LYNCHBURG CITY COUNCIL
PHYSICAL DEVELOPMENT COMMITTEE

Tuesday, March 10, 2015
9:00 a.m.

Information Items

Recent/Pending Contract Awards: –

Project/Phase	Contractor/Consultant	Estimated Amount	Budget Amount	Contract Award
Safe Routes to School	Va. Infrastructure	$296,188.00	$327,674.72	$276,105.53

Update on priority projects – see attached report**.**

General Business

1. Temporary speed table (TSP) update from Sandusky application — Don DeBerry

2. Timberlake Rd. - Logan's Lane concept discussion — Don DeBerry

3. Roll Call

Pc: Kimball Payne, City Manager
Bonnie Svrcek, Deputy City Manager
Council Members
Gaynelle Hart, Director of Public Works
News & Advance

Next Meeting: April 14, 2015

Lynchburg Capital Projects Greater Than $1 Million(General Fund)					
March 10, 2015					
Projects of Interest		**Status**			**Notes**
Timberlake / Logan's Lane Intersection		Right of Way	November 2015		Reviewing Right of Way Needs -
Wards Road Pedestrian X-ing 2B		Construction	May 2015		Trail Phase 2B - Winter Slowdown.
Midtown Connector		Construction	December 2015		Under Construction - Working on Langhorne 75% complete & Kemper 45% Complete -
Greenview Drive Phase 2	*	Advertising	July 2017		Notice to Proceed Feb. 18, 2015 - Construction Proposed to Start March 2016.
Kemper Street Bridge / Interchange	*	Construction	September 2016		Start on March 12th.
One Way Pairs @ 501/221		Preliminary	August 2014		Preliminary Design Completed to Determine Available R/W for Development - On Hold
Lower Bluffwalk Phase 2		Construction	July 2015		96% Complete
Memorial - Park - Lakeside Intersection		Utilities Const.	May 2015		Project Underway to Install City Utilites separate from Project then ReBid
Odd Fellows Road - P3	*	Construction	August 2018		Notice to Proceed Feb. 18, 2015 - Construction Proposed to Start January 2016.
Lakeside Drive Improvements @ L.C.		Design	September 2014		30% Design - On Hold.
Juvenile Services Group Home		Bidding	April 2015		Advertised for Bids

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015 (PDC)** AGENDA ITEM NO.:

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: INFORMATION**: X**

ITEM TITLE: **Temporary speed table (TSP) update from Sandusky application**

RECOMMENDATION:
Continue to use this tool (TSP) for selected locations.

SUMMARY:
Traffic Sign Shop personnel installed a TSP at the request of the School Board Transportation Division at Sandusky Middle School on School Board Property in September 2014. The table remained until January 2015. This installation was an effort to discourage speeding and cut through traffic in front of the school adjacent to the crosswalk from the staff parking area.

Principal and Transportation division reported this installation was successful. Mr. Womack, the SES Principal said "I think the speed table had a positive effect on the speed of traffic which flowed in front of the school."

PRIOR ACTION(S):

September 9, 2014 PDC presentation

FISCAL IMPACT:

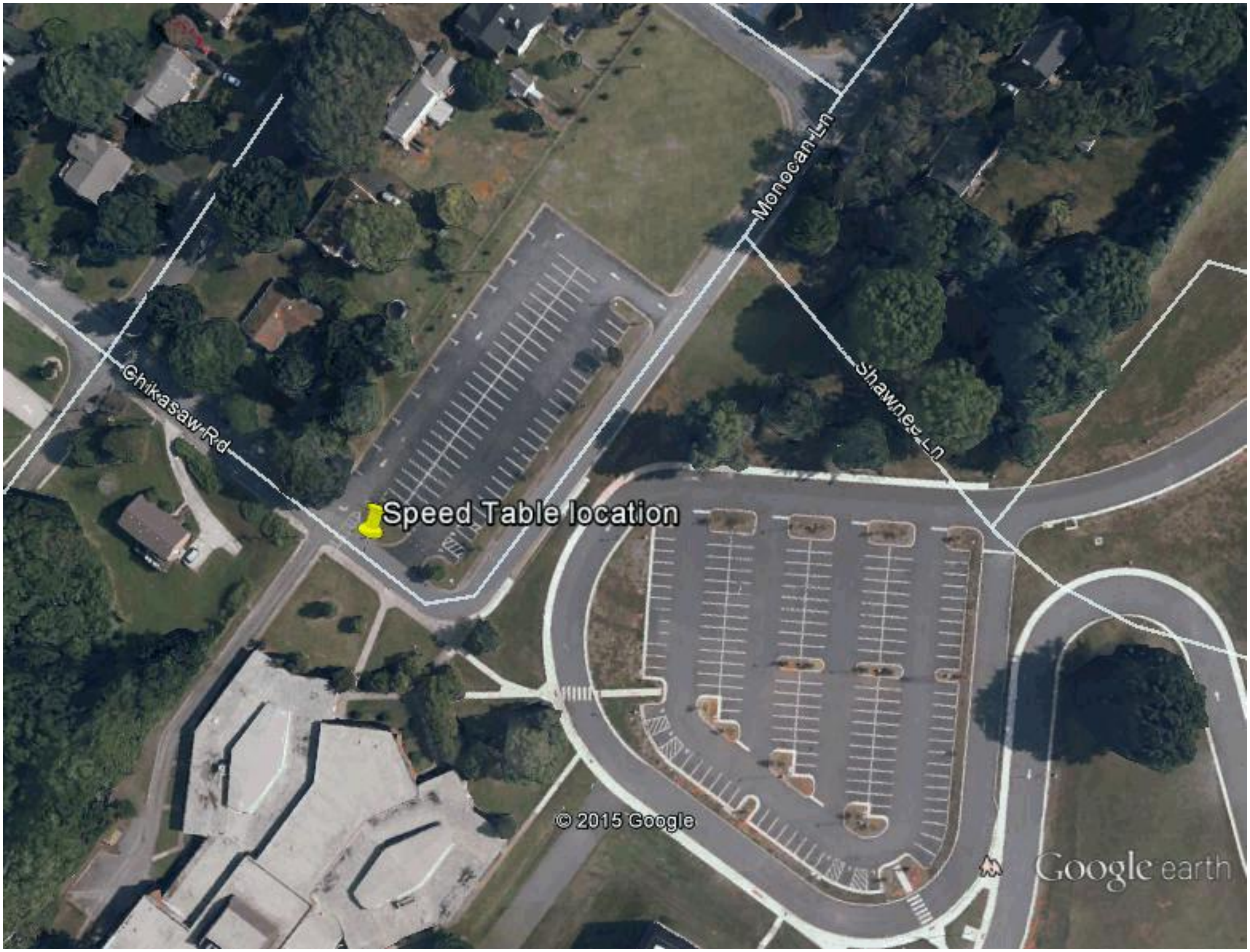
None

CONTACT(S):
Don DeBerry – City Traffic Engineer – 455-3935
Lee Newland – City Engineer – 455-3947
Gaynelle Hart – Public Works Director – 455-4406

ATTACHMENT(S):

graphics

REVIEWED BY:



Monocan Ln
Shawnee Ln
Chikasaw Rd
Speed Table location
© 2015 Google
Google earth

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015 (PDC)**			AGENDA ITEM NO.:
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	
ITEM TITLE: **Timberlake Rd. - Logan's Lane concept discussion**			

RECOMMENDATION:
Notify adjacent property owners and proceed with construction of this concept.

SUMMARY:

The Timberlake Rd. – Logan's Lane project is progressing. The attached concept has been approved by VDOT and requires the acquisition of the Hill City House Grille property. Original concepts requiring acquisition of property from three additional owners where not approved by VDOT.

Preliminary negotiations have occurred with the owner of the property required. He is receptive to an offer to purchase. We have completed the title work and appraisals and are ready to make an offer.

The new concept does not require property from any other landowners, however the access to adjacent properties would be changed with the implementation of this concept.

Next steps are meeting with the adjacent property owners as well as presenting the offer to the owner of the Hill City House Grille.

PRIOR ACTION(S):

Council approved applications for revenue sharing funds for this project May 10, 2011, November 27, 2012 and November 11, 2014.

FISCAL IMPACT:

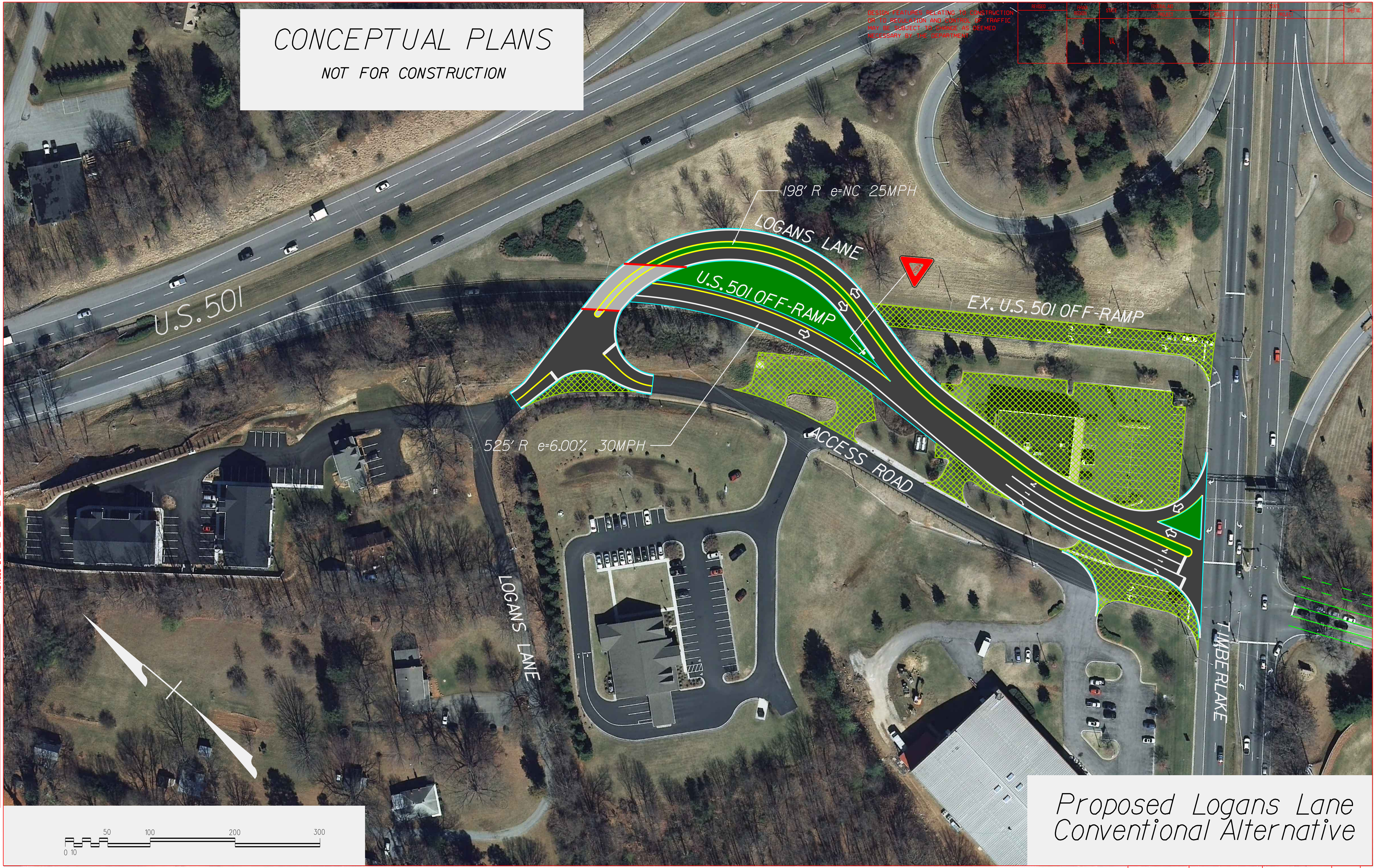
Funds for right of way acquisition are available as part of this revenue sharing project.

CONTACT(S):
Don DeBerry – City Traffic Engineer – 455-3935
Lee Newland – City Engineer – 455-3947
Gaynelle Hart – Public Works Director – 455-4406

ATTACHMENT(S):

graphics

REVIEWED BY:



Proposed Logans Lane Conventional Alternative

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015** AGENDA ITEM NO.: 1

CONSENT: REGULAR: WORK SESSION: **X** CLOSED SESSION: (Confidential)

ACTION: INFORMATION:

ITEM TITLE: **Presentation of the *Proposed FY 2016 Budget***

RECOMMENDATION: No action required at this time.

SUMMARY: The *Proposed FY 2016 Budget* will be presented to City Council at 4:00 p.m. on Tuesday, March 10th. This will start the public portion of the annual budget process.

Attached is a proposed budget calendar that will be reviewed with Council.

After the presentation of the proposed budget, we plan to cover the revenue section of the budget document.

Budget documents will be passed out to Council at the beginning of the work session.

PRIOR ACTION(S): N/A

FISCAL IMPACT: Yes

CONTACT(S): Kimball Payne, City Manager, 455-3990; Bonnie Svrcek, Deputy City Manager, 455-3990; Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S): Proposed Budget Calendar

REVIEWED BY: lkp

020K

Agenda Item #2

Schedule of City Council Budget Work Sessions
(revised)

March 10, 2015 - 4 pm Presentation of the Proposed FY 2016 Budget for the City of Lynchburg

March 17, 2015 – 2 pm Review/Walk-through of FY 2016 Proposed Budget General Fund and Other Funds

7 pm Budget Citizen Engagement – Miller Center

March 24, 2015 – 4 pm Proposed FY 2016 Budget Review (Continued); Presentation of Proposed FY 2016 School Budget; Water/Sewer/Stormwater Rate Study and FY 2016 Budget

March 31, 2015 – 7 pm Public Hearing

April 7, 2015 – 4 pm FY 2016 Budget Balancing

April 14, 2015 – 4 pm FY 2016 Budget Balancing

April 21, 2015 – 4 pm FY 2016 Budget Balancing

April 28, 2015 – 4 pm FY 2016 Budget Balancing or First Reading for Adoption of FY 2016 Budget

May 12, 2015 – 4 pm Regular Council Meeting

May 26, 2015 – 4 pm First or Second Reading for Adoption of FY 2016 Budget

June 9, 2015 – 4 pm Possible Second Reading for Adoption of FY 2016 Budget

020K-A

// A regular meeting of the Council of the City of Lynchburg was held on the 10th day of February, 2015, at 12:00 P.M. in the Council Chamber, City Hall, Michael Gillette, President, presiding. The following Members were present:

Present: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette 6

Absent: Johnson 1

// Mayor Gillette welcomed everyone attending the Council Budget Planning Work Session. An overview of the agenda was as follows:

- Presentation of Citizen and Employee Survey
- Results on Twelve Pillars
- Workforce Overview
- FY2016 Major Revenues Overview/Major Expenditures
- FY2016 - 2020 Capital Improvement Program
- Community Engagement Transition

// The presentation of Citizen and Employee Survey and results on Twelve Pillars was presented by Greg Daniels, City Assessor and Bonnie Svrcek, Deputy City Manager. An overview of the presentation was as follows:

- Follow-up from City Council's Retreat on September 29, 2014
- Review the results from Citizens and Employees surveys of the Strategic Pillars (302-on-line citizen responses, 80-on-line employee responses, 11 paper citizen responses)
- Results are not statistically valid, but a sampling
- Broad overview of Citizen comments
- General Observations
- Next Steps

Results of the Twelve Pillars were explained with results from Council, Citizens and Employees. Each of the twelve pillar ratings were discussed along with the top major theme from each pillar. When explaining the pillars, each pillar had major themes under it from the Citizens which Council discussed. Healthy and Active Living Pillar received the highest rating from Citizens and Council. Infrastructure received the lowest rating from City employees. Neighborhoods received the closest rating among Council, Citizens and Employees. The general observations of the Twelve Pillars are as follows:

- Employees generally rated pillars higher than citizens or City Council
- The highest rated pillar overall was Healthy and Active Living
- Social Equity was rated the lowest by Citizens and Council; Employees rated Infrastructure the lowest
- The average overall rating on all pillars from the three groups was 6.4

In conclusion, the next steps are to administer Biennial Citizen Survey in May 2015 and utilize Pillar results and statistically valid Citizen Survey results in FY17 Budget development.

// Workforce Overview was presented by Margaret Schmitt, Director of Human Resources. The following is a breakdown of Workforce Distribution by departments:

- Enterprise Funds – 156.43
- General Government – 133.49
- Human Services – 204.5
- Public Works, Community Development – 187.03
- Parks, Recreation & Culture – 109.03
- Public Safety – 422.85
- Total of 1213.33 FTE (Full Time, Part Time, and Hourly Employees)

Ms. Schmitt explained the Workforce Distribution Data which included the following:

- Workforce Demographics – Average Years of Service – 11.5 – Average Age - 43
- Citywide Turnover CY 2014 –

  Overall turnover rates decreased slightly –

  6.33% Voluntary (Resignations)

  10.03% Total (Resignation, Resignation in lieu of Dismissal, Release during Initial Employment Period (IEP), Dismissal and Retirement
- Public Safety Turnover Trend (Police, Fire and Emergency Services)
- Departments with Highest Turnover
- Positions with Highest Turnover
- Average Salary Trend
- Employee Salaries Below the Median – Individuals
- Market Comparison Trend
- City Average Pay to Market – Average Pay – Jobs
- Police Officer Market Data, Firefighter Market Data and Emergency Services Market Data as of January 2015

In the presentation, Ms. Schmitt explained some Market Competitiveness concerns as of January 2015 in departments such as Parks and Recreation, Social Services, Public Works and Water Resources. Ms. Schmitt explained the Strategic Focus Areas which consist of the following:

- Talent Management

  Retirement Pipeline
  - 32% of Leadership Team eligible to retire in 2015
  - 50% eligible to retire within 3 years
- Leadership Development
  - Emerging Leaders group identified
  - Multi-faceted approach to developmental opportunities
  - Designed to help our current employees be competitive as openings become available
  - Success indicators include emerging leader internal promotions, formal education completed and turnover

- Health Management Program
    - Ability to impact overall health
    - Contradictions in legal requirements
    - EEOC stance on wellness programs
    - Wellness Champions

// Donna Witt, Director of Financial Services provided the FY 2016 Major Revenues Overview. The following are the major revenues:

- Real Property Tax – Projected the FY 2016 reassessment will result in a 1.0% increase in value.
- Personal Property Tax – The projected FY 2016 revenue reflects a 3.0% increase from FY 2015 to FY 2016.
- Motor Vehicle License – This revenue stream has experienced increases between 1.6% and 2.3%.
- Public Service Corporation – There are no known improvements or equipment purchases anticipated in FY 2016; tax collected is projected to decrease by 1.9%.
- Business License Tax – FY 2014 reflects a significant increase from FY 2013, FY 2015 will see some growth offset by previously private medical practices/services shifting to non- profit status.
- Local Sales Tax – Over the first 5 months of FY 2015, Sales Tax revenue is $340,000 or 6.2% ahead of FY 2014 Actual.
- Meal Tax – Over the first 5 months of FY 2015, Meals Tax collections exceed FY 2014 by an average of $42k per month, or 4.0%.
- Lodging Tax – Over the first 5 months of FY 2015, Lodging Tax assessments are approximately $12K, or 1.4%, ahead of FY 2014 Assessed.
- Amusement Tax – Year to date (through November 2014) FY 2015 Amusement Tax revenues are approximately $10k, or 4.0%, behind FY 2014.
- Communications Sales and Use Tax – Communication Sales and Use Tax continues to decline; the reduction in land line use and the lower cost for telecommunication services has affected the revenue generated through this stream.
- Consumer Utility Tax – Electric – The Electric and Gas Utility consumption tax revenue collected in FY 2015 has been less than FY 2014 due to relatively mild weather prior to December.
- Ambulance Service Fees – The Ambulance Service Fees are collected for the City by EMS-MC; the City pays the company 5.75% of total collections for this service.
- Bank Stock Tax – The Bank Stock Tax has mostly reflected a steady decrease since its peak in FY 2011.
- Tobacco Tax – The first half of FY 2015 has seen a reduction in revenue of approximately $33,500 from the same period last year.

// Council took a break at 2:10 P.M. and reconvened at 2:20 PM

// The following Members were present:

Present: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette 6

Absent: Johnson 1

// City Manager Kimball Payne provided the FY 2016 Major Expenditure Overview Requests. Mr. Payne stated that the expenditure requests listed below would appear in his budget message.

- 11 New Full-Time Positions Requested
- Compensation Adjustment of 2% - $1.2 million
- City Schools Request over FY 2015 – $1.2 million
- Public Works Request over FY 2015 - $1.3 million
- New Voting Machines - $300,000
- Police Overtime over FY 2015 - $250,000
- New & Replacement Vehicles over FY 2015 - $413,000
- Furniture, Fixtures and Equipment for Heritage High School - $1.7 million

Mr. Payne also discussed FY 2016 Pay-As-You-Go Projects which are Buildings, Transportation, Economic Development, Parks and Recreation, Miscellaneous and Reserves. The General Fund Pay-As-You-Go total is $7,098,325. Schools Pay-As-You-Go which is for school bus replacements total $950,000. The General Fund and Schools Pay-As-You-Go total $8,048,325. Mr. Payne went on to say additional use of Pay-As-You-Go Funds included Jefferson Park Landfill clean-up ($500,000) and an increase in the Heritage High School Furniture, Fixtures and Equipment reserve ($779,471). Mr. Payne further stated that the Budget is preliminarily balanced.

