/or the City Council. There were funding opportunities, often federal or state grants, and it can often tie into transit. It has a lot of flexibility in things that the City Council cannot do as easily, but mostly it was an advantage with business groups. Phase 3 goes into a sixty to ninety day period where Pivot or the City's designated representatives come in and evaluate what was going on and ascertain exactly where the areas were. They have also received tremendous feedback from citizens to tell them where they think the issues were. By simply monitoring the one and two hour spaces, they will solve the vast majority of the problem with employees. Mr. Oglesby noted they do not recommend single space meters; there were multi space meters and kiosks that were far more efficient. A lot of cities were moving away from meters and going with mobile payment using a cell phone.

Dr. Miller noted with the loading zones, the violators were the people delivering the goods, they were out there when it was not loading zone time, blocking access and taking up several parking spaces; who was going to enforce this. Mr. Oglesby explained the recommendation they have was the parking authority would retain a parking operator; Pivot Parking has been involved since day one, and would provide that. As far as the loading zone, people that were abusing it, they can set up a loading zone like any other space, with a one hour maximum. The program they were recommending utilizes proven technology that will allow them to either scan license plates or record them in another manner. They will know the time they were seen, how long they were there and their duration.

Mr. Mayo questioned the Resident Only, develop criteria, what does that mean for families with visitors from out of town and Mr. Oglesby stated that visitors that were coming to see a resident, they will develop a resident parking program. It really comes down to the parking authority and what decisions were made. Mr. Oglesby noted as far as visitors, cell phones were an opportunity; they can set up a validation program where each resident in certain areas can have visitors that were allowed to park in certain areas for a period of time. The garages that were anticipated will also be very, very helpful; that was an opportunity for them to move a lot of residents out of the core area into those areas. Most residents were not opposed to walking; they were aware when they rented that parking may be a block or two away.

Mr. Saunders questioned how the City handled growing pains with businesses and Mr. Oglesby noted growing pains meant things were going well and having success; they will be helping those customers find a place to park. If the decision was made to go to paid parking that was another thing they can do, a validation program was another. They can also put together some parking co-ops. They do not want to have it too complicated, they want to keep it simple.

Dr. Miller noted when he visits his daughter in DC, she gets them a two- or three-day pass to park near her apartment. Mr. Oglesby noted that was something that could be done with the approval of the parking authority or City Council; it could be done with a paper hang tag or electronically on the phone. That can be tracked; a resident might have that option three times a year.

City Manager Ken Larking noted after this presentation, Council will be hearing presentations about two parking deck projects. Mr. Oglesby noted he has set up a parking authority before and worked with about fifty of them throughout his career. All of the income from parking effectively goes into a bucket; this allows for less expensive parking a little bit farther out, it also affords the opportunity to help subsize, when appropriate, parking garages. Sometimes there were additional

November 19, 2024s

revenue streams in addition to the parking; it can be set up to use a mobile payment application that has the ability to send advertising out to the cell phones. That advertising was paid for by area, and some cases, national businesses; a portion of that income goes directly to the bottom line and into the parking authority.

Gary Means from Pivot Parking noted that off street parking can be parking lots or parking garages; the City really wants on street parking to be short term and off street to be long term so the workers and residents of downtown can be moved into the off street locations and that will leave a lot more spaces on street for visitors going into businesses. In their survey, almost 500 responses, 80% of the people surveyed said that there was not enough parking on street. Mr. Oglesby noted they have also recommended that they get the third party parking groups together; there was a significant amount, several hundred spaces minimum, that were underutilized; there could be some income driven by that.

Mr. Larking noted the strategy was enforcement first, compliance, and move to the other phases. There will be some changes, people will experience parking downtown a little bit differently then they have before; it was the best way to manage it and a better overall outcome in the long run. There was a need for off street parking in a parking garage as well. Mayor Jones asked the outcome of this meeting and Mr. Larking noted this part was educational and a consensus agreement that moving forward with this increased compliance strategy was a good move, later implementing strategic paid parking and the establishment of a parking authority as a recommendation. Mayor Jones asked what a parking authority would consist of and Mr. Larking noted they would be managing all of the parking downtown and making sure it was complimenting each other. Instead of managing things separately, it would be one big system and trying to encourage the right kind of behavior through a variety of means of enforcement and also paying. That revenue generated could help pay for the entire system. In some cases, the parking authority can be contracted out. Mr. Means noted the parking authority would be like some cities having a housing authority, it was a governing body that can oversee that specific asset.

Director of Economic Development and Tourism, Corrie Bobe, noted as a reminder, when the City first started talking about parking in 2011, Joe King, the city manager at the time, assigned the DDA to be the parking authority for the community. That was already in place, although they do not meet any longer. Mayor Jones noted the City has the Danville Development Authority, Council would only have to appoint people to that and Mr. Whitfield noted that was correct. Dr. Miller questioned if they would set fines and Mr. Larking stated that was how the City would enforce compliance; this was for the River District. Mr. Whittle noted there were 3,000 parking spaces in the River District, and those were the ones that would be monitored with this authority and Mr. Larking noted there was some public parking that the City controls and there was some parking that was privately owned. There could be a strategy to partner with privately owned parking owners to be a part of the program.

