

The Work Session meeting of the Petersburg City Council was held on Tuesday, June 1, 2021, live streamed. Mayor Parham called the meeting to order at 12:35 p.m.

1. ROLL CALL:

Present:

Council Member Treska Wilson-Smith
Council Member W. Howard Myers
Council Member John A. Hart, Sr.
Council Member Darrin Hill
Vice Mayor Annette Smith-Lee
Mayor Samuel Parham

Absent: Council Member Charles H. Cuthbert, Jr.

Present from City Council Administration:

Interim City Manager Kenneth Miller
City Attorney Anthony C. Williams
Clerk of City Council Nykesha D. Jackson

2. PRAYER:

Mayor Parham stated, "Councilman Hill will lead us in our opening prayer."

Council Member Hill led the council meeting in prayer.

3. PLEDGE OF ALLEGIANCE:

Mayor Parham led council and the citizens in the pledge of allegiance.

4. DETERMINATION OF THE PRESENCE OF A QUORUM:

A quorum is present.

5. APPROVAL OF CONSENT AGENDA (TI INCLUDE MINUTES OF PREVIOUS MEETING/S):

- a. Minutes of May 18, 2021, Closed Session City Council Meeting, May 18, 2021, Special Regular City Council Meeting Minutes and May 25, 2021, Special City Council Meeting Minutes.
- b. ABC Application for Gas and Go Inc.
- c. A request to schedule a public hearing and consideration of an ordinance making appropriations for the Fiscal Year commencing July 1, 2020, and ending June 30, 2021 "The Cameron Foundation Grant for The Stabilization of The Jarratt House in the City of Petersburg," carrying over the balance of the Grant from two previous fiscal years which ended on June 30, 2019 and June 30, 2020.
- d. A request to schedule a public hearing and consideration of an ordinance to amend the text of the City's Zoning Ordinance regarding the Chesapeake Bay Preservation Act.
- e. A request to schedule a public hearing and consideration of an ordinance to amend the text of the City's Subdivision Ordinance regarding the Chesapeake Bay Preservation Act.
- f. A request to schedule a public hearing and consideration of a Memorandum of understanding with the Petersburg Preservation Task Force.
- g. A request to schedule a public hearing and consideration of an ordinance to authorize the release of funds from the Petersburg Public Library Endowment Fund by the city of Petersburg.

*Audio available upon request.

- h. Request for the City Council to hold a public hearing on June 15, 2021, regarding a proposed ordinance to amend and re-adopt sections 114-178, 114-208, and 114-236 and to adopt section 114-219 of the Petersburg City Code to establish a Sanitary Lateral Repair Program.
- i. Request to schedule a public hearing on June 15, 2021, for the potential renaming of Poplar Lane to Rev. R.A. Diggs Ln.
- j. A request to schedule a Public Hearing and consideration of an Ordinance amending the allocation of Community Development Block Grant Corona Virus (CDBG-CV) Funding, as approved, and appropriated for the Fiscal Year commencing July 1, 2020, and ending June 30, 2021.

Council Member Myers made a motion to approve the consent agenda. The motion was seconded by Council Member Hill. The motion was approved on roll call. On roll call vote, voting yes: Myers, Hart, Hill, and Parham; Absent: Cuthbert and Smith-Lee; Abstain: Wilson-Smith

Council Member Wilson-Smith stated, "I just wanted to state that I think I had to abstain because the minutes of last council meeting were included, and I was not present. So, since everything is put together, I could not vote on that."

6. **SPECIAL REPORTS:**

- a. Presentation by Davenport & Company LLC to explain a potential debt refunding opportunity for the City of Petersburg.

BACKGROUND: Davenport & Company LLC discussed with the Interim City Manager and staff a potential debt refunding opportunity for the City of Petersburg in early May. After the meeting, the Interim City recommended that the City of Petersburg move forward with this and bring it to City Council.

RECOMMENDATION: Staff recommends that City Council allow Davenport & Company LLC to present the potential debt refunding opportunity.

Mayor Roland Kooch, Representative from Davenport, gave an overview with a PowerPoint presentation.

Key points:

- Davenport and Company routinely reviews the City's debt portfolio for refunding opportunities.
- It would generally take about 90 days to implement this transaction.
- The city is in a good position of potential refunding which has resulted in the structurally balanced budgets, which have allowed the city to improve its fiscal health, balance, and liquidity.
- It has also eliminated the reliance on cash flow Revenue Anticipation Notes.
- The city currently has a BBB+ Rating which is a positive outlook.
- The FY2020 audited financial statements, which is necessary to access the public markets.
- Because of the City's Improved Bond Ratings, the City can eliminate the need for the Debt Service Reserve Fund (DSRF) and quarterly Trustee sinking fund payments under the 2017A&B Bonds.
- The elimination of the DSRF helps to enhance the cash flow savings and by eliminating the need for a Trustee, the city simplifies its payment structure.