// Vice Mayor Johnson arrived at the meeting at 3:30 p.m.

// City Manager Kimball Payne provided information on the FY 2016 – 2020 Capital Improvement Program (CIP). Mr. Payne provided information on the five-year proposed appropriations to be financed by the City: Buildings (new construction and maintenance), Transportation (new construction), Economic Development (new construction), Parks and Recreation (new construction and maintenance), Schools (new construction and maintenance). Mr. Payne further stated the projects that will be deferred beyond FY 2020. These projects included Aquatics Assessment/Miller Park Pool Replacement, Firing Range Training Facility, Community Market Interior Renovation, Elementary School Gymnasiums, Linkhorne Elementary School Renovation, Paul Munro Elementary School Renovation and Sandusky Elementary School Renovation. The deferred projects total $35,350,000.

// City Manager Kimball Payne discussed the Big Issues/Projects/Opportunities with Council and asked if additional items should be added to the list. After Council reviewed the items on the list there were additional big issue items that Council stated should be added to the list including Public Wi-Fi, Clay Street Reservoir, War Memorial, 2 Way Street (Church Street, 5th and 9th Streets), Pay-As-You-Go, Inventory of the Centers that have been upgraded, Poverty (citizen engagement), Academy Restoration, Affordable Housing, Pay down the City's debt, Parks and Recreation and Human Services.

// City Manager Kimball Payne and Deputy City Manager Bonnie Svrcek discussed the Community Engagement Transition. The following are questions and concerns that were discussed in moving forward with Community Engagement Transition:

1. What degree of Community Engagement to have with Citizens.

2. Utilizing Community Development Block Grant (CDBG) Funds.

3. Have a conversation in the Fall with the Community on Poverty.

4. One informal budget meeting in late Summer or early Fall.

// On motion of Council Member Helgeson, seconded by Council Member Foster, Council by the following recorded vote elected to hold a closed meeting for discussion and consideration of the City Manager, City Attorney and Clerk of Council performance evaluations, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia, 1950, as amended:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// The meeting was re-opened to the public.

// Council Member Helgeson made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Council Member Nelson, and Council by the following recorded vote adopted the motion:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// City Council recessed the meeting at 5:15 p.m.

// City Council reconvened the meeting at 7:30 p.m.

The following Members were present:

Present: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Absent: 0

Council Member Foster gave the Invocation, followed by the Pledge of Allegiance led by Boy Scout Troops 1910 and 50.

// Mayor Gillette and Council Member Nelson presented certificates to Lynchburg College Women's Soccer Team for winning the first National NCAA Division III Championship.

// Mayor Gillette introduced and welcomed Josh Baker, the new General Manager for Greater Lynchburg Transit Company (GLTC)

// Mayor Gillette announced the State of the City Address will be held on Monday, February 23, 2015 at 7:00 p.m. in Council Chamber.

// Copies of the minutes of the December 9, 2014 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Council Member Helgeson, Council by the following recorded vote approved the minutes as presented:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// Copies of the minutes of the January 13, 2015 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Foster, seconded by Council Member Helgeson, Council by the following recorded vote approved the minutes as presented:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// In the matter of Community Development - Zoning Amendments, a public hearing was held regarding City Council Report # 3 outlining the petition of Adams Investment Properties, LLC to rezone approximately ninety-three hundredths (0.93) of an acre at 7708 Timberlake Road from B-1, Limited Business District to B-2, Local Neighborhood Business District to allow the use of an existing building for a bakery. Zoning Administrator Kevin Henry provided a summary of the request. Representative Ernest W. Adams with Adams Investment Properties, representing the petitioner asked Council for approval for the rezoning petition. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Perrow, seconded by Vice Mayor Johnson, Council by the following recorded vote adopted Ordinance #0-15-006, as presented, granting the petition of Adams Investment Properties, LLC to rezone approximately ninety-three hundredths (0.93) of an acre at 7708 Timberlake Road from B-1, Limited Business District to B-2, Local Neighborhood Business District to allow the use of an existing building for a bakery:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// In the matter of Public Works – Street Vacation, a public hearing was held regarding City Council Report #4 concerning the petition of Irvington Properties, LLC to vacate a portion of right-of-way known as Waterton Drive located in between 109 and 111 Waterton Drive. The area is approximately sixty-nine thousandths (.069) of an acre. The area to be vacated is approximately fifty (50) feet wide. Zoning Administrator Kevin Henry provided a summary of the request. There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC) stated that this item came before PDC and recommended the item be considered by City Council. The motion did not require a second. Council by the following recorded vote adopted Ordinance #O-15-007, as presented, regarding the petition of Irvington Properties, LLC to vacate a portion of right-of-way known as Waterton Drive located in between 109 and 111 Waterton Drive:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// In the matter of Fire – General, City Council Report #5 was considered. Council Member Helgeson, Chair of the Finance Committee (FC) stated that this item came before FC and recommended approval and made a motion to approve the request. The motion did not require a second. Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-15-008, as presented, to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate $52,542 with resources from the 2014 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the Lynchburg Fire Department's CBRNE (Chemical, Biological, Radiological, Nuclear, Explosive) Equipment project:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette	7
Noes:	0

// In the matter of Economic Development – General, City Council Report #6 regarding the proposal to restore the Historic Virginian Hotel was considered. City Manager Kimball Payne provided an outline of the proposed agreement. Mr. Payne stated the developers, Blair Godsey and George Stanley, propose to purchase the historic Virginian Hotel, at 712 Church Street, and restore it for operation as a branded hotel. The hotel would have 115 rooms and a conference center with restaurant space and would be planned to open in 2017. The $25 million project has a funding gap of $5 million. Mr. Payne went on to say that the proposed gap financing would come through a $2 million loan from the Lynchburg Economic Development Authority (LEDA) and a $3 million conduit loan, through the LEDA, from a commercial bank. Payments on both loans would be through a grant from the LEDA, over a 17.5 year amortization period, funded by annual tax revenues from the project and its tenants, less $100,000 that would remain with the City. The developers would guarantee both loans and the LEDA would have a lien on the property as security. Mr. Payne further stated if Council approves the proposal in concept the matter will be taken to the Lynchburg Economic Development Authority for its approval, and a formal performance agreement will be drafted and presented to Council for approval at a future meeting. The estimated revenues from all taxes, real property, personal property, lodging, meals, sales and business license, are projected to be $300,000 to $700,000 annually. The proposed financing agreement guarantees a minimum of $100,000 a year to the City. During Council discussion several Council Members were in favor of the concept to restore the Historic Virginian Hotel. Council discussion included return on investment, increased tax base, increase in income from the property once the project is complete, and this would be a win-win in terms of economic dollars for the City.

Council Member Helgeson opposed approving the proposal for developers to pursue "gap financing" of $5 million from the LEDA in hopes of opening the renovated hotel at 712 Church Street in 2017. He also stated that he appreciated the developers' vision but could not support the City financially backing the plan. A motion was made by Council Member Perrow, seconded by Vice Mayor Johnson to accept the conceptual agreement proposal to restore the Historic Virginian Hotel. Council by the following recorded vote agreed to approve the proposal to restore the Historic Virginian Hotel:

Ayes: Foster, Johnson, Nelson, Perrow, Tweedy, Gillette	6
Noes: Helgeson	1

// The meeting was adjourned at 9:23 P.M.

Clerk of Council

// A regular meeting of the Council of the City of Lynchburg was held on the 24th day of February, 2015, at 4:00 P.M. in the Council Chamber, City Hall, Michael Gillette, President, presiding. The following Members were present:

Present: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette 6

Absent: Johnson 1

// Vice Mayor Johnson arrived at 4:10 P.M.

// Davenport & Company LLC, representative Courtney Rogers provided the Bond Refunding proposals. Due to lower interest rates, the City's financial advisor, Davenport & Company LLC, recommended the City currently refund the General Obligation Public Improvement Refunding Bonds, Series 2005A through the issuance of General Obligation Public Improvement Refunding Bonds, Series 2015. Mr. Rogers stated that Requests for Proposals for a private placement with a fixed rate were distributed to financial institutions on January 28, 2015. Proposals were received on February 12, 2015 and were evaluated by City staff and the financial advisor. American National Bank was selected as the best response. Consistent with Council's policy, this refunding will net 8.1% savings on an aggregate basis, which is well above the 3% savings required by the policy. After the presentation and discussion from Council the following actions were taken. A motion was made by Council Member Perrow, seconded by Council Member Foster to consider adopting a Resolution authorizing the issuance of $16,000,000 General Obligation Public Improvement Refunding Bonds, Series 2005A. Council by the following recorded vote adopted Resolution #R-15-009, as presented, authorizing the issuance of $16,000,000 General Obligation Public Improvement Refunding Bonds, Series 2005A:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

On motion of Council Member Perrow, seconded by Council Member Foster to consider amending the FY 2015 General, Water and Sewer Funds Adopted Budget and appropriating $71,000, $15,008 and $17,492 respectively, with resources from the refunding bond proceeds for a total of $103,500 for estimated issuance costs related to the General Obligation Public Improvement Refunding Bonds, Series 2015. Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-15-010, as presented, amending the FY 2015 General, Water and Sewer Funds Adopted Budget and appropriating $71,000, $15,008 and $17,492 respectively, with resources from the refunding bond proceeds for a total of $103,500 for estimated issuance costs related to the General Obligation Public Improvement Refunding Bonds, Series 2015:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// City Manager Kimball Payne gave a brief summary of the Freedom Aviation/Virginia Aviation Lease. First a work session discussion would be held and at 7:30 p.m. a public hearing would be held to receive public comments. Airport Manager Mark Courtney provided a summary of the Freedom Aviation/Virginia Aviation Lease. Mr. Courtney stated In June of 2014 Freedom Aviation purchased Virginia Aviation.

Since that time Freedom Aviation has been providing Fixed Base Operator (FBO) services at Lynchburg Regional Airport utilizing both its own facilities and those formerly leased by Virginia Aviation from the Airport. Mr. Courtney went on to say that the City has allowed this arrangement to proceed on a month-to-month basis until Freedom Aviation's request to assume the former Virginia Aviation lease for the remainder of its term. Two options are before Council for consideration:

- #1—Airport management provides limited FBO services, including the exclusive fueling of commercial and military aircraft, with Freedom Aviation retaining certain retail fueling rights.
- #2—Freedom Aviation assumes the Virginia Aviation lease through June 2017 and obtains all fueling rights at the airport, subject to the retention of some facilities (Hangar 1, Hangar 3 with its associated offices, and Hangar 6) by the Airport, and increased lease payments for the remaining facilities. The fuel farm would continue to be leased to Freedom Aviation on a month-to-month basis, pending further review of its operations. A new lease would need to be negotiated for any term beyond June 2017.

The Lynchburg Regional Airport Commission has recommended against the assignment of the lease and has expressed its preference that the City exercise its exclusive rights to fuel commercial and military aircraft and that Airport management also provide limited FBO services to the General Aviation community.

Freedom Aviation President Dave Young stated that Freedom Aviation is the best choice for the short and long term future of the Lynchburg Regional Airport. Mr. Young further stated that Freedom Aviation purchased the other FBO, Virginia Aviation, in June 2014 and sought to assume the lease. The business provides fuel and repair services, among others, to general aviation users at the airport and is looking to spend millions in capital investments and nearly double its employment and economic output in upcoming years, according to projections that was presented to the City.

After the discussion from Council several major issues were identified. The following issues were major concerns that Council identified in the Lease:

- Control v. Revenues
- Revenues
- Private v. Public Issue – Role of Government
- Risk v. Reward
- Guarantees for the General Aviation Community
- Quality Performance (Customer Satisfaction)
- Gateway to City (preservation, identity)
- Public Asset
- Separation of Church and State (non-discrimination)
- Term of Lease (permanency)
- Short-term v. Long Term
- Airport Authority Implications
- Job Creation v. Career Creation

In conclusion, a public hearing to receive comments from interested parties is scheduled for Council's regular session at 7:30 p.m. Staff and the petitioner will make short presentations for public comment. After the public hearing, the matter will rest with Council.

// There were no roll call items.

// City Council recessed the meeting at 6:40 p.m.

// City Council reconvened the meeting at 7:30 p.m.

The following Members were present:

Present: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Absent: 0

Council Member Tweedy gave the Invocation, followed by the Pledge of Allegiance led by Girl Scout Troop 261.

// Mayor Gillette and Vice Mayor Johnson presented Certificates of Recognition to E. C. Glass Boys and Girls Cross Country Teams. Libby Davidson received a Certificate of Excellence for the Virginia High School League 4A State Championship Girls Cross Country Team and Peter Seufer received a Certificate of Excellence for the Virginia High School League 4A State Championship Boys Cross Country Team.

// In the matter of Fire – General, Resolution #R-15-008 to amend the FY 2015 City/Federal/State Aid Fund budget and appropriate $52,542 with resources from the 2014 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) for the Lynchburg Fire Department's CBRNE (Chemical, Biological, Radiological, Nuclear, Explosive) Equipment project, laid over from the February 10, 2015 meeting, was again presented and read, and on motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote adopted the Resolution:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// In the matter of Community Development/CDBG, a public hearing was held regarding City Council Report #5 to receive citizens comments concerning the Community Development Block Grant (CDBG) and HOME Program housing and non-housing goals for the 2015-2020 Consolidated Plan. Grants Manager Melva Walker gave a summary of the request with recommendations from the Community Development Advisory Committee (CDAC). Three individuals spoke and thanked Council for their past support and asked Council to continue supporting their programs. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Helgeson, Chair of the Community Development Advisory Committee (CDAC), seconded by Vice Mayor Johnson, Co-Chair of CDAC, Council by the following recorded vote adopted Resolution #R-15-011, as presented, regarding the Community Development Block Grant (CDBG) and HOME Program housing and non-housing goals for the 2015-2020 Consolidated Plan:

Ayes: Foster, Helgeson, Johnson, Nelson, Perrow, Tweedy, Gillette 7

Noes: 0

// In the matter of Airport – General, a public hearing was held regarding City Council Report #6 regarding a request by Freedom Aviation to assume the lease of city-owned airport facilities formerly leased by Virginia Aviation. Approval of such assumption would require the negotiation of a new lease between the City and Freedom Aviation for all or some of the facilities formerly leased by Virginia Aviation and would allow Freedom Aviation to provide Fixed Base Operator (FBO) services to the general aviation community. An alternative, as recommended by the Lynchburg Regional Airport Commission, would be for the City to retain its exclusive rights to fuel commercial and military aircraft and for the City to provide limited FBO services to the general aviation community. This alternative would also potentially require the negotiation of a new lease between the City and Freedom Aviation for certain city-owned facilities at the Lynchburg Regional Airport. City Manager Kimball Payne stated that during the work session presentations were made by the Airport staff, Airport Director Mark Courtney and Freedom Aviation President Dave Young. Mr. Payne stated that Council identified the following major issues:

- Control v. Revenue
- Revenues
- Private v. Public Issue – Role of Government
- Risk v. Reward
- Guarantees for the General Aviation Community
- Quality Performance (Customer Satisfaction)
- Gateway to the City (preservation, identity)
- Public Asset
- Separation of Church & State (non-discrimination)
- Term of Lease (permanency)
- Short-term v. Long Term
- Airport Authority Implications
- Job Creation v. Career Creation

Airport Manager Mark Courtney stated that for well over ten years, the airport staff has pursued a goal of fostering and maintaining FBO competition at Lynchburg Regional Airport. Mr. Courtney stated the following two options:

#1: Lynchburg Municipal Airport maintains facilities and retains a second FBO, while Freedom Aviation retains certain retail fueling services.

#2: Freedom Aviation to keep a portion of those assets, which means they would lose control over all retail and contract fueling.

Freedom Aviation President Dave Young stated that Freedom Aviation purchased the other FBO, Virginia Aviation, in June 2014 and sought to assume the lease. The business provides fuel and repair services, among others, to general aviation users at the airport and is looking to spend millions in capital investments and nearly double its employment and economic output in upcoming years. There were 11 individuals who spoke opposing the City becoming a Fixed Base Operator (FBO) and believed the private sector would be better suited to handle that role. There was no one else present who wished to speak to this item, and the public hearing was closed. Council discussed the options at length, in deciding to move forward with a long-term lease arrangement with Freedom Aviation, and to make sure the agreement addresses and covers the number of concerns discussed.

On motion of Council Member Helgeson, seconded by Council Member Perrow, to approve Option #2 which states that Freedom Aviation assumes the Virginia Aviation lease through June 2017 and obtains all fueling rights at the airport, subject to the retention of some facilities (Hangar 1, Hangar 3 with its associated offices, and Hangar 6) by the Airport, and increased lease payments for the remaining facilities. The fuel farm would continue to be leased to Freedom Aviation on a month-to-month basis, pending further review of its operations. A new lease will need to be negotiated for any term beyond June 2017. Council Member Foster offered a friendly amendment to that motion adding more options. Council Member Helgeson agreed to the friendly amendment and Council Member Perrow seconded the motion. Vice Mayor Johnson stated he would not support this motion at this time stating he was against finalizing Freedom Aviation's plan and went on to say he felt the City should capitalize on the opportunity of selling fuel and other services.

Council by the following recorded vote adopted Resolution #R-15-012, as amended, approving the request of Freedom Aviation to assume the lease for some or all of the facilities previously leased by Virginia Aviation at the Lynchburg Regional Airport as of July 1, 2013. City Council further authorizes City staff to negotiate a new lease between the City and Freedom Aviation/Virginia Aviation for an initial term of no more than three years with an extension of up to five years. The new lease will allow the Airport to retain control of some facilities previously leased to Virginia Aviation and will establish new rates for the leased facilities. The new lease between the City and Freedom Aviation/Virginia Aviation shall address the following: appropriate performance standards related to such issues as general aviation services, including fuel prices and hangar space; customer satisfaction; maintaining an appropriate gateway to the City; the separation of church and state, and other items considered appropriate by staff:

Ayes: Foster, Helgeson, Nelson, Perrow, Tweedy, Gillette 6

Noes: Johnson 1

Once City staff and Freedom Aviation/Virginia Aviation have completed the terms of the new lease, the new lease shall be brought back to City Council for Council's approval. If a new lease cannot be successfully negotiated, Council will consider allowing Airport management to provide limited Fixed Base Operator (FBO) services, including the exclusive fueling of commercial and military aircraft.

// The meeting was adjourned at 9:45 P.M.

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Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015**			AGENDA ITEM NO.: 8
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Rezoning and change to a previously approved conditional use permit to allow Phases 3 and 4 of the Rosedale Development – 1600 Graves Mill Road**

RECOMMENDATION: Approval of the rezoning and conditional use permit (CUP) petitions.

SUMMARY: Rosedale Farm, LLC is petitioning: (1) to rezone approximately twenty-six and eight tenths (26.8) acres from R-1, Low Density, Single-Family Residential District to B-3C, Community Business District (Conditional) and (2) for a CUP to amend the previously approved cluster commercial development. The rezoning and CUP would permit the construction of Phases 3 and 4 and a second roundabout in the Rosedale Cluster Commercial Development.

Phases 3 and 4 would include the construction of a minimum of twenty (20) townhomes, forty-five (45) condominiums, fifty (50) apartment units and one hundred thousand (100,000) square feet of office space. The rezoning and conditional use permit petitions are in keeping with the City's *Future Land Use Map*, which recommends Mixed Use and Resource Conservation for the area.

PRIOR ACTION(S):

January 14, 2015: The Planning Division recommended approval of the rezoning and conditional use permit petitions.

The Planning Commission recommended approval of the rezoning petition (4-1 with one member absent (Mays) and one vacancy).

The Planning Commission recommended approval of the CUP petition (4-1 with one member absent (Mays) and one vacancy).

FISCAL IMPACT: N/A

CONTACT(S): Tom Martin, City Planner - 455-3900
Kent White, Director of Community Development – 455-3900

ATTACHMENT(S):

- Ordinance
- Resolution
- Planning Commission Report and Minutes – January 28, 2015
- Vicinity Zoning Pattern Map
- Vicinity Future Land Use Map [FLUM]
- Watershed Location Map
- Planimetric and Topographic Map
- Proposed Concept Plan: Sketch Plan for Phases 3 & 4 Rosedale
- Project Narrative
- Architectural and Design Elements
- Notification Sign Photo
- Speaker Signup Sheet

REVIEWED BY: lkp

UNCODIFIED ORDINANCE:

AN ORDINANCE CHANGING A CERTAIN AREA LOCATED AT 1600 GRAVES MILL ROAD FROM R-1, LOW DENSITY, SINGLE-FAMILY RESIDENTIAL DISTRICT TO B-3C, COMMUNITY BUSINESS DISTRICT (CONDITIONAL)

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG that in order to promote the public necessity, convenience, welfare and good zoning practice that Chapter 35.1 of the Code of the City of Lynchburg, 1981, as amended, be and the same is hereby further amended by adding thereto Section 35.1-76__, which section shall read as follows:

Section 35.1-76__. Change of a certain area located at 1600 Graves Mill Road from R-1, Low Density, Single-Family Residential District to B-3C, Community Business District (Conditional).

