

March 18, 2025

A Regular Work Session of the Danville City Council convened on March 18, 2025, at 8:39 p.m. in City Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: Vice Mayor James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Dr. Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9). *Mr. Saunders and Mr. Whittle entered the meeting at 8:43 p.m./Mr. Saunders left the meeting at 9:30 p.m.*

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 Campbell and **second** by Council Member Mayo, Minutes of the Regular Work Session held on February 18, 2025, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

PRESENTATION OF ZONING CODE UPDATE

Division Director of Planning Renee Burton introduced Sean Suder from ZoneCo., who stated he appreciated the City of Danville entrusting them with the rewrite of the Zoning code. They hope to have a draft code to Council for their review and adoption by December. Mr. Suder noted the City just passed PLAN Danville and updating land use and zoning was the number one recommendation of the Plan; the two should be aligned.

Danville zoning should take the work done in PLAN Danville and codify it into law. The Zoning Code was established in 1986 and overhauled in 2004. In 2004, the City was struggling economically and a lot of the work that was done at that time was to promote home ownership, especially single family detached, attract jobs including big box retail stores and put some life into the economy of the City. Now, there was a lot of redevelopment, adaptive reuse, and great mixed use development. Mixed use was what people wanted; they want walkable, to live, work and play all in the same place. The current code has an outdated structure and organization, and some overly prescriptive zoning districts that make it challenging to have flexible development. The City relies heavily on special use permits and the use list needed to be updated; there were a lot of new uses that people want that were not on that list. They need to look at recalibrating the parking standards to make sure those were correct and not overburdening development and not overtaxing the public realm.

Mr. Suder noted the PLAN Danville rules relative to land use support different neighborhood types across the City instead of a one size fits all approach which was what had been done in zoning for decades. The Plan outlines different neighborhood and development types; they will be using that as a guide as they develop new zones and districts. They will build out vital services in key areas, align land use and transportation enhancements, and optimize land available for economic development. There was not a lot of land that was developable or buildable in the City because of the topography, utilities, etc.; they want to maximize the land that was available.

There were currently twenty-four zones including seven overlay districts; the future land use map in PLAN Danville lists a number of different development typologies. They will be following those

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typologies and development patterns instead of the one size fits all types of zones separated by use. The Plan was just done and the Code was updated twenty years so there was misalignment, and it needed to be brought into alignment. Today, they were going back to older urban principles which were to live, work and play in the same place; that was mixed use, that was moving away from the single use zoning that has dominated most of the United States for the last century. Mr. Suder noted that there was a lack of flexibility built into the zoning code and the Plan was pushing for flexibility. They don't want really strict standards that require the developer to come for a lot of variances or special use permits. There was parking overload in some places, where there will be a lot of empty parking lots and then maybe not enough parking in other places. That balance needs to be figured out.

Mr. Suder reviewed the diagnostic report called *Barriers and Bridges*, a copy was provided to Council with some key conclusions and recommendations. They want to include easy to understand tables and illustrative regulatory graphics, consolidate all the definitions into one glossary and make sure everything was defined precisely; there were uses included in the code that were not defined at all. They want to separate standards and regulations from definitions and purpose statements. They want to separate the regulations to one place where they belong. They want to include "how to" provisions at the beginning of the Code, and make it as easy as possible for people to be able to invest in Danville. They also want to create a unified development ordinance updating the Subdivision Ordinance at the same time as they update the Zoning Code, putting it all together in one Code book.

Mr. Suder reviewed some key recommendations relative to development: there were a lot of minimum density requirements and other requirements that were limiting, artificially, the supply of housing. Instead of prescribing units per acre, look at getting the form of the building, capping the height so they know the scale of the building, make sure that was context sensitive with the rest of the community and that would control the density. Remove and consolidate unnecessary and redundant dimensional and bulk requirements, and revise and reduce the number of districts and zones and make those reflect the place types in the Plan.

Council Member Vogler noted Mr. Suder said the City would still cap buildings by height; Council has had this discussion before. Outside of the area around the airport, why would the City want to cap the height on anything and Mr. Suder explained height will be somewhat capped by the market. No one was likely to build high rise construction here because of the cost. The City will get five and six story buildings max because beyond that it goes into high rise construction, and the City probably doesn't have a market for twenty or thirty story towers. Mr. Vogler questioned why not let the market cap it instead of the City, and Mr. Suder noted it was up to Council. Mr. Vogler questioned, if a majority of Council wanted to take out the height restrictions, how would they have that discussion and Mr. Larking suggested they should go through the process because they were re-writing the entire code. There shouldn't be a high-rise next to a house, so it would have to be in the appropriate zoning district. Mr. Suder noted that was why they had to have districts. Downtown would be one zoning district; in that zoning district, it may make sense to not have any height restrictions, but in a single-family residential district or neighborhood commercial, that was where it would be controlled. Ms. Burton explained currently there were height restrictions in every zoning district and if they were to be waived, they need to be careful. If there was development along the river with twenty story buildings, no one can see the river anymore. It was a beautiful amenity that was suddenly blocked by high rises.