There was discussion among City Council and representatives from Davenport.

- b. Update on Process of Special Events

*Audio available upon request.

Darnetta Tyus, Deputy City Manager, gave an overview of the process of special events.

Key points:

- The Special Events Committee is an internal committee that meets on the first Wednesday of every month.
- The event planners and City Council are covered, and they protect the residents of the City of Petersburg.
- The Fire Department covers them to make sure that everything they are doing including setup is safe.
- There is an area on the City webpage in which you can fill out the information to request having special events at certain places that are City property like the sports complex.

c. COVID-19 Update

Darnetta Tyus, Deputy City Manager, gave an update on COVID-19.

Key points:

- In the City of Petersburg, they have administered 20,734 doses of the vaccine. There are 12,020 with at least one dose of the vaccine and 9,541 that have been fully vaccinated.
- Testing is still being done at Pathways and the testing is also being provided at CVHS, located at 321 C Popular Drive in Petersburg, VA.
- They have moved to onsite registration for most of the clinics that are taking place.
- They now have onsite registration for the vaccines. The dates are June 2nd, 3rd, 4th, and 8th.
- City Hall is physically prepared to receive people in terms of opening the doors of City Hall offices.
- The goal is that effective June 4, 2021, the City is ready to open for public business.
- City Council meetings will remain virtual during the months of June and July.
- Old Town Square Street Closing will be prepared to reopen on June 28, 2021.
- The city will continue to do temperature checks throughout the city. If staff has a temperature of 100.4 degrees, they are allowed to begin the workday. If the employee has a temperature above 100.4 degrees, then they are encouraged to go home and/or visit a doctor.
- All must continue to wear a mask when walking through the common hallways and common areas. Mask do not have to be work at individual workstations. Disposable mask are available upon request. All visitors must wear on mask upon entering the buildings unless they have a health issue.
- Will continue to clean and regulate sanitation and if cleaning and sanitation supplies are needed then they will be provided.
- The Interim City Manager has instructed staff that is working remotely to return to work immediately.
- The library will open with a maximum of 25 customers, and it will be by appointment. Park facilities will be open for a soft opening.

There was discussion among City Council Members and staff.

7. MONTHLY REPORTS:

*There are no items for this portion of the agenda.

8. FINANCE AND BUDGET REPORT:

*Audio available upon request.

*There are no items for this portion of the agenda.

9. CAPITAL PROJECTS UPDATE:

*There are no items for this portion of the agenda.

10. UTILITIES:

- a. Presentation regarding a proposed ordinance to amend and re-adopt sections 114-178, 114-208, and 114-236 and to adopt section 114-219 of the Petersburg City Code to establish a Sanitary Lateral Repair Program.

BACKGROUND: Adoption of a Sanitary Lateral Repair Program will cause all sanitary sewer laterals located within a public Right-of-Way to become the City's maintenance and repair responsibility, with no out-of-pocket expense to customers. The program will impose a \$3/month fee to customers with an escalation of \$0.50 every 5 years, beginning in 2025.

RECOMMENDATION: Staff recommend that the City Council adopt this item.

Andrew Barnes, City Engineer and General Manager of Utilities, gave a PowerPoint presentation the Sanitary Lateral Repair Program.

Key points:

- Chesterfield County maintains the portion of lateral within the ROW, except when damaged by the property owner.
- Colonial Heights accepts the portion of the lateral within the ROW if it has a cleanout. If a cleanout is not present, it can be installed for \$200.
- Prince George County, if the cleanout is not present or usable, the property owner is responsible from the house to the sewer main.
- When the portion of the lateral within the ROW deteriorates (either due to old age, material failure, or root intrusion) the problem typically results in a sewer backup affecting the dwelling. The customer will call a plumber to unclog the line. The plumber will inform the customer that the issue is on the City's side. Without a City Cleanout, the city requires the customer to get a new "Sewer Tap." The sewer tap will typically cost between \$3,000 and \$5,000.
- The installation of new City cleanouts at, or within reasonable proximity to, the property line to facilitate City maintenance. This shall apply where cleanouts do not currently exist or where existing cleanouts do not meet existing City standards.
- Operational and administrative costs for a FOG (Fats, Oils, Grease) program. The FOG Program will be aimed at minimizing the misuse of the wastewater system for disposal purposes.
- City staff shall develop Standard Operating Procedures for the Sewer Lateral Repair Program, including standard construction details, forms, and other information necessary for executing the Program. Staff will inventory properties to determine where the City cleanouts are required. A work plan will be developed to address the necessary work.