The area embraced within the following boundaries:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED ON THE NORTH SIDE OF GRAVES MILL ROAD IN THE CITY OF LYNCHBURG, VIRGINIA, BEING THE WESTERN PORTION OF THE LAND OWNED BY ROSEDALE FARM, LLC AND FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT IRON PIN FOUND (IPF), WHICH IPF IS LOCATED ON THE NORTHERLY RIGHT-OF-WAY LINE OF GRAVES MILL ROAD, AND WHICH IPF IS A COMMON CORNER WITH THE PROPERTY OF MILLSIDE DEVELOPMENT CENTER,

THENCE NORTH 25 DEGREES 28 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 85.28 FEET TO A POINT;
THENCE NORTH 38 DEGREES 08 MINUTES 20 SECONDS WEST FOR A DISTANCE OF 674.38 FEET TO A POINT;
THENCE NORTH 61 DEGREES 26 MINUTES 49 SECONDS EAST FOR A DISTANCE OF 474.11 FEET TO A POINT;
THENCE NORTH 62 DEGREES 30 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 370.11 FEET TO A POINT;
THENCE NORTH 64 DEGREES 50 MINUTES 16 SECONDS EAST FORA DISTANCE OF 200.84 FEET TO A POINT;
THENCE NORTH 25 DEGREES 09 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 471.06 FEET TO A POINT;
THENCE NORTH 59 DEGREES 02 MINUTES 35 SECONDS EAST FOR A DISTANCE OF 500.31 FEET TO A POINT;
THENCE SOUTH 38 DEGREES 58 MINUTES 55 SECONDS EAST FOR A DISTANCE OF 501.73 FEET TO A POINT;
THENCE SOUTH 62 DEGREES 43 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 190.34 FEET TO A POINT;
THENCE SOUTH 38 DEGREES 30 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 8.46 FEET TO A POINT;
THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 465.00 FEET AND AN ARC LENGTH OF 200.06 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 26 DEGREES 10 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 198.52 FEET TO A POINT;
THENCE SOUTH 13 DEGREES 51 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 673.39 FEET TO A POINT;
THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 658.10 FEET AND AN ARC LENGTH OF 7.79 FEET. BEING SUBTENDED BY A CHORD OF SOUTH 14 DEGREES 11 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 7.79 FEET TO A POINT;
THENCE NORTH 68 DEGREES 20 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 428.34 FEET TO A POINT;

THENCE SOUTH 79 DEGREES 54 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 209.22 FEET TO A POINT;

THENCE SOUTH 25 DEGREES 06 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 650.90 FEET TO A POINT, WHICH POINT IS LOCATED ON SAID NORHTERLY LINE OF GRAVES MILL ROAD;

THENCE, WITH SAID LINE OF GRAVES MILL ROAD, ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2320.92 FEET AND AN ARC LENGTH OF 53.70 FEET, BEING SUBTENDED BY A CHORD OF NORTH 71 DEGREES 02 MINUTES 28 SECONDS WEST FOR A DISTANCE OF 53.70 FEET TO THE POINT OF BEGINNING:

SAID PROPERTY CONTAINS 26.838 ACRES MORE OR LESS.

…is hereby changed from R-1, Low Density, Single-Family Residential District to B-3C, Community Business District (Conditional) with conditions set out herein below which have been voluntarily proffered in writing by the petitioner, Rosedale Farm LLC, to wit:

1. The property will be developed as a Cluster Commercial Development (CCD). With regard to setbacks, the front setback from Graves Mill Road will be thirty feet (30’). All other setbacks for front, side and rear yards will be zero feet. Excluding Graves Mill Road, the maximum setback shall be fifteen feet (15’) from the public right-of-ways or back of sidewalk on private streets. Buildings labeled “A,” “B,” “C,” “D,” “E,” and “F” are exempt from the maximum setback.
2. The property will be developed with a combination of sidewalks, bike path and walking trails to promote interconnectivity.
3. The property will be developed with a park area with a combination of lawns and trees.
4. The project will be developed to accommodate bus stops for mass transit.
5. The property will be developed such that all exterior lighting will be glare shielded and designed to prevent illumination beyond the external developments property lines.
6. Streets will have ornamental street lights.
7. Uses shall be as permitted by right in B-3 and lesser intense districts. However, the following uses will not be included within the development of the site: Automobile oriented uses, included automobile, trailer and truck rentals and sales, tire retail sales, painting/body repair shops and service stations, excluding fueling stations, which will be allowed within the development. Billboards, building material and construction or farm equipment sales, contractors’ establishments, exterminators, kennels, storage, warehouses and yards, manufacturing uses.
8. The property will be developed in substantial compliance with the approved site plan dated December 29, 2014.

And the Director of Community Development shall forthwith cause the “Official Zoning Map of Lynchburg, Virginia,” referred to in Section 35.1-4 of this chapter to be amended in accordance therewith.

Adopted:

Certified: ______________________________

Clerk of Council

015K

RESOLUTION:

A RESOLUTION GRANTING A CONDITIONAL USE PERMIT TO ROSEDALE FARM LLC, TO AMEND AND INCORPORATE PHASES 3 & 4 INTO THE ROSEDALE CLUSTER COMMERCIAL DEVELOPMENT LOCATED AT 1600 GRAVES MILL ROAD IN A B-3C, COMMUNITY BUSINESS (CONDITIONAL) DISTRICT.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG that the petition of Rosedale Farm, LLC to amend and incorporate Phases 3 & 4 into the Rosedale Farm Cluster Commercial Development located at 1600 Graves Mill Road is hereby approved subject to the following conditions:

1. The property shall be developed in substantial compliance with the submitted rezoning plan entitled Sketch Plan for Rezoning & Conditional Use Permit for Phases 3 & 4, Rosedale, for Rosedale Farm LLC dated December 29, 2014 and prepared by Berkley-Howell & Associates, P.C., though where in conflict with conditions outlined below, the conditions will take precedence.
2. All conditions approved by Council on April 8, 2014 shall remain in effect for Phases 1, 2 and Bella Rose Plantation, LLC located at 1220 Graves Mill Road.
3. Requirements of the City's Scenic Corridor Overlay District relating to signs shall apply to the entire development.
4. An overall Stormwater Management Plan addressing both quality and quantity will be submitted prior to individual site plan approval.
5. Stormwater management facilities will be integrated into the overall design of the development and design is subject to the approval of the City's Environmental Plan Reviewer.
6. Water quality will be addressed through a combination of Best Management Practices (BMPs) and Low Impact Development (LID) standards. Design of water quality measures is subject to approval of the City's Environmental Plan Reviewer.
7. Front loading garages will not be permitted within the development.
8. Buildings will have entrances on public and private street frontages.
9. All amenities in the area designated as a park on the submitted master plan shall be the responsibility of the developer. All park areas shall be connected to the overall development by a series of trails and or sidewalks.
10. Crosswalks will connect sidewalks at all significant intersections and driveways and be ten (10) feet wide, high intensity style.
11. Streets will have pedestrian oriented lighting, with a maximum height of fifteen (15) feet measured from the sidewalk or street level.
12. Architecture of the buildings will be in substantial compliance with the Architectural & Design Elements for Rosedale Phases 3 and 4 received November 18, 2014.
13. Driveway entrances on public and private roads will be a minimum of one hundred feet (100') apart.
14. Subdivision plat must be submitted for the dedication of any public streets and the approval of any street names.

Adopted:

Certified: ______________________________
Clerk of Council

016K

The Department of Community Development

City Hall, Lynchburg, VA 24504 434-455-3900

To: Planning Commission
From: Planning Division
Date: January 28, 2015
Re: **Rosedale Farm – 1600 Graves Mill Road**
Rezoning: R-1, Low Density Residential District to B-3C, Community Business District (Conditional)
Conditional Use Permit (CUP): Cluster Commercial Development (CCD)

I. PETITIONER

Rosedale Farm LLC, 1600 Graves Mill Road, Lynchburg, VA 24502 and
Representative: Ron Cox and Bryant Hare, Hopkins Brothers Legacy Planning & Development, P.O. Box 753, Lynchburg, VA

II. LOCATION

The subject property includes sixty-four and seventy nine hundredths (64.79) acres located at 1600 Graves Mill Road. Twenty-six and eight tenths (26.8) acres are to be rezoned and the remainder is part of the amended CCD.
Property Owner: Rosedale Farm LLC

III. PURPOSE

The purpose of this petition is to rezone approximately twenty-six and eight tenths (26.8) acres from R-1, Low Density, Single-Family Residential District to B-3C, Community Business District (Conditional) and to amend the previously approved Cluster Commercial Development (CCD), by incorporating Phases 3 and 4 and adding a second roundabout to the street network.

IV. SUMMARY

- Petition agrees with the *Zoning Ordinance* which permits uses allowed by right in R-3 through B-5 districts in a CCD by approval of a CUP.
- The *Comprehensive Plan 2013-2030's Future Land Use Map* recommends a Mixed Use and a Resource Conservation use for the subject property.
- Phases 3 and 4 would include the construction of a minimum of twenty (20) townhomes, forty-five (45) condominiums, fifty (50) apartments and one hundred thousand (100,000) square feet of office space.
- The site layout follows development principles for connectivity, mixed use, and building placement as called for by the *Comprehensive Plan 2013-2030's Goals and Policies* or *Chapter 6: Land Use Development & Community Design.*
- The property is one of few remaining vacant large tracts of land in the City of Lynchburg.
- The property falls within the Scenic Corridor Overlay District.
- The Design Review Board (DRB) reviewed the sketch plan on January 12, 2015.

The Planning Division recommends approval of the rezoning and CUP petitions.

V. FINDINGS OF FACT

1. ***Comprehensive Plan.*** The property is indicated for Mixed Use and Resource Conservation use on the *Future Land Use Map (FLUM).*

The *Comprehensive Plan 2013-2030* provides that Mixed Use developments do not fit into any single use category as they are planned for a mix of uses carefully designed so as to mitigate any potential land use conflicts. The mixed use areas generally consist of large undeveloped or greenfield areas that are intended to be developed for a balanced mix of residential, neighborhood commercial, civic uses, parks and open spaces. The mix of uses in these areas is intended to be determined at the time of development review and approval. (**pg 76**)

Land use decisions made by the City should take into account not only the land uses depicted on the FLUM but also the *Plan Framework Map* and *Goals and Policies* contained within the *Comprehensive Plan*. The *Plan Framework Map* shows the tract of land as within the Graves Mill Business/Technology Area and states that given the size and location of the Graves Mill Area, a mixed use core with higher density residential development and retail uses is appropriate for the area south and west of the interchange of Graves Mill Road and the Lynchburg Expressway (**pg 70**).

The *Comprehensive Plan* contains *goals* specific to new development and *policies* to follow to achieve those goals. Those applicable from the Land Use and Development section are listed here:

Goal LU-1: Land Availability. Make efficient use of land and resources in the City to serve the needs of the region through new development, redevelopment and infill that accomplishes the Plan's goals. (**pg 13**)

Goal LU-1.4: Consider the Planning Framework, land availability, existing land use and zoning patterns, site constraints, transportation capacity, utility availability and natural systems when evaluating zoning and Future Land Use Map amendments. (**pg 14**)

Goal LU-1.6: When the FLUM allows for greater density than allowed by existing zoning, determine whether a zoning change would be appropriate pursuant to policy LU-1.4 or whether the site is appropriate for density bonuses based on community benefits specified in the City's zoning ordinance. (**pg 14**)

Goal LU-3: Compatibility, Character and Design. Reinforce Lynchburg's unique character through public and private strategies that preserve historic elements, enhance transportation options, use existing infrastructure and improve access between land uses. (**pg 15**)

LU-3.2 Coordinate site and building design with the design of streets and public facilities.(**pg 15**)

LU-3.5 Facilitate creative residential, commercial and mixed-use development designs that create vibrant, healthy neighborhoods. (**pg 15**)

LU-3.6 Ensure that developments and public improvements within Scenic Conservation Areas are designed to protect or enhance the areas' scenic and environmental qualities. (**pg 16**)

LU-3.7 When addressing compatibility and connectivity between adjacent land uses, ensure that building orientation, building location, parking locations, parking design, lighting, walkways and other building and site design factors provide safe and convenient access to sites for drivers, pedestrians, bicyclists and transit riders. [See design discussion in Chapter 6] (**pg 16**)

LU-3.10 Encourage the development of built environments that support the integration of healthy and active living in day-to-day life and foster human interaction. (**pg 16**)

Goal NH-2: Neighborhood Character. Promote well-designed mixed-use residential neighborhoods that incorporate a variety of housing types and densities with pedestrian-oriented streets, small-scale neighborhood oriented services and parks to where residents are able to live, work and play close to home. (**pg 25**)

The proposed Rosedale Development has a desirable mix of land uses that meet the goals of the *Comprehensive Plan*'s *FLUM*, Framework Map and text by providing a combination of retail, residential and office uses within a single site. Mixed use developments called for by the goals in the *Comprehensive Plan* should follow "Main Street" design conventions. Buildings following this style are pedestrian oriented with facades and main entrances facing streets, human-scale massing and fenestration and contain a mix of uses within individual buildings where lower floors are used for commercial uses and the upper floors are used for residential. Buildings should have unified design characteristics with similar height and massing to create a "street wall," an essential component of a walkable design. Parking should be accommodated by on street parking and disguised in the rear of buildings rather than having large open parking lots depleting the character from a development. Rosedale's site plan meets many of the above concepts. The Planning Division sees providing that framework, which involves building a connected street grid with multimodal facilities and creating a context where buildings are human scale and placed close to the streets, as the most crucial goal of site planning. Rosedale meets those goals and it is envisioned that through time, Rosedale will become a hub for this area of the city.

2. **Zoning.** The subject property was annexed into the City in 1976 and the existing R-1, Low-Density Residential zoning was established in 1978 with the adoption of the current *Zoning Ordinance*. A portion of the property was rezoned to B-3C, Community Business District (Conditional) and received approval for a CCD from City Council on April 8, 2014. The current rezoning and CCD petition would allow the remaining twenty-six (26) acres to be incorporated into the sixty-four (64)-acre development.

   The proposed B-3, Community Business District and Cluster Commercial Development (CCD) would allow for all uses permitted by right in R-3 through B-5 districts and all uses illustrated on the site plan. The *Zoning Ordinance* characterizes CCD districts with three key features: an increased public amenity, shared parking areas between land uses and a general "clustering" of development on site. The proposed site plan provides for amenity areas but could make better use of the provisions for clustering and sharing parking. "Clustering" refers to placing buildings close together on a single site. Clustering buildings automatically leads various uses to share parking. If the mix of land uses work together, then fewer parking spaces would be necessary on site, a desirable outcome for a number of reasons including stormwater management, maintenance and a general flexibility for future development of the site.

   CCDs are permitted in places consistent with the *Comprehensive Plan* and in areas where public services certified to be adequate for the proposed development by the Director of Planning for the City of Lynchburg.

3. **Proffers.** The petitioner has voluntarily submitted the following proffers:

   - The property will be developed as a Cluster Commercial Development (CCD). With regard to setbacks, the front setback from Graves Mill Road will be thirty feet (30'). All other setbacks for front, side and rear yards will be zero feet. Excluding Graves Mill Road, the maximum setback shall be fifteen feet (15') from the public right-of-ways or back of sidewalk on private streets. Buildings labeled "A," "B," "C," "D," "E," and "F" are exempt from the maximum setback.

- The property will be developed with a combination of sidewalks, bike path and walking trails to promote interconnectivity.
- The property will be developed with a park area with a combination of lawns and trees.
- The project will be developed to accommodate bus stops for mass transit.
- The property will be developed such that all exterior lighting will be glare shielded and designed to prevent illumination beyond the external developments property lines.
- Streets will have ornamental street lights.
- Uses shall be as permitted by right in B-3 and lesser intense districts. However, the following uses will not be included within the development of the site: Automobile oriented uses, included automobile, trailer and truck rentals and sales, tire retail sales, painting/body repair shops and service stations, excluding fueling stations, which will be allowed within the development. Billboards, building material and construction or farm equipment sales, contractors' establishments, exterminators, kennels, storage, warehouses and yards, manufacturing uses.
- The property will be developed in substantial compliance with the approved site plan dated December 29, 2014.

4. **Board of Zoning Appeals (BZA).** N/A
5. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:

- On April 14, 1981, Council approved the petition of Woodrow Iseman and William Milton to rezone approximately eight (8) acres from R-1, Low Density Residential District, to R-2C, Low-Medium Density Residential District (Conditional)to allow the construction of single-family residential homes on smaller lots around the intersection of Omega Drive and Omega Court.
- On August 12, 1986, Council approved the petition of Dreaming Creek Properties to rezone approximately four and half (4.5) acres from I-1, Restricted Industrial District to B-5C, General Business District (Conditional), and for a CUP for a Cluster Commercial Development (CCD) of office, showroom, and warehouse uses at the southwest corner of the intersection of Old Graves Mill and Graves Mill Roads.
- On December 8, 1987, Council approved the petition of Hutter Associates, Inc to rezone approximately thirty and a half (30.5) acres from R-2, Low-Medium Density Residential District to B-5C, General Business District (Conditional) and approximately thirty-two and a half (32.5) acres from R-1, Low Density Residential District to R-4, Medium-High Density Residential District, to allow speculative development with commercial and multi-family uses at the corner of Graves Mill Road and Creekside Drive.
- On December 11, 1990, Council approved the petition of Frank Davidson to amend a previously approved site plan and proffers by rezoning approximately four and a half (4.5) acres from B-5C, General Business District (Conditional), to B-5C, General Business District (Conditional), to allow office, professional, and commercial uses of the property

according to a new site plan at the southwest corner of the intersection of Old Graves Mill and Graves Mill Roads.

- On October 13, 1992, Council rezoned fifty four (54) acres to the west of this site along Graves Mill Road from R-1, Low Density Residential District, and R-3, Medium Density Residential District to B-1, Limited Business District as part of the Graves Mill Road/US 221 Area Land Use Study, Growth Management Program.
- On January 12, 1999, Council approved the petition of Petrie, Dierman and Kughn to rezone approximately sixty-five (65) acres from R-4, Medium-High Density Residential District, and B-5C, General Business District (Conditional), to B-5C, General Business District (Conditional) and for two (2) Conditional Use Permits (CUP) to fill in a flood plain to allow the construction of a shopping center and parking lot on the properties adjacent to Creekside Drive.
- On July 13, 1999, Council approved the petition of Paul G. Graves to rezone approximately one (1) acre at 1220 Graves Mill Road from R-C, Resource Conservation District, and R-1, Low Density Residential District, to B-5C, General Business District (Conditional) to allow the reconstruction of the historic Graves Mill and its use for various commercial uses, including consignments, antiques, restaurant, gift shop, and the installation of 33 parking spaces.
- On September 12, 2000, Council approved the petition of First Assembly of God for a CUP to allow the construction of a church and parking area in a residential district at 1210 Graves Mill Road.
- On December 12, 2000, Council approved the petition of Lowe's Home Centers for a CUP to allow filling in a flood plain for the construction of a new building and parking lot in a B-5C, General Business District (Conditional), at 1200 Graves Mill Road.
- On August 13, 2002, Council approved the petition of Miller-Motte Technical College for a CUP for a technical college for up to 250 students in a B-5C, General Business District (Conditional), at 1011 Creekside Drive.
- On January 11, 2005, Council approved the petition of Millside Development LLC for a CUP to allow the construction of a Cluster Commercial Development (CCD) in a B-1, Limited Business District at the corner of Graves Mill Road and Lillian Lane.
- On September 13, 2011, Council approved the petition of the Lynchburg Humane Society to amend the FLUM from Resource Conservation and Medium Density Residential to Regional Commercial and to rezone the property from R-2 Low-Medium Density Single Family Residential District to B-5C, General Business District (Conditional) to allow the construction of a new animal shelter and associated parking at 1211 Old Graves Mill Road.
- On April 8, 2014, Council approved the petition of Rosedale, Farm, LLC to rezone forty-two (42) acres from R-1, Low Density, Single-Family Residential to B-3C, Community Business District (Conditional) and for a conditional use permit to allow a cluster commercial development at 1600 and 1220 Graves Mill Road.

6. **Site Description.** The subject property is one (1) tract of land totaling approximately sixty-four and seventy nine hundredths (64.79) acres located at 1600 Graves Mill Road. Twenty-six (26) acres is being rezoned and is included in the sixty-four and seventy nine hundredths (64.79) acres falls within the amended CCD.

The property is bounded to the north by low density residential and currently underdeveloped land, zoned R-1, Low Density Residential, and B-5C, General Business District (Conditional), to the west by the Millside Development Center, to the east by Tomahawk Creek and vacant property owned by First Assembly of God Church, and to the south by Graves Mill Road. Across Graves Mill, property is largely undeveloped and zoned R-C, Resource Conservation District. The site had significant topographic challenges associated with it, rising over one hundred (100) feet from the east side of the property where Tomahawk Creek lies to the western ridge designated for future development. As you enter the site from Graves Mill Road, the site rises up and follows the contours of the hillside, parallel to Tomahawk Creek.