Mr. Larking noted the next presentation was the Spring Street Parking Deck with Michael Amensky, who will review the current plans for that deck. The Spring Street Parking Deck will be behind the former Belk building on Main Street, where there was a surface parking lot.

Mr. Amensky noted he runs a private equity firm called Rivermont Capital that manages several real estate investment funds in Danville. In 2015 they started acquiring real estate in the River District; they acquired about 600,000 square feet including the Belk Building, 18 Floyd, Richmond Cedarworks, and the Imperial Building. They manage investment funds and try to encourage other people to develop in the River District. There was a surface parking lot behind the Belk Building that would accommodate both the redevelopment of the Belk Building and probably 18

November 19, 2024s

Floyd, which was a block away. They started a conversation with the City about two years ago, understood there was a greater demand for parking in the area and know the City had explored doing a parking deck across the street in that area. They started to look at the possibility of putting a parking deck on their surface parking lot. Mr. Amensky introduced Paul, via zoom, who works for Catapult Real Estate Solutions; he was a project manager they have engaged with the process, to both design a parking deck but also make sure it could get approved through the City process and accommodate all the City needs. They have been working with Dewberry locally, and Built Form was their architecture firm who they have used in the past and done similar public parking deck structures in other communities.

The surface parking lot sits behind the old Belk Building; the City anticipated a need for structured parking in this area with the investment going on with the Riverfront Park and the potential for that to create demand if there were events. The Masonic Temple was trying to get redeveloped, which does not have access to any parking; for them to be successful they would need to have parking nearby for their customers. They want to redevelop the 18 Floyd Building, and the City also has the city auditorium. For that property to be redeveloped and to be able to be used for events, there would need to be parking nearby. Mr. Amensky noted they offered, at the request of the City, to start doing some predevelopment work to see what was possible, trying to get a deck, both designed but also priced, so they could get a better understanding of the cost. As they went through the process, they came up with a 434-space parking deck, with a six-story structure. Mr. Amensky reviewed the structure with Council and noted there was a non-historic structure attached to the Belk building and they have demolished that. They have resurveyed the lot to make sure that it could work for the parking structure, and received updated pricing. They were confident now, that if the City had the funding and were interested in having a public parking deck, they could get started very quickly and complete the structure in about 13 months from start to finish. Mr. Amensky stated they would contribute the land to the City, the City would fund a parking structure and they would have a lease agreement to be able to park, both 18 Floyd and the Belk building, in the new City parking structure. Mr. Amensky reviewed the costs and noted the cost of parking structures have gone up due to inflation. It was an infill site with limited dynamics to work with, but it was a pretty efficient deck. They spent a lot of time trying to figure out what was the most cost-efficient deck that could be created on this site while still accommodating the public interest, but making sure it works well with the historic structure and was as aesthetically pleasing as possible.

Mayor Jones noted it was 400 spaces, how long would it take to complete and Mr. Amensky noted 13 months. Dr. Miller noted in Franklin, TN, they have a lot of technology in their parking deck, before going in, you know if there were spaces available, what technology would this deck have. Mr. Amensky explained that this deck has not been designed with that technology. That would come later with an operator and at the direction of a parking authority that wanted to make the investment in that type of technology, so they can manage not just the parking in the deck but parking in the entire ecosystem of downtown.

Mr. Larking noted they have received funding over the past couple of budget years for designing a parking deck on the corner of Lynn Street and Shelton; he will present the project along with its costs. Mr. Larking asked Council to remember that the costs that they present were estimates based on the best information; they never know what the true cost of something will be until it was bid out. The corner of Lynn and Shelton was an area that was seeing a lot of parking use especially with River District Social, Boston's Bourbon as well as various office users. There were other things happening in the area that was driving demand for parking, in addition to some redevelopment of lofts into apartments. This will help serve that part of downtown, closer to the community market. Mr. Larking reviewed the rendering noting it will have a brick façade, and it

November 19, 2024s

was also pre-cast, which was a less expensive version of building it. The City does have a purchase agreement for the property where the parking deck would be located. They have done some preliminary work to determine if the parking deck will work there, and were there issues with the environment; no issues have been found with the history of that space. They will probably have to remove or put underground, the electrical lines because it would be really close to the building itself. The cost estimate for this parking deck, which was about 400 spaces, was almost \$17M. They were at the point where they could contract to have construction drawings done; they have budgeted the funds for that and they were approved by Council; it was an estimate, they will negotiate and see if the City can reduce it a bit. They believe they can have a design in ten months and then 14 months for construction; it will be a four-level deck. One of the things that wasn't mentioned was there will be an ongoing cost of maintenance. Based on information that Public Works received from the City of Durham, and their six parking decks, what they pay for maintenance and upkeep of those, staff has estimated that the maintenance cost would be about \$120,000 to \$240,000 annually, so \$200 to \$300 per parking space. This will probably be true of the Spring Street parking deck, it will have ongoing maintenance costs. The City has expended a certain amount of what was budgeted and have a remaining amount of \$1.2M left to pay for the construction drawings. Mr. Larking reviewed his PowerPoint relating to the cost of maintaining a parking deck and lay outs of the deck.