There was discussion among City Council Members and staff.

- b. Presentation on Wastewater Capacity and Infrastructure Improvements within the Poor Creek Sewer Service Area.

*Audio available upon request.

BACKGROUND: See attached PowerPoint presentation.

RECOMMENDATION: For informational purposes only.

Andrew Barnes, City Engineer and General Manager of Utilities, gave a PowerPoint presentation on the Wastewater Capacity and Infrastructure Improvements within the Poor Creek Sewer Service Area.

Key points:

- Poor Creek Pump Station was constructed circa 1973-1975 in response to the 1972 Annexation of portions of Prince George.
- The Poor Creek Sewer Service Area (PCSSA) is the area of land whose wastewater effluent is conveyed to the Poor Creek Pump Station.
- The Poor Creek Sewer Service Area is approximately 7.21 square miles and represents 31.4% of the City's land area.
- Currently a Pharmaceutical Hub that is likely spark developer interest in the area.
- The market is swinging back towards residential development.
- With the Civics/Phlow/Ampac MOU, the city has committed to meet the developments' ongoing and future utility needs. Poor Creek Pump Station improvements and relocation, respectively, are calculated at almost \$17,000,000. An additional \$13,000,000 in water infrastructure improvements is also necessary.
- The Poor Creek Sewer Service Area is especially susceptible to Inflow and Infiltration due to extensive surface and ground water conditions (Blackwater Creek/Swamp) and the extent of large interceptor pipes.
- A significant reduction in Inflow & Infiltration could reduce peak flow that otherwise has to be accounted for. This could potentially free up capacity.
- Staff will coordinate with consultants to conduct an Inflow & Infiltration study for the PCSSA and determine if relining the interceptor lines would be beneficial.
- Upon direction from the Council, staff will evaluate the option of imposing a development moratorium within the Poor Creek Sewer Service Area.

There was discussion among City Council and staff.

Mr. Lyons stated, "Just to remind you Mayor, with the Phlow and Civica meeting, their team is scheduled to come in later this month. And we will be outreaching to the entire City Council to engage them in this process. Their leadership will be coming to town to focus, specifically on that project. And we will be inviting some of our state congressional partners as well."

Mayor Parham stated, "Thank you."

11. STREETS:

*No items for this portion of the agenda.

12. FACILITIES:

a. Report on 400 Farmer Street Building Assessment

Tangela Innis, Director of Public Utilities and Capital Projects, stated, "We had our consultants go out and do a building assessment of 400 Farmer Street. And I am going to ask Mr. VanVoorhees to let in Mr. Turner and Mr. Autery. And then in the end Ms. Tyus and Mr. Norris is going to talk about information as it

*Audio available upon request.

relates to their budgeting and things like that.”

Mr. Mills and Autery gave a briefing on the PowerPoint presentation.

Key points:

- Tam Consultants was a firm that was established in 2002. It is a staff of 15 people and three offices.
- They have an expertise in property condition assessments: PCA, roofing, waterproofing & envelope, structural engineering in-house, testing etc.
- The problem was that staff identified mold and water intrusion in 2019. The building has been vacant since June 2019.
- There are two overarching concerns. There are four different sources of water intrusion occurring at various locations of the building providing moisture for mold growth and damage in the building. And there is outside air infiltration/HVAC. The building is negatively pressured, and the aged HVAC system is at the end of life.
- The solution is to fix the source and fix the damage. There are various kinds of repairs to exterior to prevent water intrusion. There are repairs needed to interior that was damaged by water. There needs to be updating and mold concerns that need fixing. It is recommended that 100% of the carpet, ceiling and walls be painted.
- It is also recommended that repairs restore the remaining useful life of the majority of the high \$ components/systems.
- Replace damaged and aged HVAC mechanical system.

There was discussion among City Council and staff.

13. ECONOMIC DEVELOPMENT:

- a. A presentation on the economic impact of the film industry on the City of Petersburg. (Formerly 13d)

BACKGROUND: A presentation on the economic impact of the film industry on the City of Petersburg.

RECOMMENDATION: For informational purposes.

Andrew Edmunds, representative with The Virginia Film Industry, gave a presentation on the economic impact of the film industry in the City of Petersburg.