7. **Proposed Use of Property.** The purpose of these petitions is to rezone the remaining twenty-six (26) acres from R-1, Low Density Residential District to B-3C, Community Business District, and for a CUP to allow the construction of Phases 3 and 4 of the CCD. Phases 3 and 4 would include the construction of a minimum of twenty (20) townhomes, forty-five (45) condominiums, fifty (50) apartments and one hundred thousand (100,000) square feet of office space. The overall sketch plan for the CCD was revised to show the construction of a second roundabout within the development.

8. **Traffic, Parking and Public Transit.**

   Expressway: A traffic study was prepared as part of the Phases 1 and 2 approval process and incorporated traffic associated with Phases 3 and 4. The study detailed internal and external trips, internal and external traffic circulation, necessary travel lane requirements and impacts on Graves Mill Road. As the property is adjacent to a major city corridor, Graves Mill Road and approximately a half mile from the Lynchburg Expressway, impacts to these facilities were also considered. The traffic study indicated there are existing operational issues at the Expressway interchange and that improvements will be needed to accommodate natural growth of the city occurring outside of this proposed development. The Rosedale CCD will exacerbate and accelerate issues already projected. All ramp movements currently function at a level of service (LOS) C or better (except for the southbound off ramp right turn which functions at a LOS D). The northbound off ramp will fall to a LOS F in both the a.m. and p.m. peak hours, and the southbound off ramp will fall to a LOS E in the p.m. peak hour. The developer does not intend to address these issues as they will happen naturally over time.

   Graves Mill Road: The traffic study also indicated the need for dedicated turn lanes for the Rosedale development on Graves Mill Road. At the build out of the site, two left turn lanes and a right turn lane will be required on Graves Mill Road, which will require widening the road. These turn lanes were proffered as part of the April 8, 2014 rezoning.

   Parking: One tenet of Cluster Commercial Zoning (CCD) is that uses within a development should share parking facilities with the intent of reducing the number of total parking spaces needed.

9. **Stormwater Management.** A stormwater management plan addressing both quantity and quality of stormwater related to the entire development of the property will be required at time of individual site plan submittal.

10. **Emergency Services.** The City's Fire Marshal and Police Department had no comments of concern.

11. **Impact.** The submitted rezoning and CCD petitions would allow the construction of a minimum of twenty (20) townhomes, forty-five (45) condominiums, fifty (50) apartments and

one hundred thousand (100,000) square feet of office space. The additional uses would be constructed in two phases shown as Phases 3 and 4.

The proposed land uses agree with the *Comprehensive Plan*, which recommends a mix of uses for the site. The proposed residential uses should help to support the other uses previously approved by Council for Phases 1 and 2.

Traffic from the proposed Phases 3 and 4 were incorporated into the traffic study conducted as part of the previous petition. Phases 3 and 4 are indicated to be connected by a series of private roads, sidewalks and walking trails.

12. **Design Review Board.** CCDs require review by the Design Review Board (DRB) upon a complete submittal of the sketch plan, however the Design Review Board's Review shall be restricted to the following elements by Section 35.1-42.5 (3) of the Zoning Ordinance:

    a. Aesthetic and architectural relationships with the surrounding communities;

    b. Conclusions regarding on-site amenities and improvements;

    c. On-site arrangement of improvements and structures;

    d. Consistency with the Housing Assistance Plan for Federal and/or State funded projects. *(The project is not State or Federally Funded)*

    The DRB reviewed the sketch plan on January 12, 2015. The DRB determined that Phases 3 and 4 were consistent with the previously approved Phases 1 and 2.

13. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the sketch plan on December 9, 2014. Technical comments related to the proposed development have or will be addressed prior to final approval.

VI. PLANNING DIVISION RECOMMENDATION(s)

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the petition of Rosedale Farm LLC to:

1. **Rezone approximately twenty-six and eight tenths (26.8) acres at 1600 Graves Mill Road from R-1, Low Density Residential District to B-3C, Community Business District (Conditional), subject to the following voluntarily submitted proffers:**

    a. **The property will be developed as a Cluster Commercial Development (CCD). With regard to setbacks, the front setback from Graves Mill Road will be thirty feet (30'). All other setbacks for front, side and rear yards will be zero feet. Excluding Graves Mill Road, the maximum setback shall be fifteen feet (15') from the public right-of-ways or back of sidewalk on private streets. Buildings labeled "A," "B," "C," "D," "E," and "F" are exempt from the maximum setback.**

b. The property will be developed with a combination of sidewalks, bike path and walking trails to promote interconnectivity.

c. The property will be developed with a park area with a combination of lawns and trees.

d. The project will be developed to accommodate bus stops for mass transit.

e. The property will be developed such that all exterior lighting will be glare shielded and designed to prevent illumination beyond the external developments property lines.

f. Streets will have ornamental street lights.

g. Uses shall be as permitted by right in B-3 and lesser intense districts. However, the following uses will not be included within the development of the site: Automobile oriented uses, included automobile, trailer and truck rentals and sales, tire retail sales, painting/body repair shops and service stations, excluding fueling stations, which will be allowed within the development. Billboards, building material and construction or farm equipment sales, contractors' establishments, exterminators, kennels, storage, warehouses and yards, manufacturing uses.

h. The property will be developed in substantial compliance with the approved site plan dated December 29, 2014.

2. Grant a Conditional Use Permit (CUP) to allow the construction of a Cluster Commercial Development (CCD), subject to the following conditions:

   1. The property shall be developed in substantial compliance with the submitted rezoning plan entitled Sketch Plan for Rezoning & Conditional Use Permit for Phases 3 & 4, Rosedale, for Rosedale Farm LLC dated December 29, 2014 and prepared by Berkley-Howell & Associates, P.C., though where in conflict with conditions outlined below, the conditions will take precedence.

   2. All conditions approved by Council on April 8, 2014 shall remain in effect for Phases 1, 2 and Bella Rose Plantation, LLC located at 1220 Graves Mill Road.

   3. Requirements of the City's Scenic Corridor Overlay District shall apply to the entire development with the exception of setback requirements.

4. **An overall Stormwater Management Plan addressing both quality and quantity will be submitted prior to individual site plan approval.**
5. **Stormwater management facilities will be integrated into the overall design of the development and design is subject to the approval of the City's Environmental Plan Reviewer.**
6. **Water quality will be addressed through a combination of Best Management Practices (BMPs) and Low Impact Development (LID) standards. Design of water quality measures is subject to approval of the City's Environmental Plan Reviewer.**
7. **Front loading garages will not be permitted within the development.**
8. **Buildings will have entrances on public and private street frontages.**
9. **All amenities in the area designated as a park on the submitted master plan shall be the responsibility of the developer. All park areas shall be connected to the overall development by a series of trails and or sidewalks.**
10. **Crosswalks will connect sidewalks at all significant intersections and driveways and be ten (10) feet wide, high intensity style.**
11. **Streets will have pedestrian oriented lighting, with a maximum height of fifteen (15) feet measured from the sidewalk or street level.**
12. **Architecture of the buildings will be in substantial compliance with the Architectural & Design Elements for Rosedale Phases 3 and 4 received November 18, 2014.**
13. **Driveway entrances on public and private roads will be a minimum of one hundred feet (100') apart.**
14. **Subdivision plat must be submitted for the dedication of any public streets and the approval of any street names.**

This matter is respectfully submitted for your consideration.

William T. Martin

William T. Martin, AICP
City Planner

pc: Mr. L. Kimball Payne, III, City Manager
Ms. Bonnie M. Svrcek, Deputy City Manager

Mr. Walter C. Erwin, City Attorney
Mr. Kent L. White, Director of Community Development
Mr. J. Lee Newland, City Engineer
Ms. Cynthia Kozerow, Lynchburg Police Department
Battalion Chief Thomas Goode, Fire Marshal
Mr. Donald DeBerry, Transportation Engineer
Mr. Doug Saunders, Building Commissioner
Mr. Kevin Henry, Zoning Administrator
Ms. Marjette Upshur, Director of Economic Development

VII. ATTACHMENTS

1. **Vicinity Zoning Pattern Map**
2. **Vicinity Proposed Land Use Map**
3. **Watershed Location Map**
4. **Planimetric and Topographic Map**
5. **Proposed Sketch Plan**
6. **Project Narrative**
7. **Architectural and Design Elements**
8. **Property Photo**

MINUTES OF THE JANUARY 28, 2015 PLANNING COMMISSION MEETING (MINUTES HAVE NOT BEEN APPROVED. NO PLANNING COMMISSION MEETINGS HELD IN FEBRUARY):

Petition of Rosedale Farm, LLC to rezone approximately twenty-six and eight tenths (26.8) acres at 1600 Graves Mill Road from R-1, Low Density, Single-Family Residential District to B-3C, Community Business District (Conditional) and for a conditional use permit (CUP) to allow a cluster commercial development that would allow the construction of a minimum of twenty (20) townhomes, forty-five (45) condominiums, fifty (50) apartments and one hundred thousand (100000) square feet of office space.

Mr. Martin explained that this petition is for Phases 3 and 4 of the Rosedale Farms development. The petition requests the rezoning of 26.8 acres that was not included in the previous rezoning approved in 2014. The petition also requests an amendment of the CUP previously approved in 2014 to include a second roundabout not shown on the previous concept plan. Mr. Martin explained that there was a traffic study done for Phases I and II that included the trips associated with Phases III and IV.

This proposal was reviewed by the Design Review Board on January 12, 2015. The board determined that this proposal is consistent with the previously approved concept plan.

Mr. Martin explained that staff is proposing an amendment to condition three: "Requirements of the City's Scenic Corridor Overlay District shall apply to the entire development with the exception of setback requirements." Mr. Martin explained that the *Zoning Ordinance* exempts CCDs from the requirements of the Scenic Corridor Overlay District. The reasoning behind this exemption is that through the approval process and architectural review that the design elements and standards proposed by the petitioner would exceed those of the Scenic Corridor Overlay District. It is staff's feeling that the plans and architectural renderings do exceed those of the Scenic Corridor Overlay District. However, the issue of signs has been left out of the plans. The Scenic Corridor Overlay District does have specific requirements about signs such as they should be uniform throughout the development and that they do not contain any changeable copy. Staff and the petitioner are in agreement that the standards of the Scenic Corridor Overlay District regarding signs should apply to this development. Staff is proposing that condition three would read: "Requirements of the City's Scenic Corridor Overlay District relating to signs shall apply to the entire development."

With that change, Mr. Martin indicated that staff feels this proposal meets the intent of the CCD ordinance and recommends approval of both the rezoning and the CUP petitions.

Mr. Bryant Hare and Mr. Dick Schoew of Hopkins Brothers were present to represent the petition. Mr. Schoew remarked that they see this mixed use development as laying down the groundwork for what will be the hub of Lynchburg's 21st century premiere commercial and business development. This is a long-term project. This is not "let's get it approved and get it built." This is not a strip center. This is laying down a blueprint that we can fill in as we go. The first priority is to build on to what has already begun at the Bella Rose Plantation property next door. They will expand on that project with a hotel and conference center for up to approximately 300 guests.

Graves Mill Road is a great corridor that brings people in from Forest to the expressway that do not want to go to Breezewood Drive or to the Fresh Market. That is going to escalate. They feel this property is one of the largest pieces of property left in Lynchburg that can be developed for revenue for Lynchburg. The core of the development will be a business and technology corridor but will also incorporate residential and commercial. This is the modern day version of what an industrial park was 25 years ago.

Chair Swienton asked if there was anyone else who wished to speak in favor of the petition. No one came forward. He asked if there was anyone who wished to speak in opposition to the petition.

Dr. Thomas Shahady came forward to speak. He stated that he is concerned about the segments of Tomahawk and Dreaming Creeks that are within the boundaries of this property. He has the data to show that these creeks are impaired and would be happy to share that with them. The best protection one can have in an urban environment is the R-C corridor buffer that is around all the streams in the City. He is glad to see that they would like to build on this property but is concerned about protecting these streams. He pointed out that there is heavy development going on all around the City that encroaches on these streams. We already have a burden on the City to meet stormwater regulations and this is just going to make that burden more difficult.

He sees in their petition that they talk about stormwater but he does not see anything they are proposing that goes beyond regulations. He would like to see them move this development out of R-C. He is also concerned that they would recommend approval for a much larger development than what would be allowed there by right. An R-1 development would not have nearly the environmental impact on this property. He would like to see a much more detailed environmental statement in this petition as to what the developers will do to address this impact. He remarked that you can look at any hydrograph data and see that the high density development going on in the City is continuing to degrade the streams over time.

Chair Swienton asked if there was anyone else who wished to speak in opposition to the petition. No one came forward. He asked for Mr. Schoew and Mr. Hare to come back and address these concerns. Mr. Hare remarked that the R-C area is part of Phase I, which has already been approved. He also pointed out that this development is an overlay of what the *Comprehensive Plan* has planned for this property. The Corps has been there and has identified the wetlands and streams. He mentioned that the new stormwater regulations are more intense than they were in the past and should address some of the concerns. He again pointed out that the piece they are talking about today is far removed from the creek and does not contain any R-C zoning.

Chair Swienton closed the public hearing portion of the petition. Commissioner Perault asked Mr. Martin how much of the property is designated R-C versus mixed use. Mr. Martin indicated on the map where the R-C zoning is located. It is a 50-foot buffer on either side of the stream in the area which is a part of the Phase I development. That area was not rezoned when it came before the commission and council last year. The majority of the rest of the property is recommended for a mixed use development. Mr. Martin indicated that there is an area designated R-C on the *Future Land Use Map* that is located in the northwest corner of the property, as well as the area that is around the stream.

Mr. Martin then went to the concept plan and indicated the area that coincides with the R-C designation. You could argue that a little portion of the parking lot is shown in that area and one condominium building may encroach on it. The rest of that area is being shown to remain in a natural area except for a walking trail. Mr. Martin also explained that the plan already approved shows the development with well over a 100-foot buffer around the stream and well out of the R-C zone. It is Mr. Martin's opinion that they are not impacting the Resource Conservation area as shown on the *Future Land Use Map* nor what is zoned R-C. Commissioner Marion asked if any of the area abuts Dreaming Creek. It was indicated that it abuts Tomahawk Creek.

Commissioner Marion asked where the hotel is being proposed. Mr. Schoew indicated that it would be a part of Phase I. He indicated that there about a football field sized common area when you drive by at the top of the hill. The hotel would be on the Graves Mill Road side of that open area. Mr. Schoew indicated where it is proposed to be located on the concept plan. There will likely be two restaurants and the hotel located where you first come in to the development to the right of the first roundabout. They will tie in with the Bella Rose development, as they are working closely with that development. Mr. Schoew remarked that they are really lucky that someone is willing to come and make a really big investment in those buildings. They sold them that corner and are watching them closely. It is everything they had ever hoped that someone would do in that area. They would like to tie in with the

Williamsburg style they are doing on the Bella Rose property. They see it has the potential to be one of the most visited historic properties in Lynchburg. He pointed out that there is plenty of room for an amphitheater there as well.

Commissioner Lowe indicated that he was not on the commission last year. He would like to hear what the traffic proffers were that were approved last year. He is concerned with traffic on the corridor in light of the proposed growth along the corridor. Mr. Hare said that initially there was a left turn lane and a traffic signal going eastward on Graves Mill Road. There was also a right turn lane going west. There is a trigger (he cannot remember what it is but it will not be any time soon) for a second left turn lane going in once the counts get to a certain point.

Commissioner Lowe asked about the traffic coming off of 501. Mr. Martin said that is a very good point. The traffic at the ramps coming off the expressway and 501 are going to fail in the future. They are going to fail with or without this development. The failure cannot be directly attributed to this development. There was a great deal of discussion about traffic during the first rezoning and that is the reason for the turn lanes and traffic signal being proffered.

Commissioner Perault pointed out that this petition says the decrease in the level of service will occur now but since it will occur anyway, they are not going to do anything about it. Mr. Martin said that if the ramps are going to fail and some of them are probably already failing at times now, that traffic can be attributed to traffic City wide to many businesses in that area. Can you solely say that this developer is responsible to fix those ramps? Commissioner Perault commented that the failure of the ramps is being acknowledged in the petition. Mr. Martin thinks that everyone acknowledges that these ramps are going to fail if this development is built out in its entirety. Commissioner Perault is concerned that the developers are not absorbing any of those costs. It is just being passed on to the City. Mr. Martin thinks that when Council approved the first part of the rezoning last year, they also acknowledged that issue.

Chair Swienton remarked that he is going to use a brief parallel with Cornerstone when looking at the R-C and the *Future Land Use Map*. Cornerstone was zoned R-1 but the *Comprehensive Plan* called for it to be mixed use. The portion of this property that is designated Resource Conservation on the *Future Land Use Map* should remain that use. He did not see anything on the public notice that indicates that we are proposing to change the designation of that R-C area to a more intense use. Mr. Martin does not think that such a change is being proposed. Chair Swienton thinks there is a little inconsistency here because a portion of a parking lot and a portion of a building are being proposed to be located in the R-C area. Mr. Martin said that is certainly the discretion of the commission to determine that but it is his opinion that it is not. The areas shown as R-C on the *Future Land Use Map* are being shown to remain vacant. He does not think that it is the intent of the *Future Land Use Map* to be so specific.

Commissioner Lowe indicated that the rise of the land dictates that runoff from this development will go into the R-C zone even though it is somewhat away from it. There was some discussion as to whether there is a creek near the northwest R-C area and it was indicated that there is a tributary of Tomahawk Creek located there. Chair Swienton asked Dr. Shahady what he was referring to when he was discussing Resource Conservation. He said that he is referring to what is designated on the *Future Land Use Map* as Resource Conservation. Chair Swienton asked him if he did any calculations to see what is being altered. Dr. Shahady does not see how Mr. Martin can make the leap that this development will not impact the R-C property. He is telling them as an environmental scientist that it will impact R-C. He would like to make that clarification.

Chair Swienton clarified that the portion of the property on the right that includes the 50-foot buffer around the creek is not being discussed today because it is not a part of this petition. Mr. Martin said that phase has already been approved. They are discussing as a part of this petition today the portion on the northwest corner that is zoned R-1 but designated Resource Conservation on the *Future Land Use Map.* Mr. Martin wanted to be clear that this portion of property is zoned R-1 and single-family homes could be built on it without any special approvals. Mr. Martin acknowledged that this petition would rezone the property to B-3C, but the plan that is being conditionally proffered shows this area to remain undeveloped. It is debatable whether or not some of the development encroaches on the R-C area but Mr. Martin feels there is more protection for that area with the proposed plan than with a by-right development.

Chair Swienton asked Dr. Shahady if he had any conversation with the developers before today. He said he had not and had kind of blindsided them today. Chair Swienton asked him if he would be willing to talk to the developers before the City Council meeting about his concerns. Dr. Shahady said he would be willing to do so.

Commissioner Marion feels the developers have left the area that is Resource Conservation mostly undisturbed except for a small portion of the parking lot. She acknowledged that it is a steep ravine and is probably not developable. However, she feels they compensate for any development that is encroaching slightly on the R-C area elsewhere on the property. As long as the City is able to enforce the stormwater measures they are proposing and is protecting the streams, she would be happy with this plan.

Chair Swienton asked for clarification that the nearest building to any adjoining R-1 zoning is over 100 feet. He also asked if Mr. Schoew would be willing to have a discussion with Dr. Shahady. Mr. Schoew indicated that he is always willing to do so. Mr. Ty Mosby of Berkley-Howell and Associates came forward to address Chair Swienton's question about the 100 feet buffer from adjoining R-1 properties. He said they are over 100 feet away from all adjoining R-1 properties except for the area at the top where the townhomes are proposed to be located. There they have over a 50 foot buffer but are not at 100 feet.

Commissioner Light made the following motion, which was seconded by Commission Marion:

"That the Planning Commission recommends to City Council approval of the petition of Rosedale Farm LLC to:

1. **Rezone approximately twenty-six and eight tenths (26.8) acres at 1600 Graves Mill Road from R-1, Low Density Residential District to B-3C, Community Business District (Conditional), subject to the following voluntarily submitted proffers:**

   a. **The property will be developed as a Cluster Commercial Development (CCD). With regard to setbacks, the front setback from Graves Mill Road will be thirty feet (30'). All other setbacks for front, side and rear yards will be zero feet. Excluding Graves Mill Road, the maximum setback shall be fifteen feet (15') from the public right-of-ways or back of sidewalk on private streets. Buildings labeled "A," "B," "C," "D," "E," and "F" are exempt from the maximum setback.**

   b. **The property will be developed with a combination of sidewalks, bike path and walking trails to promote interconnectivity.**

   c. **The property will be developed with a park area with a combination of lawns and trees.**

   d. **The project will be developed to accommodate bus stops for mass transit.**

   e. **The property will be developed such that all exterior lighting will be glare shielded and designed to prevent illumination beyond the external developments property lines.**

f. **Streets will have ornamental street lights.**

g. **Uses shall be as permitted by right in B-3 and lesser intense districts. However, the following uses will not be included within the development of the site: Automobile oriented uses, including automobile, trailer and truck rentals and sales, tire retail sales, painting/body repair shops and service stations, excluding fueling stations, which will be allowed within the development. Billboards, building material and construction or farm equipment sales, contractors' establishments, exterminators, kennels, storage, warehouses and yards, manufacturing uses.**

h. **The property will be developed in substantial compliance with the site plan dated December 29, 2014.**

Commissioner Light noted that when he came on the commission that he made a motion to approve Phase I. That motion was voted down by the commission but the petition was approved by City Council. He feels that everyone on the commission is concerned about this piece of property because it may arguably be one of the most important pieces of property that will be developed in the City in the foreseeable future. From an emotional standpoint, he has been concerned about what would happen to the property aesthetically. From an emotional viewpoint, he felt okay with the first phase and that is why he made the motion. He is happy to see what is being proposed for Phases III and IV and is happy to see that they are taking some suggestions from the folks that are developing Bella Rose. He thinks that it will be a design continuation process. He wondered if he would have the same concerns that he had with the first petition. He feels that there has been further refinement in a positive manner. He is happy to hear the developers say that it is important to the community how this property is developed. He knows that everyone is concerned about water quality and he is happy they have someone like Dr. Shahady looking out for those concerns for the City. He feels good about his motion to rezone and feels it is headed in the right direction.