Mr. Larking noted Council saw different amounts, \$16M for a parking deck on Spring Street, \$17M for a parking deck on Lynn Street. There were limited ways in which the City can pay for these things; part of the way to pay for it was to establish a parking authority. It would likely have to be subsidized with City funds in order to be operational; the parking revenue generation will not pay for the parking decks, at least not initially. It was very expensive to build a parking deck, and it was not reasonable to assume that the revenue generated for parking downtown will pay for these parking decks.

In response to Rev Campbell, Mr. Larking explained that because the City has become accustomed to not paying for parking the market was broken. Because people have become used to not having to pay for it, the parking authority will be passed to implement change that will not necessarily be easy for people to deal with, but necessary in order for the City to have continued growth in the downtown. The City was at a pivotal point to decide, were they now going to take it to the next level and start investing in parking in a big way in order to take the development of downtown to the next level. There were a lot of vacant parcels, a lot of underutilized buildings that could be more fully utilized; in order for that to happen, the City needs to have sufficient parking. That will take an investment. If the City uses debt to fund these projects, if it was \$16-17M, amortized over twenty years at 5.5% interest rate, it would be about \$1.5M per year. That was something that could be partially subsidized with parking revenue through a parking authority, but likely only a portion will be able to be paid for.

Rev Campbell noted parking was necessary for a growing community, and questioned if they were depending on revenue from Caesars to make this work and Mr. Larking noted that was one way to fund it, to use the revenue from the casino to help pay for those initial years. The thought was as additional development occurs downtown that was using the parking building, that additional tax revenue will occur. The parking authority will generate a certain amount of revenue, it won't be able to pay for all of it. There will be revenue generated to the City by increased development; if it was apartments, there were more people downtown, more activity and more indirect economic impact from more spending. It builds on itself. If the goal was to have a busy, fun, with a variety of things to do type city, this was a step that needs to be made in order for that to happen.

November 19, 2024s

Mayor Jones noted his agreement with Rev Campbell, \$33M, 800 new parking spaces, and the longer the City puts it off, the more the price continues to grow. If Council says to proceed with both the decks, what does that look like for the City. Mr. Larking explained it initially was an investment in something that eventually will pay for itself through the increase of development that occurs in the Danville. They were at the point where they have citizens downtown who were not happy with the current situation. The City has a solution to help, but they also need the long-term solution of additional structure parking, and then build the entire ecosystem, all working together to encourage the kind of behavior they want to happen.

Mayor Jones asked Council their thoughts and Mr. Whittle noted he did not have enough information yet. Mr. Hood noted his agreement with the Mayor, looking at the long term and not pushing it out. Rev Campbell stated this was a no brainer, it was a priority and for businesses downtown, parking was crucial. Mr. Buckner noted he wished the City could have done it five years ago, and noted his support for the projects; they needed more information, but the preliminary numbers make sense. If it was going to cost a half million dollars a month to operate both of them, what can the City look for from the parking deck each month, and if they merge it all together, the parking authority, and writing tickets. Mr. Buckner stated he had a feeling that if they started writing tickets, people were going to stop parking where they were not supposed to park.

Mr. Mayo stated that the City has been waiting for this, it has to be done` to help the City move forward; the City was growing, with things coming. Mr. Larking stated the choice to not do it means that they will likely see buildings that were underutilized, stay underutilized. Dr. Miller noted Council has talked about this for a number of years, prices go up, it was time to do something. Once the Riverfront Park opens and there was an event there, there won't be enough parking; the City needs to get this done. Mr. Vogler noted his agreement, he thought the City needed both structures; it would help tremendously to have an actual parking facility. Mr. Larking noted there was 5M total square footage of space downtown, and about 4.2M has been developed so there was about 800,000 square footage of available, undeveloped building space yet to go; they were at the point where they need to have City owned parking.

Mayor Jones asked Mr. Larking what he was asking for and Mr. Larking noted he would ask for a consensus from Council; staff currently has budgeted and available to spend an amount to do design for Lynn Street. He would not want to spend \$1.3M to get construction drawings for a building, without consensus that Council knows the City will have to build it and pay for it. Mayor Jones noted with a straw poll that the City Manager had the consensus.

Mayor Jones thanked everyone for their presentations.

MEETING ADJOURNED AT 6:47 P.M.

APPROVED:

s/Alonzo L. Jones  
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC  
CITY CLERK