Key points:

- The film, television, and streaming industry has experienced exponential growth over the past decade, with demand for content seeing a monumental upward trend.
- This competitive industry provides high-wage jobs for Virginians and touches Virginia businesses large & small, both during filming and for years after thanks to the global spotlight placed on each filming location.
- The total economic impact of Virginia’s film industry in 2019 was \$862M, creating 5,600 high-wage jobs for Virginians.
- Film and television projects act like super tourists, spending huge amounts of money in short periods of time. In addition to housing and wages for Virginians, productions provide immediate economic stimulation to location owners, neighborhood restaurants, shops, local businesses, and vendors.
- This competitive industry provides high-wage jobs for Virginians and touches Virginia

*Audio available upon request.

businesses large and small, both during filming and for years after thanks to global spotlight placed on each filming location.

There was discussion among City Council and staff.

- b. To provide the City Council an overview of a selection of major incentive programs available to Petersburg businesses and developers. (Formerly 13a)

Clay Mansell, Department of Economic Development, gave an overview of a selection of major incentive programs available to Petersburg businesses and developers.

Key points:

- The Department of Economic Development maintains a list of federal, state, and local incentive to support local businesses and help them thrive.
 - An Opportunity Zone is an economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment on capital gains taxes.
 - Temporary deferral of capital gains taxes until 2026.
 - Exclusion of taxable capital gains income earned from Opportunity Zone investment.
 - Businesses and investors are not required to report their dealings to the city or the State. At present, Staff is not aware of any ongoing Opportunity Zone projects in Petersburg.
 - The Small Business Administration's HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least three percent of federal contract dollars to HUBZone-certified companies each year. To qualify, the business must be a small business, at least 51% owned and controlled by U.S. citizens, have its principal office located in a HUBZone and have at least 35% of its employees living in HUBZone.
 - Credits are available from both the Federal government and the state of Virginia. The amount of the credit is based on total rehabilitation costs.
 - In some cases, taxpayers can qualify under both programs, allowing them to claim credits of 45% of their eligible rehabilitation expenses.
 - Real Property Investment Grants: Projects that cost \$5 million or less are eligible to receive up to \$100,000 in funding, Projects that cost \$5 million or more are eligible to receive up to \$200,000 in funding.
 - Projects are eligible for up to \$800 per year for each new permanent full-time position earning at least 200% of federal minimum wage with health benefits.
 - Façade Improvement is a grant equal to not more than 50% of the cost of the façade renovations. Capped at \$5,000.
 - Architectural Assistance is a grant equal to not more than 50% of interior renovations that is capped at \$2,500.
 - A tax credit that for five years, with an option to renew for an additional five years for a total of ten, provides a 100% exemption of the Machinery & Tools Tax for new or leased equipment for qualifying industrial businesses located within the Technology Zone. At present, the only companies that benefit from this program are the three pharmaceutical companies (AMPAC, Civica, and Phlow).
 - This incentive is what secured AMPAC and Civica for Petersburg in the face of national competition by qualifying as the City's local match for the Commonwealth Opportunity Fund.
 - The Department of Economic Development maintains a list of federal, state, and local incentives to support local businesses and help them thrive.
- c. An update on Economic Development Marketing. (Formerly 13b)

*Audio available upon request.

BACKGROUND: An update on Economic Development Marketing.

RECOMMENDATION: For informational purposes.

Clay Hamner, Public Relations/Petersburg Virginia Economic Development Presentation, gave overview with a PowerPoint presentation.

Key points:

- The current projects included the blog post in National League of Cities, article in National League of Cities Magazine, an article in the Richmond Family Magazine, entering past year of work in VML Innovation Awards to be judged in September 2021 and awarded at the annual conference in Leesburg, Virginia October 2021, rebranding Communication Media, and an upcoming article in VML Magazine in June.
- d. An update on the City of Petersburg Disposition Guidelines and purchases of City-owned Real Estate Property. (Formerly 13c)

BACKGROUND: An update on the City of Petersburg Disposition Guidelines and purchases of City-owned Real Estate Property.

RECOMMENDATION: For informational purposes.

Cynthia Boone, Administrative Assistant of the Department of Economic Development, gave overview with a PowerPoint presentation of the City of Petersburg Disposition Guidelines and purchases of City-owned Real Estate Property.