Commissioner Marion says it scares her when she sees all the blacktop parking but it looks like a pretty good plan. She is much happier with this plan than she was with the first phase and she thinks it looks like it could be a very good place to live and work.

Commissioner Perault said he cannot in good conscience continue to recommend approval for developments that deteriorate the level of service on roadways using the logic that they are going to fail anyway. He thinks the developer needs to absorb some of that and take some of the burden off the taxpayers. With regard to the *Future Land Use Map,* he understands that it is just a guide. However, it seems that when it is convenient to use it to support development, we come up with reasons to use it. When developments do not support the plan, then we come up with reasons not to use it. He does not see this development as supporting the recommendations of Mixed Use and Resource Conservation as a whole regardless of how you break it down. He will not be supporting this petition.

Commissioner Lowe said he has mixed feelings. He is concerned with the traffic and with the water runoff. Are we going to abide what we say we want for Resource Conservation or are we just going to bend it for whatever development comes by?

Chair Swienton says he appreciates the architectural renderings that have been submitted. He feels it shows a strong intent to develop a quality product. He likes that it is designed with business in mind. He thinks the concept shows good forward thinking on land use planning. He is concerned with the traffic. However, the legal question comes up of whether or not it is fair for one of the last developers in the area to have to pay for the improvements after all the other development has occurred. It can be done but the question is whether or not that is fair. They are a land use body. He feels that how traffic improvements will be paid for is a City Council question. For him, the traffic concern of how traffic will flow has been met. How it will be paid for down the road when it fails is a City Council matter.

With regard to the Resource Conservation issue, Chair Swienton has seen over the years that we turn a blind eye to the Resource Conservation use when it generates tax revenue. In this case, he is not sure the area where the parking lot and building will be located should even be designated Resource Conservation. He does not have enough information to make an argument or propose a condition. He will voting in favor of this and thinks that overall, it is a very attractive development.

The motion passed by the following vote:

AYES:	Light, Lowe, Marion and Swienton	4
NOES:	Perault	1
ABSTENTIONS:		0
ABSENT:	Mays	1
VACANCIES:		1

Commissioner Light made the following motion, which was seconded by Commissioner Marion. The motion included the amendment to condition three outlined by Mr. Martin earlier in the public hearing regarding signage.

"That the Planning Commission recommends to City Council to grant a Conditional Use Permit (CUP) to allow the construction of a Cluster Commercial Development (CCD), subject to the following conditions:

1. **The property shall be developed in substantial compliance with the submitted rezoning plan entitled Sketch Plan for Rezoning & Conditional Use Permit for Phases 3 & 4, Rosedale, for Rosedale Farm LLC dated December 30, 2014 and prepared by Berkeley-Howell & Associates, P.C., though where in conflict with conditions outlined below, the conditions will take precedence.**

2. **All conditions approved by Council on April 8, 2014 shall remain in effect for Phases 1, 2 and Bella Rose Plantation, LLC located at 1220 Graves Mill Road.**

3. **Requirements of the City's Scenic Corridor Overlay District relating to signs shall apply to the entire development.**

4. **An overall Stormwater Management Plan addressing both quality and quantity will be submitted prior to individual site plan approval.**

5. **Stormwater management facilities will be integrated into the overall design of the development and design is subject to the approval of the City's Environmental Plan Reviewer.**

6. **Water quality will be addressed through a combination of Best Management Practices (BMPs) and Low Impact Development (LID) standards. Design of water quality measures is subject to approval of the City's Environmental Plan Reviewer.**

7. **Front loading garages will not be permitted within the development.**

8. **Buildings will have entrances on public and private street frontages.**

9. All amenities in the area designated as a park on the submitted master plan shall be the responsibility of the developer. All park areas shall be connected to the overall development by a series of trails and or sidewalks.

10. Crosswalks will connect sidewalks at all significant intersections and driveways and be ten (10) feet wide, high intensity style.

11. Streets will have pedestrian oriented lighting, with a maximum height of fifteen (15) feet measured from the sidewalk or street level.

12. Architecture of the buildings will be in substantial compliance with the Architectural & Design Elements for Rosedale Phases 3 and 4 dated received November 18, 2014.

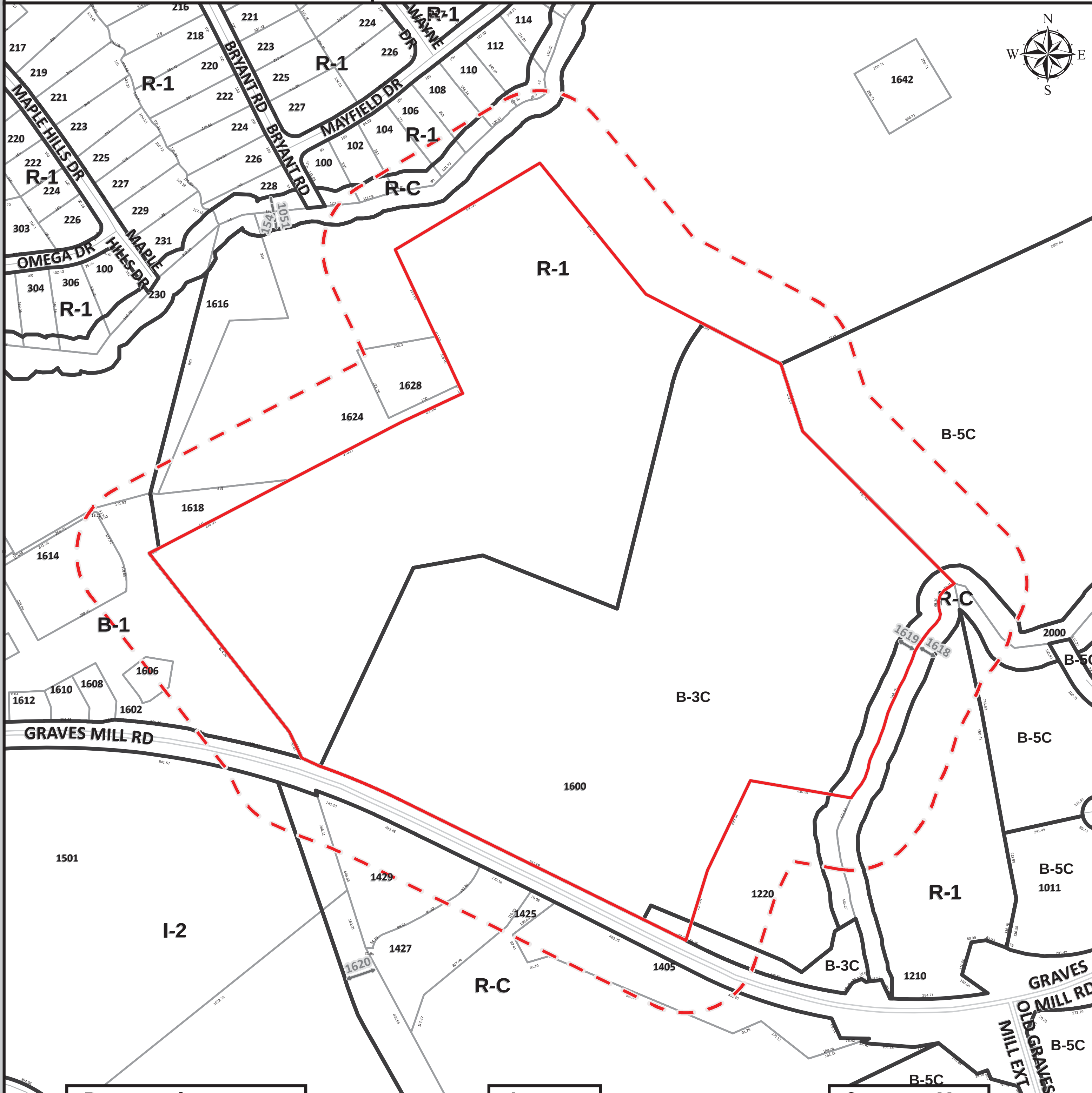
13. Driveway entrances on public and private roads will be a minimum of one hundred feet (100') apart.

14. Subdivision plat must be submitted for the dedication of any public streets and the approval of any street names."

The motion passed by the following vote:

AYES:	Light, Lowe, Marion and Swienton	4
NOES:	Perault	1
ABSTENTIONS:		0
ABSENT:	Mays	1
VACANCIES:		1

Zoning Map	ROSEDALE FARM, LLC PHASE 3 AND 4
Conditional Use Permit Request	Rosedale Farm, LLC



Property Information

Parcel ID	Address
23904004	1600 GRAVES MILL RD

Legend

Subject Property

215' Buffer

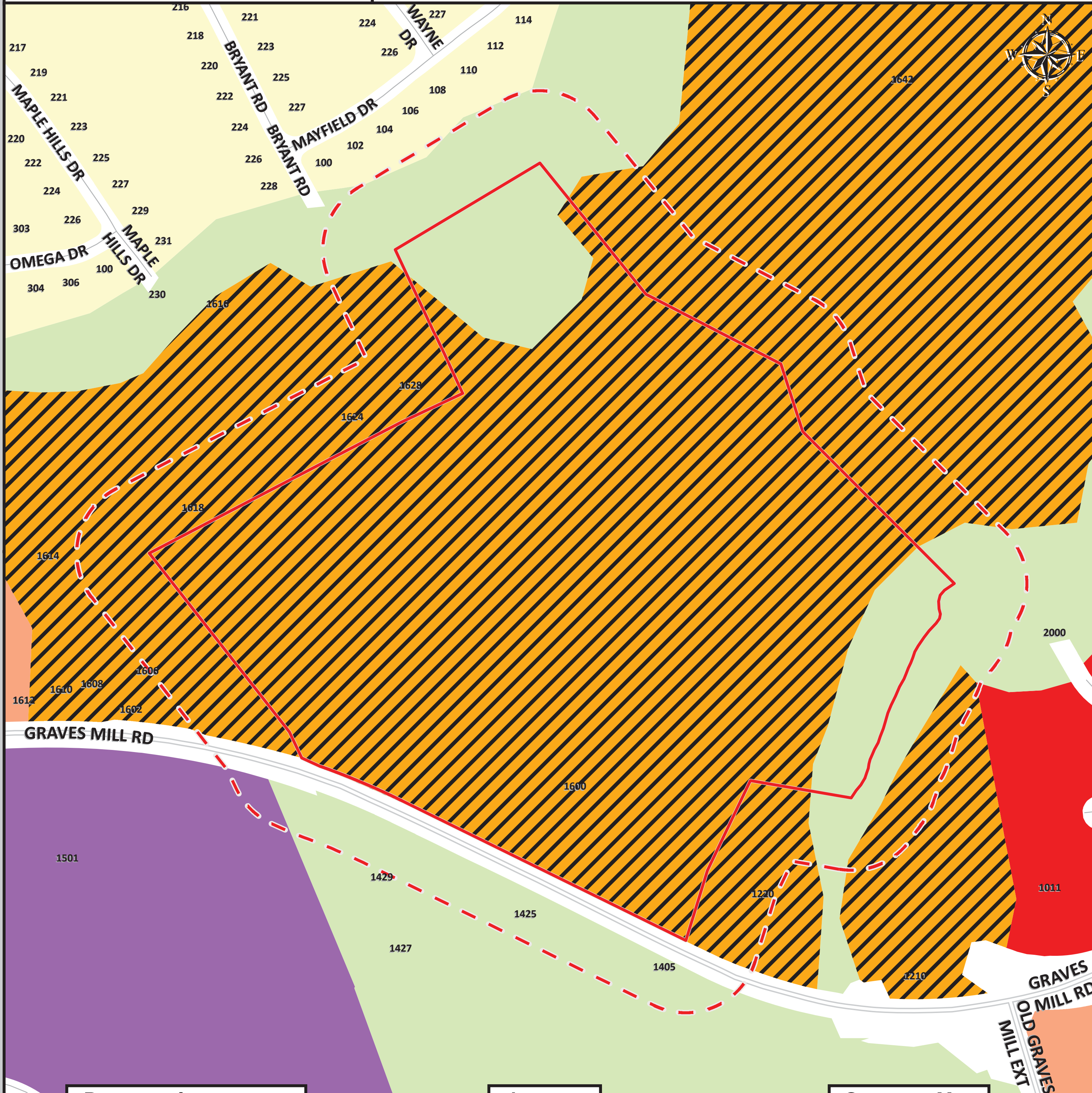
Zoning Boundary

Overview Map

Map Scale: 1 " to 400 ' Date Printed: 1/23/2015

Parcel ID	Address	Owner
23904002	1405 GRAVES MILL RD	CITY OF LYNCHBURG
23904003	1425 GRAVES MILL RD	ROSEDALE FARM LLC
24016001	1427 GRAVES MILL RD	GRAVES, EDWARD S III & GRAVES, CATHY
24016002	1429 GRAVES MILL RD	GRAVES, EDWARD S III & GRAVES, CATHY
24010004	1501 GRAVES MILL RD	BAUSCH & LOMB INCORPORATED
23904005	1210 GRAVES MILL RD	BELLA ROSE PLANTATION LLC
23902004	1000 CREEKSIDE LN	CREEKSIDE OF LYNCHBURG
23905001	1628 GRAVES MILL RD	BREWSTER, RICHARD C & PHYLLIS
24001005	100 MAYFIELD DR	BLANKS, LARRY E & ALYCE C
24001006	102 MAYFIELD DR	GERBRACHT, G ROBERT
24001007	104 MAYFIELD DR	STAHL, BEN H & AGNES J D
23902005	2000 CREEKSIDE DR	CREEKSIDE OF LYNCHBURG
24001008	106 MAYFIELD DR	HARRIS, JOHN R & ELIZABETH J
23407001	108 MAYFIELD DR	WATSON, RODGER J & NANCY P
23407002	110 MAYFIELD DR	BRITTON, HAGON & JANE
23407003	112 MAYFIELD DR	BARKER, MICHAEL E & HEATHER L
24010013	1606 GRAVES MILL RD	MILLSIDE DEVELOPMENT CENTER
24010008	1614 GRAVES MILL RD	1604 GRAVES MILL ROAD LLC
24009002	1618 GRAVES MILL RD	STANBERY, FRED W JR
24010002	1602 GRAVES MILL RD	MILLSIDE DEVELOPMENT CENTER
24009001	1616 GRAVES MILL RD	GOFF, DARRIN E
24008001	230 MAPLE HILLS DR	JAMERSON REAL ESTATE INC
23405002	1624 GRAVES MILL RD	HUTCHINSON, CAROLYN S &
23904001	1220 GRAVES MILL RD	BELLA ROSE PLANTATION LLC
23904004	1600 GRAVES MILL RD	ROSEDALE FARM LLC

FLUM Map	ROSEDALE FARM, LLC PHASE 3 AND 4
Conditional Use Permit Request	Rosedale Farm, LLC



Property Information

Parcel ID	Address
23904004	1600 GRAVES MILL RD

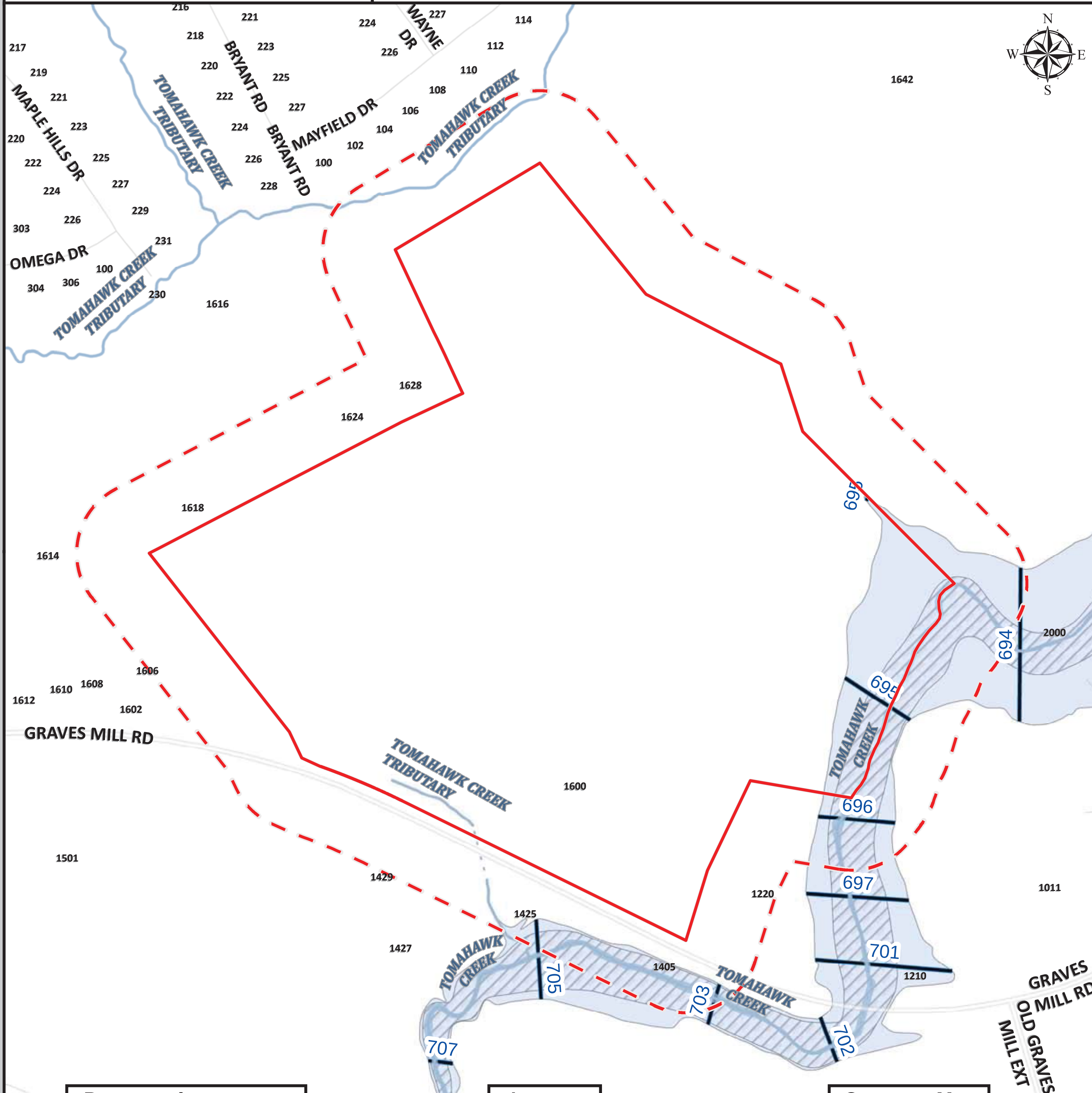
Legend

- Local Historic District
- Traditional Residential
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Neighborhood Commercial
- Community Commercial
- Employment 1
- Employment 2
- Downtown
- Institution
- Public Use
- Public Parks
- Resource Conservation
- Mixed Use

Map Scale: 1 " to 400 ' **Date Printed:** 1/23/2015

Overview Map

Watershed Map	ROSEDALE FARM, LLC PHASE 3 AND 4
Conditional Use Permit Request	Rosedale Farm, LLC