Mr. Suder stated a single use zoning district needed to be looked at because talking with developers and understanding the market and demand, mixed use was the most popular. They don't want people to have to come through for special approvals just to build a mixed project. Mr.

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Suder suggested a single use table showing all the districts and all the uses; easy to find and use; that was the goal instead of having them spread throughout the code. Create "use specific standards" instead of having a conditional use or special use permit, coming in and saying here are the prescribed standards that were conditional to that use, instead of being allowed to do it if they went through a hearing and received approval. Prescribed standards for uses was something that was being done all over the country to help streamline the process. Another item was to define all uses and eliminating duplicate terms, and expanding the housing typology. Right now, the code was heavy on traditional housing, single family detached; they want to have a continuum of housing options for the residents to age in place in Danville.

Mr. Suder noted they want to look at parking to make sure they were not overparking certain uses and not under parking others; they will take a fresh look at the City's parking requirements to make sure they were tailored most efficiently. Many communities around the country were eliminating off street parking minimums altogether and letting the market sort that out. They also have recommendations for landscaping and signage. Mr. Suder noted they have done the diagnostic report, which they outlined tonight and provided copies to Council members. The next step was for them to meet with the working group to calibrate districts and zones with new uses and new development standards, make sure it reflects the Plan and then put it all together in an easy to use code book. That should be ready for review sometime in the fall and hopefully a new zoning code next year.

Council thanked Mr. Suder for the report.

DISCUSSION ON GUN VIOLENCE PREVENTION SIGNAGE

City Manager Ken Larking noted he gave Council a sample sign based on a conversation that occurred during a Council meeting in January. Simultaneously with doing this, Chief Wiles, Robert David, Mr. Reynolds and he had a meeting with Jim Bebeau to do some other things as well which included working with them on a billboard if Council wanted to do that. After speaking with him, Council Member Campbell stated that was not really what he was after. Rev Campbell noted he had nothing against billboards, but billboards would be more temporary, signs would be more permanent; both would be okay; signs would be placed around the City. Council Member Buckner questioned if they would be placed all over the city, and Rev Campbell noted in all areas, and Mr. Buckner noted he thought that was kind of terrifying; if he saw that in a neighborhood, he would leave. Council Member Mayo noted looking at it, it brings the message that there was a problem with gun issues and shootings around the City; they don't want to portray that, it could be seen as a negative. Mr. Buckner noted his agreement, but if they say it was in a particular area, what kind of signal was that sending to the neighborhood; it would have to go in every neighborhood.

Mr. Vogler noted when Council Member Campbell first brought this up, they spoke about this being a PR campaign more than putting some signs up. If they were talking about trying to reach young males, he did not know that putting a sign up somewhere in the neighborhood would impact them where if they had some kind of video campaign on tik tok, Instagram or wherever young people were viewing things, it would be more effective. If it was put in one neighborhood and not another, it tells people in that neighborhood there was something going on. There might be more effective ways to get out the message they were trying to convey. Mr. Buckner noted he liked the idea of a campaign, as literature, handed out in the entire community; as Chief Wiles and his men do their community walks, have them hand them out to everybody. Dr. Miller noted the sign had a good message, but it needs to be more widespread in a campaign, not just in one neighborhood. Rev Campbell noted his thought was to have four signs, one each in the north, south, east and

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west, placed on the side of the road, not in a neighborhood, on a main road; it was an awareness piece.

Mr. Hood noted last year he was headed toward Kentucky and Tennessee and stated he saw mountains, waterfalls and substance abuse billboards everywhere and the first thing he thought was, what was the deal with that area with all the substance abuse billboards. Strategically something could be done, but did not know exactly who it was targeting. Rev Campbell noted according to a report that just came out from last year, they were not teenagers, they were older people, 25 and up. Rev Campbell noted the signs will make people think about it and Mr. Hood noted for visitors coming in, what would that look like and what was the purpose.

Mayor Jones noted the campaign idea has been discussed, and stated Council can put this in the hands of Chief Wiles and Robert David; Robert David can implement this in his program, Project Imagine, and the Chief in his community engagement team. They can add the gun awareness piece to each group, in a campaign.

Mayor Jones asked for a straw poll of those in favor of putting up four gun signs in the City, and Rev Campbell and Mr. Saunders were in favor.