Key points:

- March 19, 2019 – City Council approved the Disposition Guidelines and list of surplus properties.
- December 8, 2020 – The City Council approved revisions to the Disposition Guidelines.
- Staff provided guidance on the process for disposition of City owned real estate property to include: identification of the process for accepting and evaluating proposals to purchase City owned real estate property, development of the purchase agreement, development of the due diligence period, development of the claw back provisions, development of the requirements for the buyer to submit a Development Agreement and approval process, and the process for the presentation, review and adoption by City Council. And the surplus list was adopted by City Council that identified City-owned real estate property that were available for disposition. (Took place at the May 19, 2019, meeting)
- At the December 8, 2020, meeting, the general restructuring of the City's Dispositions process.
- Staff prepares a packet for the City Council to review at the time of the consideration of the adoption of the ordinance to execute the Purchase Agreement. This packet outlines the proposed use of the property. Staff pre-assessment ensures compliance with zoning and the Comprehensive Land Use Plan.
- The Purchase Agreement and the Development Agreement is included into the deed of the property to ensure the compliance with agreements.
- In the circumstances when a development agreement is not approved and closing does not occur, the buyer is refunded 9% of the earnest deposit and the city retains 1%.
- In the circumstances when the property is sold but not developed in accordance with the Development Agreement, ownership reverts to the City per the reverter clause (claw back provision) in the purchase agreement.
- The City retains the purchase payment, and the property with any improvements.

*Audio available upon request.

- After the purchase agreement is executed by the City Manager, the proposal, if applicable, a due diligence period will commence.
- During the due diligence period, impact statements will be requested from relevant City departments.
- The impact statements will be presented to the City Council along with the Development Agreement.
- Impact statements will provide the City Council and City staff better quantitative insight into the impact of developments on City services, such as the public schools, utilities, etc.

There was discussion among staff and City Council.

14. CITY MANAGER'S AGENDA:

a. Billing and Collections Concerns Presentation

Stacey Jordan, Interim Finance Director, gave a presentation on billing and collections.

Key points:

- The delay stemmed from the lockbox issue as previously stated at the council meetings.
- The payments are received through the dropbox and the P.O. Box. The payments were being sent to the lockbox for processing. Atlantic Union was processing the payments which clears it from the customer's account. They sent a report in turn that had to be uploaded to the system and AS400 to hit the customers account and that was not being done in a timely fashion which showed the delay.
- The Utility Rate Study will be presented to council at the next meeting by Davenport.
- As of today, the city has not turned off any services. Come July 1st, that they can start cutting off services that are plus 90 days past due.
- There are currently 37 books that must be reviewed. Each book could house anywhere from 100 to over 1000 accounts. These accounts must be reviewed manually one by one to determine the correct designation. This will continue to be a lengthy process as the errors contribute to the ability to pull an accurate collection report.
- The Department of Finance continues to work tremendously hard to ensure that the residents bills are being processed accurately, that their accounts are clean, and all issues are being addressed in a timely fashion.
- Payments are no longer being sent to the lockbox. All payments are being processed in house.

There was discussion among City Council and staff.

15. BUSINESS OR REPORTS FROM THE CLERK:

*No items for this portion of the agenda.

16. BUSINESS OR REPORTS FROM THE CITY ATTORNEY:

*No items for this portion of the agenda.

17. PUBLIC COMMENTS:

Barbara Rudolph, 1675 Mt. Vernon Street, stated, "Good afternoon Council. I too appreciate the presentations made by Mr. Barnes and particularly the explanation of wastewater. Because it was not only

*Audio available upon request.

pertinent to what he was discussing but also seemed to me to fit with the earlier discussion of the reopening of the city or the non-reopening of the city as part of the COVID report. All of that conversation about preparing Union Station or meetings sounds like that expression of moving deck chairs or rearranging deck chairs on the titanic. Does it take two months to figure out how to move the chairs further apart so that people are safe. I do appreciate the several comments that Councilor Wilson-Smith said about the consistency among the City's approach to this. Because it seems like you really all are very advent about the city protecting everybody when it comes to not having meetings. It gives the appearance to citizens like you are afraid of us, or you do not want to deal with us. So, I hope that because of your concern that you all are going to forgo going to church and indoor meetings to clubs and fraternal organizations and other things that you are doing just because you are so concerned about keeping yourself and others safe. Thank you."

18. ADJOURNMENT:

Council Member Hill made a motion to adjourn. The motion was seconded by Council Member Myers. The motion passed on voice vote. Voting yes: Wilson-Smith, Myers, Hart, Hill, Smith-Lee, and Parham

City Council adjourned at 4:10 p.m.

Clerk of City Council

APPROVED:

Mayor