Property Information

Parcel ID	Address
23904004	1600 GRAVES MILL RD

Legend

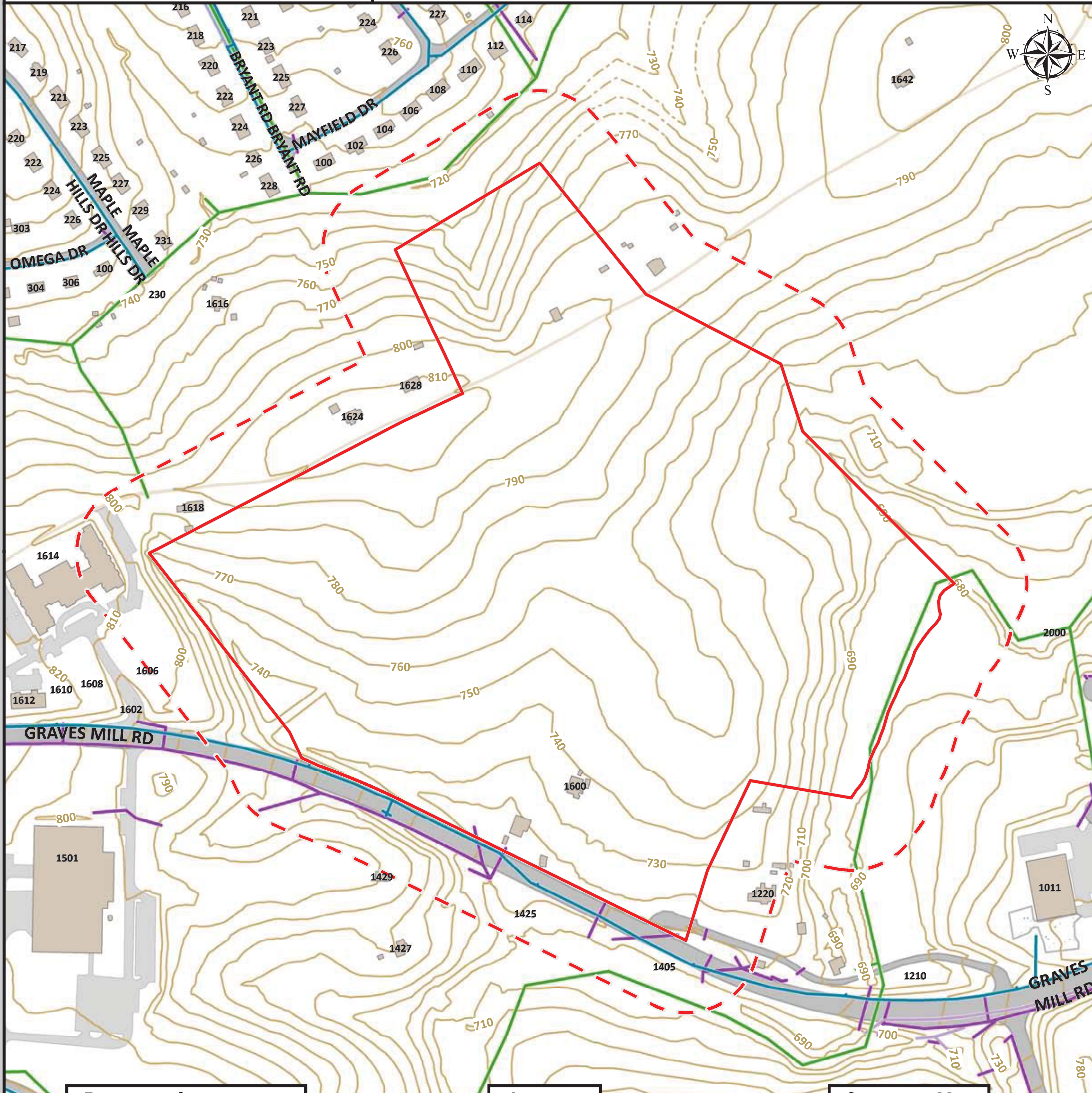
- Subject Property
- Base Flood Elevation
- Floodway
- Floodzone
- River / Lake / Stream

Map Scale: 1 " to 400 ' Date Printed: 1/23/2015

Overview Map

Blackwater Creek

Planimetric and Topographic Map	ROSEDALE FARM, LLC PHASE 3 AND 4
Conditional Use Permit Request	Rosedale Farm, LLC



PROPERTY INFORMATION

PARCEL ID	ADDRESS
23904004	1600 GRAVES MILL RD

LEGEND

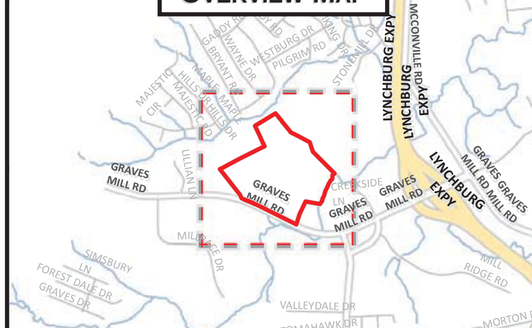
		Active	Proposed	Abandoned
Utilities	Water			
	Sanitary			
	Storm			

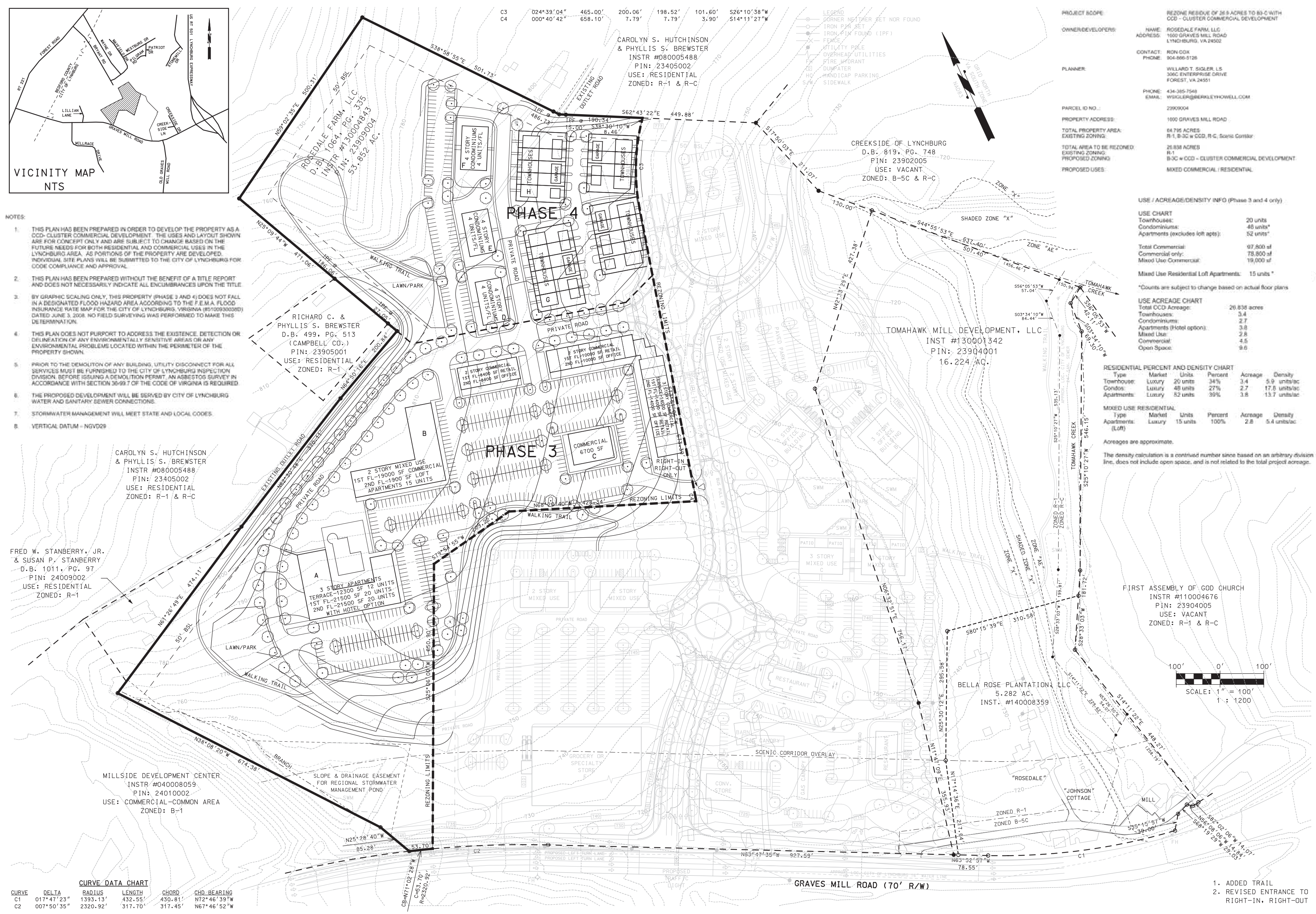
		Paved	Unpaved	Other
Planimetrics	Structure	-	-	
	Roadway			-
	Parking			-
	Sidewalk		-	-
	Driveway	-	-	

		10'	10' Obs
Topography	Contour		

MAP SCALE: 1 " to 400 ' **DATE PRINTED:** 1/23/2015

OVERVIEW MAP





NOTES:

1. THIS PLAN HAS BEEN PREPARED IN ORDER TO DEVELOP THE PROPERTY AS A CCD- CLUSTER COMMERCIAL DEVELOPMENT. THE USES AND LAYOUT SHOWN ARE FOR CONCEPT ONLY AND ARE SUBJECT TO CHANGE BASED ON THE FUTURE NEEDS FOR BOTH RESIDENTIAL AND COMMERCIAL USES IN THE LYNCHBURG AREA. AS PORTIONS OF THE PROPERTY ARE DEVELOPED, INDIVIDUAL SITE PLANS WILL BE SUBMITTED TO THE CITY OF LYNCHBURG FOR CODE COMPLIANCE AND APPROVAL.
2. THIS PLAN HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND DOES NOT NECESSARILY INDICATE ALL ENCUMBRANCES UPON THE TITLE.
3. BY GRAPHIC SCALING ONLY, THIS PROPERTY (PHASE 3 AND 4) DOES NOT FALL IN A DESIGNATED FLOOD HAZARD AREA ACCORDING TO THE F.E.M.A. FLOOD INSURANCE RATE MAP FOR THE CITY OF LYNCHBURG, VIRGINIA (#51009300080D) DATED JUNE 3, 2008. NO FIELD SURVEYING WAS PERFORMED TO MAKE THIS DETERMINATION.
4. THIS PLAN DOES NOT PURPORT TO ADDRESS THE EXISTENCE, DETECTION OR DELINEATION OF ANY ENVIRONMENTALLY SENSITIVE AREAS OR ANY ENVIRONMENTAL PROBLEMS LOCATED WITHIN THE PERIMETER OF THE PROPERTY SHOWN.
5. PRIOR TO THE DEMOLITON OF ANY BUILDING, UTILITY DISCONNECT FOR ALL SERVICES MUST BE FURNISHED TO THE CITY OF LYNCHBURG INSPECTION DIVISION. BEFORE ISSUING A DEMOLITION PERMIT, AN ASBESTOS SURVEY IN ACCORDANCE WITH SECTION 36-99.7 OF THE CODE OF VIRGINIA IS REQUIRED.
6. THE PROPOSED DEVELOPMENT WILL BE SERVED BY CITY OF LYNCHBURG WATER AND SANITARY SEWER CONNECTIONS.
7. STORMWATER MANAGEMENT WILL MEET STATE AND LOCAL CODES.
8. VERTICAL DATUM - NGVD29

CURVE DATA CHART

CURVE	DELTA	RADIUS	LENGTH	CHORD	CHD BEARING
C1	017°47'23"	1393.13'	432.55'	430.81'	N72°46'39"W
C2	007°50'35"	2320.92'	317.70'	317.45'	N67°46'52"W
C3	024°39'04"	465.00'	200.06'	198.52'	101.60' S26°10'38"W
C4	000°40'42"	658.10'	7.79'	7.79'	3.90' S14°11'27"W

PROJECT SCOPE: REZONE RESIDUE OF 26.9 ACRES TO B3-C WITH CCD – CLUSTER COMMERCIAL DEVELOPMENT

OWNER/DEVELOPERS: NAME: ROSEDALE FARM, LLC
ADDRESS: 1600 GRAVES MILL ROAD
LYNCHBURG, VA 24502
CONTACT: RON COX
PHONE: 904-866-5126

PLANNER: WILLARD T. SIGLER, LS
306C ENTERPRISE DRIVE
FOREST, VA 24551
PHONE: 434-385-7548
EMAIL: WSIGLER@BERKLEYHOWELL.COM

PARCEL ID NO.: 23909004

PROPERTY ADDRESS: 1000 GRAVES MILL ROAD

TOTAL PROPERTY AREA: 64.795 ACRES
EXISTING ZONING: R-1, B-3C w CCD, R-C, Scenic Corridor

TOTAL AREA TO BE REZONED: 26.838 ACRES
EXISTING ZONING: R-1
PROPOSED ZONING: B-3C w CCD – CLUSTER COMMERCIAL DEVELOPMENT

PROPOSED USES: MIXED COMMERCIAL / RESIDENTIAL

USE / ACREAGE/DENSITY INFO (Phase 3 and 4 only)

USE CHART

Townhouses:	20 units
Condominiums:	48 units*
Apartments (excludes loft apts):	52 units*
Total Commercial:	97,800 sf
Commercial only:	78,800 sf
Mixed Use Commercial:	19,000 sf
Mixed Use Residential Loft Apartments:	15 units *

*Counts are subject to change based on actual floor plans

USE ACREAGE CHART

Total CCD Acreage:	26.838 acres
Townhouses:	3.4
Condominiums:	2.7
Apartments (Hotel option):	3.8
Mixed Use:	2.8
Commercial:	4.5
Open Space:	9.6

RESIDENTIAL PERCENT AND DENSITY CHART

Type	Market	Units	Percent	Acreage	Density
Townhouse:	Luxury	20 units	34%	3.4	5.9 units/ac
Condos:	Luxury	48 units	27%	2.7	17.8 units/ac
Apartments:	Luxury	52 units	39%	3.8	13.7 units/ac

MIXED USE RESIDENTIAL

Type	Market	Units	Percent	Acreage	Density
Apartments: (Loft)	Luxury	15 units	100%	2.8	5.4 units/ac

Acreages are approximate.

The density calculation is a contrived number since based on an arbitrary division line, does not include open space, and is not related to the total project acreage.

1. ADDED TRAIL
2. REVISED ENTRANCE TO RIGHT-IN, RIGHT-OUT

BERKLEY HOWELL & ASSOC., P.C.
ENGINEERS • SURVEYORS • PLANNERS
306 ENTERPRISE DRIVE, SUITE C
FOREST, VIRGINIA 24551
PHONE: (434)385-7548 FAX: (434)385-6178

SKETCH PLAN FOR
REZONING & CONDITIONAL USE PERMIT
PHASES 3 & 4, ROSEDALE
FOR ROSEDALE FARM, LLC
CITY OF LYNCHBURG, VIRGINIA

DATE: 10-30-14
DRAWN:
CHECKED:

REVISIONS

NO.	DATE
1	11-12-14
2	12-29-14

SCALES
HORIZ: AS SHOWN
VERT: AS SHOWN

COMM. NO. 120012

SHEET NO. OF

REZONING AND DESIGN REVIEW BOARD NARRATIVE

FOR

PHASES 3 & 4
ROSEDALE FARM, LLC
1600 GRAVES MILL ROAD
LYNCHBURG, VIRGINIA

PREPARED FOR:

ROSEDALE FARM, LLC
1600 GRAVES MILL ROAD
LYNCHBURG, VIRGINIA
(C/O RON COX)

BY

BERKLEY-HOWELL & ASSOCIATES, P.C.
ENGINEERS-SURVEYORS-PLANNERS

306 ENTERPRISE DRIVE, SUITE C.
FOREST, VIRGINIA 24551
(434) 385-7548

COMM. NO. 120012

OCTOBER 27, 2014
NOVEMBER 12, 2014

PROJECT SCOPE

Request Rezoning from R-1, with Scenic Corridor to B-3C to allow for CCD, Commercial Cluster Development. The expanded CCD will encompass an additional 26.8 acres for a total 64.8 acre Commercial Cluster Development. 38.0 acres was previously rezoned to CCD. The subject area is currently substantially undeveloped. The proposed Commercial Cluster Development will be multi use with a combination of commercial and residential development. Below are narratives specifically requested by the City of Lynchburg for the Rezoning application and Design Review Board application.

PROJECT DESCRIPTION

Rosedale is a mixed-use development located on Graves Mill Road. The site is currently a partially wooded farm tract. The concept for Rosedale incorporates the modern trends of mixed-use developments that will be attractive to families, young professionals, older residents, and businesses that are expanding or considering relocating to the Region 2000 area. It's residential, commercial, and recreational areas will be connected by a shared lawn and attractive, pedestrian-oriented streets, corridors, and walkways.

As per the City of Lynchburg 2030 Comprehensive Plan, this area of Graves Mill Road is listed appropriate for a mixed use core of higher density residential and retail uses. The current development plan has evolved after numerous meetings with City planning staff to insure that the project is on target to satisfy Lynchburg's general plan by utilizing a mix of appropriate residential and commercial uses to meet the predicted needs of the area.

The proposed restaurant, retail, grocery, gas, and convenience sites, etc. in the commercial area are designed to enhance the quality of life for residents and employees of businesses located within the development, as well as the surrounding community. The expanded CCD includes additional retail, hotel, restaurants and office space.

The proposed buildings in the business and technology center are designed to establish Rosedale's identity as Region 2000's premium location for professional and corporate office space.

The commercial areas provide for upper level residential living. The mixed use concept provides for an urban living experience and allows for efficient use of space and parking.

The residential areas of the expanded CCD include Upscale Townhomes, Condominiums, and Loft Apartments.

The expanded CCD will offer shared open spaces, walking trails, bike paths, and lawn-side commercial establishments that create the social hub of the development. The non vehicular routes promote travel between uses. The user may benefit from healthy exercise while enjoying a walk down a landscaped urban street, across the lawn or through the woods beside a creek. Public walks will be concrete, shared bike paths will be paved, and natural trails will be mulched. The lawn which adjoins the commercial area will provide green space for a Frisbee, or blanket and a good book. A minimum of three lawn benches will offer a moments rest.

Common areas will be owned and maintained by property owners associations.

With regards to community facilities, the project is centrally located and nearby to many schools, fire station, and cultural facilities. Heritage High School, CVCC, Liberty University, and Lynchburg College range from two to four miles away. With a combination of upscale apartments, townhomes, and condominiums the development will provide possible residential housing for the administrative and faculty personnel associated with the growing college and university community. The Lynchburg Fire Station number 7 is approximately 2 miles away on Lakeside Drive and is available for timely emergency response. To experience local history or to enjoy a day outside, with a drive of less than 4 miles, a resident can visit Poplar Forest or Peaks View Park.

The development is planned as an upscale mixed use residential and commercial community. Located on a side slope, the proposed buildings are planned with a scenic combination of landscaping, lawn, open space and wooded areas with connecting roadways, sidewalks, trails, and paths. The buildings architecture will be stylish and upscale. With such a large project scope of buildings a varying palette of materials and colors will be required to produce a unique but tasteful appearance. While the developer is providing several architectural renderings and samples of building materials and colors, the submittal is not intended to limit architectural style and creativity. Architectural integrity will be facilitated and enforced by a diligent Architectural Review Committee.

Hopkins Brothers LP&D sees a potential in this property and the proposed Rosedale development to establish a business and technology center that will attract quality businesses, and the jobs they bring to Lynchburg, Region 2000, and the Lynchburg 2030 vision for many years to come.

WATER/SEWER CAPACITY NARRATIVE:

The property is served by an existing City of Lynchburg Public water via 16" line along Graves Mill Road. The 16" water line will adequately serve the development.

The property is served by an existing 24" sanitary sewer line along Tomahawk Creek. The 24" sanitary sewer line will adequately serve the development.

STORMWATER NARRATIVE FOR ADEQUATE CHANNEL AND STORMWATER MEASURES

The proposed development will require storm water management for both water quality and quantity. Due to the vast size of the project, a variety of storm water management measures will be utilized throughout the project in a combination of both local and regional treatment. The project will be designed to meet state and local codes. During development of individual sites, specific designs will be submitted for City review and approval.

Water quality will be handled by a combination of measures such as Rooftop Disconnection, Rainwater Harvesting, Soil Amendments, Permeable Pavement, Grass Channel, Bio-retention, Infiltration, Dry Swale, Wet Swale, Sheet Flow to Filter/Open Space, Extended Detention Pond, Filtering Practice, and Constructed Wetlands.

In regards to storm water quantity, the development discharges to Tomahawk Creek which is a listed FEMA flood zone. To provide channel protection, the project will satisfy the equation $Qdev \leq I.F*(Qpredev*RVpredev)/RVdev$ since discharging to an existing natural storm water conveyance. In regards to flood protection, no additional storm water management is required since the project discharges to Tomahawk Creek which is a mapped flood plain.

PARKING

As the end users are defined, parking will be designed to meet the specific needs and exceed the City required minimum. When practical, overflow parking will be designed as "green" parking. Shared parking will be utilized for mixed use areas.