Mayor Jones asked for a straw poll of those who were in favor of Mr. Larking and Chief Wiles looking into a campaign, and a majority of the Council members were in favor of that.

PROGRAM UPDATES

City Manager Ken Larking noted Director of Utilities Jason Gray was here to introduce the City's Rate Consultant. Mr. Gray introduced Mark Beauchamp from Utility Financial Solutions who had a brief power point to review with Council.

Mr. Beauchamp stated he was President of Utility Financial Solutions, a rate consulting firm and a financial planning rate consultant. They have been working with Danville since 2014, and have done most of the biennial studies since that time. Back in December, they did a longer term financial model because they were trying to predict any issues that may come up if they don't do something with the rates, so they did a five year modeling. As a result of that, they proposed small adjustments, 3% electric, 5% water, 7% wastewater and 6% gas. They have looked at different alternatives, one of them relates to taking a portion of the transfer payment to the City and using that to reduce the electric rates; that would be like a \$6M reduction, the total rate adjustment amount. They looked at another option; the increases he mentioned, on an average residential rate, amounts to about \$10 a month for the residential. They were looking at the possibility of the Council putting a \$10 credit on the inside City residential customers only. Part of the justification for that was that additional tax revenue from the casino was for the residential rate payers and did not include the outside customers.

Mr. Beauchamp discussed the transfer payment, noting a lot of people don't understand the justification for that. Investor owned utilities pay property taxes to the City for their infrastructure in the community. When municipalities took over the electric system, to alleviate the loss on property tax revenues, there was a transfer to the city called a PILOT (payment in lieu of taxes). PILOT payments over the years have ranged from 4.5% to 15%; Danville was around 8%. Most of the utilities they have seen range between 7% and 8%; 8% was within normal range. Also, Danville was a not for profit utility so any cash generated was kept in reserves to pay for infrastructure and improvements to ensure reliability. With investor-owned utilities, they keep a portion of the profits in reserve for improvements, but the rest goes to dividends to shareholders.

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Mr. Beachamp stated if they did not do an electric rate increase at all, they project that the 3% increase would become 4.5% in 2028; the reason for that was the City would need the 4.5% in electric to keep the cash balances above the recommended minimum level. Mr. Larking explained this was because the City has to have a certain percentage of available cash to deal with any issues that might come along. Mr. Grey explained each utility, water, gas, electric has its own different level. Mr. Beachamp noted that the recommended minimums vary and if they didn't have the increase it would be under the minimum. Mr. Beachamp stated if they did the 3% increase for the average residential rate payer, that was about a \$4 per month increase on the bill. One of the ideas was to give \$4 credit for the electric portion of their bill to offset this increase on residential customers. They would see the increase but they also get a credit that offsets the increase. In water, they had proposed a 5% increase this year. If they didn't do anything and didn't adjust the rates in water, the biennial rate study shows the need for about an 11% rate adjustment in 2028 and 2030. When a rate adjustment was delayed, it does not go away, it compounds upon itself and gets bigger. The average residential customer uses about 500 cubic feet of water a month which equates to about a \$1.50 increase in their monthly bill on average. In electric, they were proposing a \$4.00 credit, in gas a \$3.00 credit, in wastewater a \$1.75 credit and in water a credit of \$1.25; that totals to a \$10.00 credit in total that would be seen on their bill if they have all four of those utility services.

Mr. Beachamp noted if Council decided to do the credit of \$10.00, rather than the General Fund taking a hit, that would equate to \$6M; this would bring it down to about \$2.4M. That would mean that the transfers would be reduced by \$2.4M to the General Fund. Mr. Larking stated they recommend a budget amendment in the current fiscal year appropriating unanticipated revenues from the casinos to fund this for next year. There would still be sufficient revenues to operate the utility, do the right kind of investments that continue the growth and keep the rates stable as possible. Mr. Vogler noted that only happens if the majority of Council approves the rate increase; the credit doesn't happen without the rate increase.

Council members thanked Mr. Beachamp for his presentation.

COMMUNICATIONS

Vice Mayor Buckner asked staff to look into Council procedure updates so Council was not blindsided in the meetings.

CLOSED MEETING

At 9:48 p.m., Vice Mayor Buckner **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 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 discussion regarding the sale and/or potential purchase of a specific parcel of property for use by the City of Danville and prospective industrial, commercial, and mixed use projects looking to locate to 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

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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 Campbell and carried by the following vote:

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

Upon unanimous vote at 9:57 p.m., Council reconvened in open session and Vice Mayor Buckner **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: 8-0-1
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Vogler, and Whittle (8)
NAY: None (0)
ABSENT: Saunders (1)

MEETING ADJOURNED AT 9:58 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/ Susan M. DeMasi
CITY CLERK