ROSEDALE

RESIDENTIAL

DESIGNED TO MEET THE DEMANDS OF AN INCREASINGLY DIVERSE HOUSING MARKET
AND
PROVIDE RESIDENTS WITH A HEALTHY, INTERACTIVE ENVIRONMENT WHERE FAMILIES, YOUNG PROFESSIONALS, STUDENTS AND OLDER RESIDENTS CAN *LIVE, WORK, AND PLAY*

65+ UPSCALE TOWNHOMES & CONDOMINIUMS

50+ LOFT APARTMENTS

ADDITIONAL RESIDENCES MAY ALSO BE AVAILABLE IN THE COMMERCIAL AND BUSINESS AREAS

BICYCLE AND PEDESTRIAN-FRIENDLY WALKWAYS CONNECTING COMMERCIAL & RECREATIONAL AREAS

ACCESSIBLE TO PUBLIC TRANSIT, EMPLOYMENT OPPORTUNITIES, QUALITY SCHOOLS & HOSPITALS

NEARBY SHOPS, RESTAURANTS, GAS & CONVENIENCE, GROCERY, AND SHARED RECREATIONAL AREAS

RECEIVED
NOV 18 2014
COMMUNITY DEVELOPMENT

ARCHITECTURE & DESIGN ELEMENTS

TOWNHOMES & LUXURY CONDOS

STACKED-STONE FOUNDATION

PAINTED AND LIME-COATED BRICK EXTERIORS

ARCHITECTURAL GRADE SHINGLES (SLATE LOOK)

INTERIOR EXPOSED BEAMS

19th CENTURY FEDERAL-STYLE ARCHITECTURAL ELEMENTS IN ENTRY WAYS, WINDOWS, PORCHES AND ROOF LINE TRIM

OPEN FLOOR PLANS

APARTMENTS

THE ARCHITECTURAL DESIGN STYLE REMAINS UNDEFINED

THESE BUILDINGS WILL LIKELY HAVE A CONTEMPORARY, MINIMALIST DESIGN AESTHETIC

PROFESSIONAL OFFICE SPACE

STREET-SIDE FACADE IS DESIGNED TO OFFER MODERN ARCHITECTURAL FEATURES WITH OVERARCHING CHARACTERISTICS OF RETRO WAREHOUSE ARCHITECTURE

INTERIOR FACADE, FACING PARKING AREA, IS DESIGNED TO REFLECT A BOUTIQUE COMMERCIAL AESTHETIC IN KEEPING WITH THE ARCHITECTURAL STYLE OF DEVELOPMENT TOWNHOMES

PHASE 3-4

1 TOWNHOMES	2 LUXURY CONDOS	3 APARTMENTS	4 PROFESSIONAL OFFICE SPACE
20+ TOWNHOMES	45+ LUXURY CONDOs	50+ APARTMENTS	100,000 SQ. FT.

HOPKINS brothers

ROSEDALE

HOPKINS
brothers
Legacy Planning & Development

ROSEDALE

HOPKINS
brothers
Legacy Planning & Development


NOTICE

Rosedale Farms, LLC
1600 Graves Mill Road
Rezoning and Conditional Use Permit
January 28, 2015

PLEASE PRINT

NAME	ADDRESS	PHONE	IN FAVOR	IN OPPOSITION	NEUTRAL
Dick Schoew and Bryant Hare	Hopkins Brothers		X		
Thomas Shahady	Lynchburg College			X	
Ty Mosby	Berkley Howell		X		

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015** AGENDA ITEM NO.: 9

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Budget Amendment and Appropriation of a $5,000 Grant Award from the Department of Conservation and Recreation**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 Water Capital Projects Fund budget and appropriate $5,000 with resources from a 2012 Dam Safety, Flood Prevention and Protection Assistance Fund grant to reimburse costs associated with bringing Pedlar Dam into compliance with minimum standards for dam safety.

SUMMARY: The City has been awarded a grant totaling $5,000 from the Virginia Department of Conservation and Recreation (DCR). This is the third year such assistance has been awarded for Pedlar Dam. This grant reimburses the City for dam break inundation zone analysis, mapping, and digitization, emergency action plan development, incremental damage assessment, and engineering for dam repairs.

No local match is required with this grant award. Grant funds will be used to reimburse costs incurred by the Water Capital Projects Fund for this project.

PRIOR ACTION(S): None

FISCAL IMPACT: None, no local match is required.

CONTACT(S): Tim Mitchell, Director of Water Resources, 455-4252

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED that the FY 2015 Water Capital Projects Fund budget is amended and $5,000 is appropriated with resources from a Virginia Department of Conservation and Recreation grant to reimburse costs associated with bringing Pedlar Dam into compliance with minimum standards for dam safety.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

019K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015**			AGENDA ITEM NO.: 10
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Budget Amendment and Appropriation of $10,000 for Grant Awards from the Department of Conservation and Recreation**

RECOMMENDATION: Adopt a resolution to amend the FY 2015 City Capital Projects Fund budget and appropriate $10,000 with resources from a 2012 Dam Safety, Flood Prevention and Protection Assistance Fund grant to reimburse costs associated with bringing College Lake Dam into compliance with minimum standards for dam safety.

SUMMARY: The City has been awarded three grants totaling $10,000 from the Virginia Department of Conservation and Recreation (DCR). This is the second year such assistance has been awarded for College Lake Dam. This grant reimburses the City for dam break inundation zone analysis, mapping, and digitization, emergency action plan development, and incremental damage assessment as required by dam safety regulations.

No local match is required with these grant awards. Grant funds will be used to reimburse costs incurred by the City Capital Projects Fund for this project.

PRIOR ACTION(S): None

FISCAL IMPACT: None, no local match is required.

CONTACT(S): Tim Mitchell, Director of Water Resources, 455-4252

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION:

BE IT RESOLVED that the FY 2015 City Capital Projects Fund budget is amended and $10,000 is appropriated with resources from a Virginia Department of Conservation and Recreation grant to reimburse costs for College Lake Dam associated with compliance for dam safety.

Introduced: Adopted:

Certified: ____________________________
Clerk of Council

018K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015**			AGENDA ITEM NO.: 11
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Appointment of the Members of the Museum Advisory Board**

RECOMMENDATION: Adopt an ordinance amending Sections 24-24.2, 24-24.4 and 24-24.5 of the City Code dealing with the appointment of the members of the Museum Advisory Board.

SUMMARY: In February of 2008 the City entered into an agreement with Wachovia Bank, the Trustee of the Katherine Garland Diggs Trust, for the operation of Point of Honor as a historic house museum. The agreement provided that Wachovia Bank would have the right to submit a list of names to the City for consideration for appointment to the Museum Advisory Board. On February 12, 2008, City Council adopted an ordinance amending Sections 24-24.2, 24-24.4 and 24-24.5 of the City Code to include language allowing Wachovia Bank to submit a list of names to the City for consideration for appointment to the Museum Advisory Board. Wachovia Bank was subsequently acquired by Wells Fargo Bank and Wells Fargo Bank became the Successor Trustee of Katherine Garland Diggs Trust. In December of 2012 Wells Fargo Bank resigned as the Successor Trustee of Katherine Garland Diggs Trust and The Trust Company of Virginia was appointed as the Trustee of Katherine Garland Diggs Trust in order to carry out the terms and provisions of the Trust. As a result of the appointment of The Trust Company of Virginia as the Trustee of Katherine Garland Diggs Trust, Sections 24-24.2, 24-24.4 and 24-24.5 need to be amended to remove the references to Wachovia Bank, and substitute The Trust Company of Virginia for Wachovia Bank.

PRIOR ACTION(S): On February 12, 2008, City Council amended Sections 24-24.2, 24-24.4 and 24-24.5 of the City Code to allow Wachovia Bank, the Trustee of the Katherine Garland Diggs Trust, to submit a list of names to the City for consideration for appointment to the Museum Advisory Board.

FISCAL IMPACT: None

CONTACT(S): Douglas Harvey , Museum Director, 455-4422

ATTACHMENT(S): Letter from Attorney Ted Craddock requesting the amendment; an ordinance amending Sections 24-24.2, 24-24.4 and 24-24.5 of the City Code.

REVIEWED BY: lkp

ORDINANCE

AN ORDINANCE TO AMEND AND REENACT SECTIONS 24-24.2, 24-24.4 AND 24-24.5 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, THE AMENDED SECTIONS RELATING TO THE APPOINTMENT OF THE MEMBERS OF THE MUSEUM ADVISORY BOARD.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 24-24.2, 24-24.4 and 24-24.5 of the Code of the City of Lynchburg, 1981, be and the same are hereby amended and reenacted as follows:

Sec. 24-24.2. Same—Composition.

The museum board shall be composed of fifteen members. Twelve (12) of the members shall be residents of the city and three (3) of the members may be appointed at large. The Trust Company of Virginia ~~Wachovia Bank, National Association~~, shall have the right to submit a list of names to the city for consideration for appointment to the museum board and the city shall appoint three (3) persons from the list as members of the board for an initial three (3) year term. The city shall maintain the same numbers of members on the museum advisory board as there are members on the Lynchburg Museum Foundation, a 501(c) (3) organization, which was created to conduct activities to support and assist the growth and development of the Lynchburg Museum System. The same persons shall be appointed to serve on both the museum advisory board and the board of the Lynchburg Museum Foundation.

Sec. 24-24.4. Same—Terms.

Initially, five (5) board members shall serve for a one (1) year term, five (5) board members shall serve for a two (2) year term and five (5) board members shall serve for a three (3) year term. The three (3) board members who are appointed from the list of persons submitted by The Trust Company of Virginia ~~Wachovia Bank, National Association~~, shall serve three (3) year terms. Upon expiration of the terms of each of the original board members, all appointments to the board shall be for terms of three (3) years. No member shall serve more than three (3) consecutive full terms.

The members of the museum advisory board serve at the pleasure of city council and may be removed by council for poor attendance or for any other reason council deems appropriate.

Sec. 24-24.5. Filling vacancies of board.

Vacancies occurring in the membership of the museum board shall be filled for the remainder of the unexpired terms in the same manner as appointments are made. If any of the members of the museum board that were appointed from the list submitted by The Trust Company of Virginia ~~Wachovia Bank, National Association~~, are unable to serve their initial three (3) year term, The Trust Company ~~the Bank~~ shall have the right to submit a list of names to the city to fill the vacancy and the city shall appoint someone from the list to fill the remainder of the unexpired term.

2. That this ordinance shall become effective upon its adoption.

Adopted:

Certified: ______________________________
Clerk of Council

017K

CASKIE & FROST
A PROFESSIONAL CORPORATION

LEIGHTON S. HOUCK
THEODORE J. CRADDOCK
GREGORY P. COCHRAN
JOY LEE PRICE
MARK J. PEAKE
JOHN R. ALFORD, JR.
JAMES FREDERICK WATSON

PAVLINA B. DIROM
F. E. "TRIPP" ISENHOUR, III
ERIC E. HARRISON

ATTORNEYS AT LAW
2306 ATHERHOLT ROAD
PLEASE REPLY TO: P. O. BOX 6320
LYNCHBURG, VIRGINIA 24505

JAMES R. CASKIE (1909-1969)
E. MARSHALL FROST (1920-1988)

JOHN R. ALFORD (Retired)
JOSEPH C. KNAKAL, JR. (Retired)

TELEPHONE: (434) 846-2731
FACSIMILE: (434) 846-0496

February 3, 2015

Walter C. Erwin, Esquire
City Attorney
City of Lynchburg
City Hall, 900 Church Street
Lynchburg, VA 24504

Re: Lynchburg Museum System – Trust Under the Will of Katherine G. Diggs

Dear Walter:

Pursuant to our telephone conversation, I have again reviewed the Lynchburg Museum System and the Lynchburg City Code concerning the Museum Board, and the court-ordered substitution of The Trust Company of Virginia as Successor Trustee under the Will of Katherine G. Diggs, Deceased.

You will remember that Wells Fargo (successor to Lynchburg National Bank and Trust Company, Fidelity National Bank, Central Fidelity National Bank, Wachovia, etc.) resigned and agreed to the substitution.

As Wells Fargo used to be the sole member of Point of Honor, Inc., we amended the Articles of Incorporation and The Trust Company of Virginia became the sole member of Point of Honor, Inc. A January, 2008 agreement between the City, Wells Fargo, as Trustee under Mrs. Diggs' Trust, Point of Honor, Inc., and the Lynchburg Museum Foundation sets out the governance of the Lynchburg Museum Advisory Board and directs the adoption of the ordinance to carry out the agreement.

The only change which needs to be made to the City Code is the substitution of The Trust Company of Virginia wherever Wachovia National Bank or "Bank" is mentioned. The following City Code Sections need to be amended: Sec. 24-24.2; Sec. 24-24.4; and Sec. 24-24.5. In 24-24.5 the term "Bank" should be replaced with "Trust Company".

After you have had a chance to look at this, call me if you have questions.

Sincerely,

Theodore J. Craddock

TJC/ahd

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 11, 2014** AGENDA ITEM NO.: 12

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Resolution to Provide VHDA Loan Funding for the Kirkley Apartments**

RECOMMENDATION: Adopt the attached resolution.

SUMMARY: The attached letter asks that City Council adopt a resolution that would allow the developer of the Kirkley Apartments project to apply for funding from the Virginia Housing Development Authority (VHDA). The project consists of 156 units and is located adjacent to the Kirkley Hotel.

Staff has reviewed request and has no objections.

City Council adopted the Analysis of Impediments to Fair Housing Choice (AI) on January 28, 2014. The first goal in the Fair Housing Action Plan in the AI recommends that the City should seek to strike a balance between revitalizing older neighborhoods and creating new affordable housing opportunities in other City neighborhoods. That goal also recommends that the City should update its HOME policies and procedures to incentivize the creation of affordable housing opportunities in higher opportunity neighborhoods. The rent restriction of the loan requiring the petitioner to rent at least 20% of the units (32 of 156 total units) to renters making less than 80% of the Area Median Income (AMI) is in keeping with that goal.

The Area Median Income of $60,500, noted in the letter, is for the entire Lynchburg Metropolitan Statistical Area (MSA). The median income for the City of Lynchburg, as reported by the American Community Survey, is $48,148.

PRIOR ACTION(S): April, 9, 2013, City Council approved a CUP for the project; the original CUP expired and was re-approved on May 13, 2014; January 28, 2014, adoption of the Analysis of Impediments to Fair Housing Choice.

FISCAL IMPACT: N/A

CONTACT(S): Kimball Payne, City Manager, 455-3990

ATTACHMENT(S): Proposed resolution; Letter of request

REVIEWED BY: lkp

RESOLUTION

WHEREAS, the City Council of the City of Lynchburg, Virginia desires to make the determination required by Section 36-55.30:2.B of the Code of Virginia of 1950, as amended, in order for the Virginia Housing Development Authority to finance the economically mixed project (the "Project") described on Exhibit A attached hereto;

NOW, THEREFORE, BE IT HEREBY DETERMINED as follows:

(1) the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units in the Project are occupied or held available for occupancy by persons and families who are not of low and moderate income; and
(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the surrounding area of the Project and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Adopted:

Certified: ______________________________
Clerk of Council

021K

EXHIBIT A

Kirkley Apartments is a development consisting of 156 apartment units in 7 buildings. The project will have both a club house and swimming pool as amenities for its residents. The apartment development is located at 5212 Woodall Road, Lynchburg VA 24502 and is adjacent to the Kirkley Hotel. The parcel ID for the site is 11604003.

The WVS Companies, LLC

251 Rocketts Way Ste. 300
PO Box 8029
Richmond, VA 23223-8029
info@wvscompanies.com

804/222-6771
Fax: 804/222-6778

Lynchburg City Council
900 Church Street
3rd Floor
Lynchburg, VA 24504

Through L. Kimball Payne, III
Lynchburg City Manager

23 February, 2015

RE: Request for the adoption of a resolution to allow for VHDA funding for Kirkley Apartments at 5212 Woodall Road, Lynchburg VA 24502 Parcel ID 11604003

Dear Mr. Payne

The proposed Kirkley Apartments are not located within a Qualified Census Tract or a Revitalization district, and because of that we are requesting that the City of Lynchburg adopt a resolution in order to be able to qualify for VHDA financing..

The VHDA loan program we are applying for has a rent restriction requiring us to rent at least 20% of the units (32 of 156 total units) to renters making less than 80% of the Area Median Income (AMI). In Lynchburg the AMI is $60,500 which would therefore imply people earning less than $48,400. This income level is still a fairly respectable income level for Lynchburg and is by no means considered low income. The 80% level is not to be confused with the income limits of Very Low (50% of AMI - this is also the Section 8 income limit $30,250) and Extremely Low (30% of AMI - $23,850). It is also in no way associated with Low Income Housing Tax Credits (LIHTC). The remaining 80% of renters at the project are not subject to any income limits. Given the relatively moderate income level of $48,400, we could legitimately expect to rent quite a lot more than only 20% of units to people who would meet the required income restriction level. Our target renters for the project would encompass employees of firms in the neighborhood, including the mall, and both employees and students of Liberty University.

I have attached as Exhibit A, copy of the resolution that VHDA would need the City to adopt. On the first page VHDA would be looking to satisfy section 2.a. – our project is mixed income but not mixed use. The Resolution asks the City to determine that 2 points are applicable:

(1) the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units

in the Project are occupied or held available for occupancy by persons and families who are not of low and moderate income; and

(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the surrounding area of the Project and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

Both points speak to the benefits of mixed income development. The fact that having a mix of incomes will enhance the quality of the housing and associated facilities that serve moderate income persons and the fact that if you don't have this enhanced quality to cater to above average income persons, then private enterprise and investment may not invest in the project at all. Given that the loan program that we are seeking has only one defined income level of $48,400 (this applies to the Resolution language of low and moderate income), we would like to think that this would alleviate any concerns of Lynchburg.

For reference I have also attached Exhibit B which shows the HUD median income limits for Lynchburg and Exhibit C, an example showing what a person earning $48,400 could reasonably afford from a rent standpoint. It comes out at around $1,060 per month for base rent which is enough to afford almost any unit at our project, and thus goes to further illustrate that the required VHDA income limit of $48,400 does not in any way preclude individuals from renting at Kirkley Apartments.

In order for VHDA to be in a position to process our loan assuming a late May or early June construction start, we would like to work with the City to work to get this resolution passed in that timeframe.

Please would you let me know if I can answer any additional questions or if a meeting to discuss this would be appropriate? I can be reached on my cell phone (703) 965-7381.

Regards

Richard Souter
WVS / Lynchburg, LLC

Exhibit A

Requested Resolution for adoption in order to allow VHDA to be able to make a loan at Kirkley Apartments

INSTRUCTIONS FOR COMPLIANCE WITH STATUTORY REQUIREMENTS FOR MIXED USE, MIXED INCOME DEVELOPMENTS

Included in the folder Legal/General/Master/Mixed Income, Mixed Use Documents are the following forms of resolutions and letters that are required under VHDA's act for mixed income developments or mixed use, mixed income developments. The statutory requirements are as follows:

1. Mixed Income Developments (with or without Mixed Use) in Revitalization Areas. One of the following must be satisfied:

a. The resolution by local governing body designating area as revitalization area because of blight or deterioration and, in the case of mixed use, determining that the non-housing building(s) or portion(s) of building(s) are necessary or appropriate for revitalization.

b. The resolution by local governing body designating area as revitalization area because of lack of housing for industrial, commercial or other economic development and, in the case of mixed use, determining that the non-housing building(s) or portion(s) of building(s) are necessary or appropriate for industrial, commercial or other economic development.

c. The letter from locality confirming that area is in a redevelopment area, conservation area, or rehabilitation area created or designated by the city or county pursuant to Chapter 1 of Title 36 of the Code of Virginia (Section 36-1 et seq.) and, in the case of mixed use, confirming that the governing body has determined that the non-housing building(s) or portion(s) of building(s) are necessary or appropriate for either revitalization or for industrial, commercial or other economic development. **[Note that the determination by the governing body of the locality that the non-housing building(s) or portion(s) of buildings are necessary or appropriate will not be included in the letter if VHDA determines that the non-housing building(s) or portion(s) of buildings are "incidental" to the development (see form of determination in above referenced folder)]**

d. In the case of a development that is in a qualified census tract or targeted area and that includes mixed use, the letter from locality stating that such non-housing building(s) or portion(s) of building(s) are necessary or appropriate for either revitalization or for industrial, commercial or other economic development **[Note that this letter is not necessary if VHDA determines that the non-housing building(s) or portion(s) of buildings are "incidental" to the development (see form of determination in above referenced folder)]**.

2. Mixed Income (no Mixed Use) Developments outside Revitalization Areas. One of the following must be satisfied:

a. The resolution by local governing body determining that the units that are not for low and moderate income households will enhance the ability to provide housing for low and moderate income households.

b. The resolution by local governing body determining that the area is or will be predominantly low income and will benefit from an economic mix of residents.

This resolution is applicable if (1) the mixed income development is not located in a revitalization area and (2) the units that are not for low and moderate income persons will enhance the ability to provide the housing and facilities for the low and moderate income persons.

RESOLUTION

WHEREAS, the [Board of Supervisors or City Council] of the [City or County] of _________, Virginia, desire to make the determination required by Section 36-55.30:2.B of the Code of Virginia of 1950, as amended, in order for the Virginia Housing Development Authority to finance the economically mixed project (the "Project") described on Exhibit A attached hereto;

NOW, THEREFORE, BE IT HEREBY DETERMINED as follows:

(1) the ability to provide residential housing and supporting facilities that serve persons or families of lower or moderate income will be enhanced if a portion of the units in the Project are occupied or held available for occupancy by persons and families who are not of low and moderate income; and

(2) private enterprise and investment are not reasonably expected, without assistance, to produce the construction or rehabilitation of decent, safe and sanitary housing and supporting facilities that will meet the needs of low and moderate income persons and families in the surrounding area of the Project and will induce other persons and families to live within such area and thereby create a desirable economic mix of residents in such area.

EXHIBIT A to Resolution

Kirkley Apartments is a development consisting of 156 apartment units in 7 buildings. The project will have both a club house and swimming pool as amenities for its residents. The apartment development is located at 5212 Woodall Road, Lynchburg VA 24502 and is adjacent to the Kirkley Hotel. The parcel ID for the site is 11604003.

THE SUBDIVISION OF THE LAND DESCRIBED HEREIN IS WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDERSIGNED OWNERS, PROPRIETORS, AND TRUSTEES. THE OWNERS CERTIFY THAT THEY ARE THE FEE SIMPLE OWNERS OF SAID LAND AND ARE LEGALLY ENTITLED TO SUBDIVIDE THE SAME.

____

REPRESENTATIVE OF GDG LYNCHBURG HOTEL LLC

COMMONWEALTH AT LARGE TO WIT:
STATE OF VIRGINIA
COUNTY/CITY OF ______________

I, ______________, A NOTARY PUBLIC IN AND FOR THE STATE AFORESAID, DO HEREBY CERTIFY THAT THE OWNERS/REPRESENTATIVES WHOSE NAMES ARE SIGNED HEREON HAVE ACKNOWLEDGED THE SAME BEFORE ME THIS ______________ DAY OF ______________, 20___. MY COMMISSION EXPIRES ______________.

____

NOTARY PUBLIC

SUBDIVISION APPROVED:

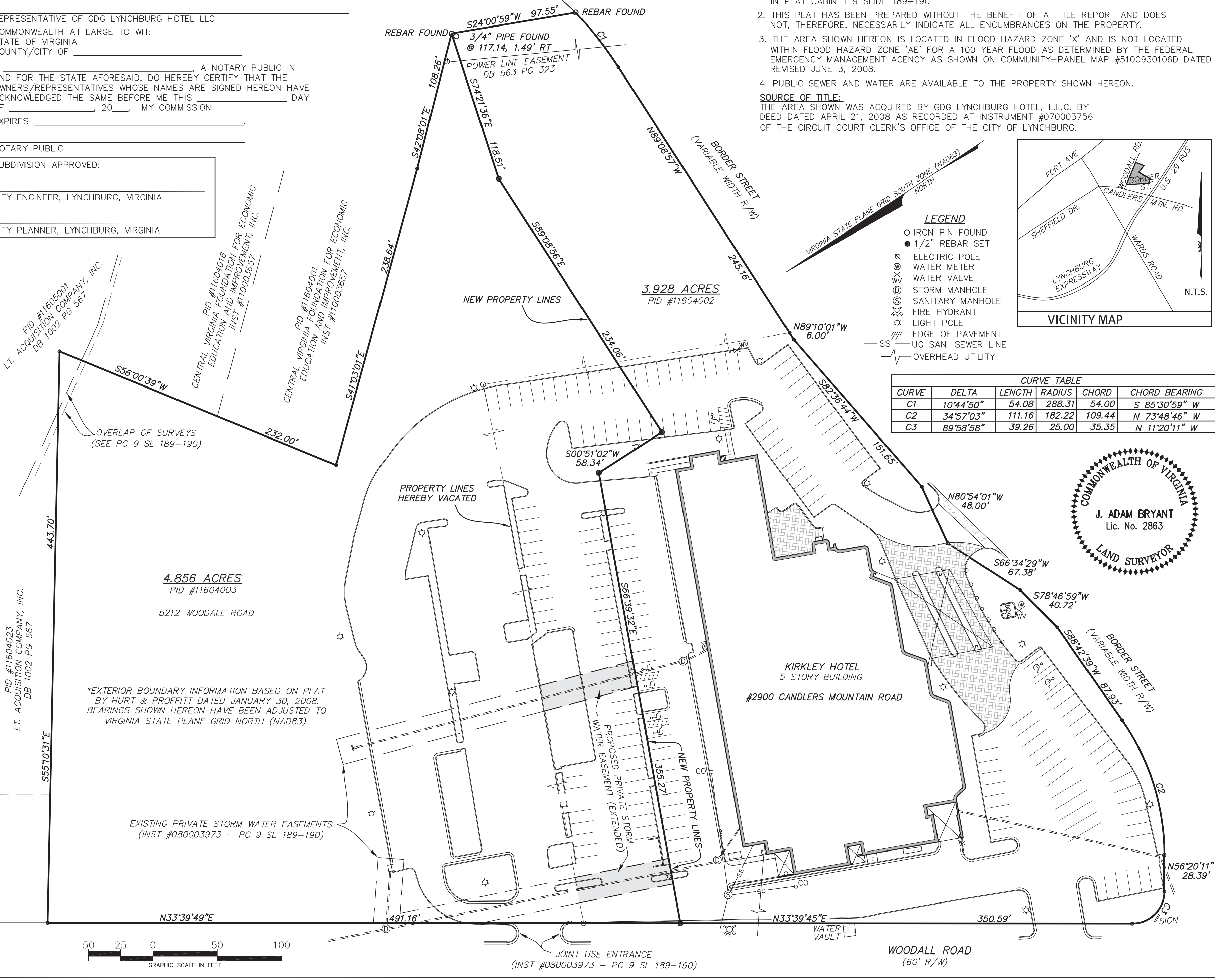
____
CITY ENGINEER, LYNCHBURG, VIRGINIA

____
CITY PLANNER, LYNCHBURG, VIRGINIA

NOTES

1. NEW DIVISION LINE SHOWN HEREON IS BASED ON AN ACTUAL FIELD SURVEY COMPLETED AS OF THE DATE OF THIS PLAT. EXTERIOR BOUNDARY INFORMATION AND EXISTING PHYSICAL IMPROVEMENTS ARE BASED ON PLAT BY HURT & PROFFITT DATED JANUARY 30, 2008 RECORDED IN PLAT CABINET 9 SLIDE 189–190.
2. THIS PLAT HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND DOES NOT, THEREFORE, NECESSARILY INDICATE ALL ENCUMBRANCES ON THE PROPERTY.
3. THE AREA SHOWN HEREON IS LOCATED IN FLOOD HAZARD ZONE 'X' AND IS NOT LOCATED WITHIN FLOOD HAZARD ZONE 'AE' FOR A 100 YEAR FLOOD AS DETERMINED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY AS SHOWN ON COMMUNITY–PANEL MAP #5100930106D DATED REVISED JUNE 3, 2008.
4. PUBLIC SEWER AND WATER ARE AVAILABLE TO THE PROPERTY SHOWN HEREON.

SOURCE OF TITLE:
THE AREA SHOWN WAS ACQUIRED BY GDG LYNCHBURG HOTEL, L.L.C. BY DEED DATED APRIL 21, 2008 AS RECORDED AT INSTRUMENT #070003756 OF THE CIRCUIT COURT CLERK'S OFFICE OF THE CITY OF LYNCHBURG.



LEGEND
- IRON PIN FOUND
- 1/2" REBAR SET
- ELECTRIC POLE
- WATER METER
- WATER VALVE
- STORM MANHOLE
- SANITARY MANHOLE
- FIRE HYDRANT
- LIGHT POLE
- EDGE OF PAVEMENT
- UG SAN. SEWER LINE
- OVERHEAD UTILITY

VICINITY MAP

CURVE TABLE

CURVE	DELTA	LENGTH	RADIUS	CHORD	CHORD BEARING
C1	10°44'50"	54.08	288.31	54.00	S 85°30'59" W
C2	34°57'03"	111.16	182.22	109.44	N 73°48'46" W
C3	89°58'58"	39.26	25.00	35.35	N 11°20'11" W

COMMONWEALTH OF VIRGINIA
J. ADAM BRYANT
Lic. No. 2863
LAND SURVEYOR

*ENGINEERING >> SURVEYING >> PLANNING

HURT & PROFFITT INCORPORATED
2524 LANGHORNE ROAD
LYNCHBURG VA 24501
800.242.4906 TOLL FREE
434.847.7796 MAIN
434.847.0047 FAX

PLAT OF BOUNDARY LINE ADJUSTMENT
PROPERTY OF
GDG LYNCHBURG HOTEL LLC
CITY OF LYNCHBURG, VIRGINIA

PROJECT NO. 20120506
G.L. NO. 264-02-A1.6
FILE NO. SL-8083
DATE: 10/27/13
DRAWN BY: JAB
CHECKED BY: JAB

HURT & PROFFITT

SHEET NO.
1 OF 1

Nov 27, 2013 – 1:48pm \\Data01\CAD\LandProjects\20120506\dwg\SUBD.dwg

Exhibit B

HUD Median Income Limits for the City of Lynchburg

FY 2014 Income Limits Documentation System

HUD.gov HUD User Home Data Sets Fair Market Rents Section 8 Income Limits MTSP Income Limits HUD LIHTC Database

FY 2014 Income Limits Summary

FY 2014 Income Limit Area	Median Income Explanation	FY 2014 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
Lynchburg city	$60,500	Very Low (50%) Income Limits ($) Explanation	21,200	24,200	27,250	**30,250**	32,700	35,100	37,550	39,950
		Extremely Low (30%) Income Limits ($)* Explanation	12,750	15,730	19,790	**23,850**	27,910	31,970	36,030	39,950*
		Low (80%) Income Limits ($) Explanation	33,900	38,750	43,600	**48,400**	52,300	56,150	60,050	63,900

Selecting any of the buttons labeled "Explanation" will display detailed calculation steps for each of the various parameters.

NOTE: Lynchburg city is part of the **Lynchburg, VA MSA**, so all information presented here applies to all of the **Lynchburg, VA MSA**. The **Lynchburg, VA MSA** contains the following areas: Amherst County, VA; Appomattox County, VA; Bedford County, VA; Campbell County, VA; Bedford city, VA; and Lynchburg city, VA.

* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low (30%) income limits may equal the very low (50%) income limits.

Income Limit areas are based on FY 2014 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2014 Fair Market Rent documentation system.

For last year's Median Family Income and Income Limits, please see here:

FY2013 Median Family Income and Income Limits for Lynchburg city

Exhibit C

Example of Income available for the payment of rent at Kirkley Apartments

Example of Income available for Rent

Income	48,400.00	80% of Roanoke Area Median Income
Income percentage reasonably spent on rent	30%	
Available income for rental expenses	14,520.00	
per month	1,210.00	
less utility expenses	(150.00)	Water, electric, internet, cable
Monthly available for base rent	1,060.00	

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 10, 2015** AGENDA ITEM NO.: 13

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Performance Agreement in Support of the Restoration of the Historic Virginian Hotel**

RECOMMENDATION: Adopt a resolution authorizing the execution of a performance agreement between the City of Lynchburg, the Lynchburg Economic Development Authority (LEDA) and Virginian Hotel, LLC to support the rehabilitation, renovation and redevelopment of the property known as the former Virginian Hotel located at 712 Church Street.

SUMMARY: The Lynchburg Economic Development Authority has reviewed, amended and approved a performance agreement in support of the restoration of the historic Virginian Hotel. The concept for this support was presented to City Council on February 10th and was accepted, with instructions to proceed, on a 6-1 vote.

A draft performance agreement was presented to the LEDA which then held two meetings to discuss, amend, and subsequently approve the agreement. During its deliberations the LEDA developed a list of additional conditions, not included in the Virginian Hotel Gap Financing Term Sheet presented to City Council on February 10th or in the original draft of the performance agreement. The developers have agreed to all conditions requested by the LEDA which included:

1. Provide an MAI certified appraisal
2. Agree not to appeal the City's assessed value for a period of five years after opening
3. Agree to hire 60% City of Lynchburg residents to extent qualified workers are available.
4. Use local contractors to the extent feasible
5. Provide an agreement that identifies the hotel brand
6. Allow the LEDA to review the financing package prepared for the primary lender
7. Provide the LEDA with a 1st position on a parking structure
8. Any grants secured by the City or LEDA will be used to pay the principal loan balance
9. Provide information on the purchase of the Allied Arts Building
10. Provide personal guarantees.

At its meeting of March 4th, on a vote of 6-0 with one abstention, the LEDA approved the revised performance agreement which is attached. Also attached are copies of the documents provided to the LEDA during its deliberations.

PRIOR ACTION(S): February 10, 2015, City Council meeting; March 4, 2015, LEDA approval of the performance agreement.

FISCAL IMPACT: The property is assessed at approximately $2.2 million and was generating about $25,000 a year in real property tax. Development as residential space would produce no additional revenue until the 15 year tax abatement period expired. The developers' pro-forma assumes a taxable value of $16 million after the five (5) year abatement period expires. Estimated revenues from all taxes, real property, personal property, lodging, meals, sales and business license, are projected to be $300,000 to $700,000 annually. The proposed financing agreement guarantees a minimum of $100,000 a year to the City.

CONTACT(S): Marjette Upshur, Director of Economic Development, 455-4492; Kimball Payne, City Manager, 455-3990.

ATTACHMENT(S): Proposed resolution; February 10, 2015 Council Report; Documents reviewed by the LEDA: Proposed Performance Agreement, Project Overview, Market Study Memo, Payoff Projection, Sources and Uses, Developer Response Letter, LRCVB Statement

REVIEWED BY: lkp

RESOLUTION

BE IT HEREBY RESOLVED THAT the City Manager, Deputy City Manager, and City Attorney are hereby authorized to negotiate the final terms of and execute a performance agreement between the City of Lynchburg, The Lynchburg Economic Development Authority, and Virginian Hotel, LLC to facilitate the rehabilitation, renovation and redevelopment of the property known as the former Virginian Hotel located at 712 Church Street,

AND FURTHERMORE the City Manager, Deputy City Manager, and City Attorney are authorized to negotiate the final terms of and execute on behalf of the City all other documents and to undertake such other actions as are reasonably related to the project and are in conformity with the purposes and intent of this Resolution.

Adopted:

Certified: ______________________________
Clerk of Council

022K

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **February 10, 2015** AGENDA ITEM NO.: 6

CONSENT: REGULAR: **X** WORK SESSION: CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **Proposal to Restore the Historic Virginian Hotel**

RECOMMENDATION: Approve, in concept, a proposal to provide gap financing for the restoration of the Virginian Hotel, through the Lynchburg Economic Development Authority.

SUMMARY: Blair Godsey and George Stanley propose to purchase the historic Virginian Hotel, at 712 Church Street, and restore it for operation as a branded hotel. The hotel would have 115 rooms and a conference center with restaurant space and would be planned to open in 2017. The $25 million project has a funding gap of $5 million.

Proposed gap financing would come through a $2 million loan from the Lynchburg Economic Development Authority (LEDA) and a $3 million conduit loan, through the LEDA, from a commercial bank. Payments on both loans would be through a grant from the LEDA, over a 17.5 year amortization period, funded by annual tax revenues from the project and its tenants, less $100,000 that would remain with the City. The developers would guarantee both loans and the LEDA would have a lien on the property as security. City Council would have to budget the annual tax revenues as funding for the LEDA in order for the LEDA to have the resources to provide the grants.

An outline of the proposed agreement is attached. It provides further details with respect to the financing and other issues such as two-way traffic and streetscape improvements important to the project's success.

The developers will attend Council's meeting and make a presentation on the project. They have completed two projects downtown, Cliff's Edge and Midpoint lofts, and have a third under construction.

If Council approves the proposal in concept the matter will be taken to the Lynchburg Economic Development Authority for its approval, and a formal performance agreement will be drafted and presented to Council for approval at a future meeting.

PRIOR ACTION(S): None

FISCAL IMPACT: The property is assessed at approximately $2.2 million and was generating about $25,000 a year in real property tax. Development as residential space would produce no additional revenue until the 15 year tax abatement period expired. The developers' pro-forma assumes a taxable value of $16 million after the five (5) year abatement period expires. Estimated revenues from all taxes, real property, personal property, lodging, meals, sales and business license, are projected to be $300,000 to $700,000 annually. The proposed financing agreement guarantees a minimum of $100,000 a year to the City.

CONTACT(S): Kimball Payne, City Manager, 455-3990; Marjette Upshur, Director of Economic Development, 455-4492.

ATTACHMENT(S): Virginian Hotel Gap Financing Term Sheet

REVIEWED BY: lkp

010K

VIRGINIAN HOTEL
Gap Financing
February 3, 2015

1. Project is the former Virginian Hotel.

2. Owner is Virginian Hotel, LLC.

3. Closing mid-March and construction commencing summer 2015.

4. Project cost $25,000,000. Funding gap $5,000,000.

5. Projected annual tax revenue from Project is between $300,000 and $700,000.

6. City of Lynchburg (City), LEDA and Owner will enter into Performance Agreement that (a) City to make annual appropriations of the amount of all tax revenues benefiting City from Project and Project tenants in excess of $100,000 per year to LEDA; (b) LEDA to make grants to Owner in the amount of the City appropriations; and (c) appropriations and grants to continue for 17.5 years after July 1, 2017 or until LEDA Loan, Conduit Loan and Shortfalls are paid. City will make the first annual payment to LEDA by 7/31/17, for the 2017/2018 fiscal year for City based on projected tax revenues for the 2017/2018 fiscal year. There will be a year-end adjustment each year for actual revenue accruals. In the event that Project generates tax revenues after opening and prior to 7/1/2017, the amount of those revenues will be added to the first payment.

7. LEDA will loan Owner $2,000,000 by 7/1/15 at the same rate and repayment terms as Conduit Loan (LEDA Loan). LEDA loan will be secured by Owner, an assignment of the payments from Performance Agreement and a lien against Project. Liens in favor of LEDA will be subordinate to liens to secure Conduit Loan. Payment of LEDA loan will be conditioned on City making the appropriations anticipated in Performance Agreement.

8. LEDA will borrow $3,000,000 from a bank (nonrecourse except as to Owner, Project and assignment of Performance Agreement). This loan will be arranged by Owner with LEDA cooperation. LEDA will concurrently loan $3,000,000 to Owner at the same rate and repayment terms as the LEDA bank loan (Conduit Loan). Conduit Loan will be secured by Owner, an assignment of the payments from Performance Agreement and lien against Project subordinate only to the first lien project financing.

9. To the extent the payments from City are not sufficient to make required loan payments, Owner will pay any Shortfall. If at the end of each fiscal year tax revenues are in excess of what was needed to service the debt, then excess revenues shall be applied first to pay any Shortfall plus interest equal to the interest rate charged on LEDA Loan, second to principal on LEDA Loan and third to principal on Conduit Loan.

10. After Project has been operational for 3 years then 25% of the annual net positive cash flow from the Project for that year (less the developer fee allowed in the Historic Tax Credit, Shortfalls, a preferred return of 4% of project costs, all payments required to tax credit partners, lender required replacement reserves, all tax liabilities associated with the Project and/or the syndication of any tax credits have been

paid or funded in full for a given year) shall be deposited into a Developer controlled escrow account and used to fund Shortfalls, for a public benefit in the area of the Project (to be agreed upon by City) and to accelerate loan payments (if mutually agreed upon between City and Developer).

11. Proceeds of LEDA Loan and Conduit Loan will be used only for Project construction (not acquisition).

12. Owner and tenants will allow inspection of their books to the extent necessary to verify tax revenue generated by Project.

13. City will seek any available grant funding to offset the capital costs of the Project and reduce the loan amounts dollar for dollar to the extent the grant proceeds reduce Owners costs. Grant funding, for the purposes of this section, does not include tax credits.

14. Owner may refinance Project only in an amount equal to the amount secured by the first lien on Project.

15. City and LEDA will cause 7th Street between Main and Church to become a two-way street to accommodate access to Project and facilitate construction.

16. Owner, City and LEDA support 2-way traffic for Main and Church Streets and believe that it will be helpful for the long term success of Project and revitalization in Downtown Lynchburg. City will explore efforts to cause Main and Church Streets to be two-way before opening of Project.

17. There are planned utility infrastructure improvements (Planned Infrastructure Improvements) that will impact Project. City and LEDA acknowledge that construction of these improvements after Project opens would have a negative impact on the operations and agree to make all reasonable efforts to complete the improvements before March 1, 2017.

18. City and LEDA are aware that Owner is attempting to acquire the Genworth parking lot behind Project and they acknowledge that it is an essential piece of Project. City agrees to reasonably assist Owner in its efforts to acquire the Genworth lot.

19. City and LEDA acknowledge that Project needs designated loading zones in front of Project on both 8th Street and Church Street. City and LEDA agree to assist with a plan to accommodate 150 feet of loading area in front of Project on Church Street and 120 feet of loading area in front of Project on 8th Street ; will allow a canopy to be constructed over a portion of 8th Street to provide shelter for loading in inclement weather; and construct streetscape improvements for the entire block around Project to include sidewalks, curbs, streets, crosswalks at intersections, architectural street lighting and landscaping (Note: from asphalt overlay of Church Street over the years, the curb at Project is reduced in height significantly, milling of Church Street to original grade will be required).

PERFORMANCE AGREEMENT

This Performance Agreement (the "Agreement") is dated as of _______________, 2015, by, between and among the **City of Lynchburg, Virginia** (the "City"), the **Lynchburg Economic Development Authority** (the "Authority") and **Virginian Hotel, LLC** (the "Owner").

RECITALS

R1. The Owner has proposed the rehabilitation, renovation and development of the property known as the former Virginian Hotel located at 712 Church Street, Lynchburg, Virginia, for a hotel, restaurant, commercial, and conference facility with related amenities, site improvements, and public infrastructure (the "Project").

R2. The Owner intends to acquire the Property located at 712 Church Street, Lynchburg, Virginia (the "Property"), as part of the development of the Project.

R3. The City and the Authority recognize that the development of the Project will require significant costs for rehabilitation, renovation, construction, remediation, site improvements, utility upgrades, street scape improvements, and other improvements.

R4. The Owner has requested economic development grants and gap loan financing through the Authority to assist in financing the costs for the Project.

R5. The City and the Authority wish the Project to proceed and have determined that the Project will promote economic development in the City and the region. The Project will provide additional tax revenues, additional employment opportunities and new amenities and will contribute to the continued vitality of downtown Lynchburg.

R6. The City and the Authority recognize that the Property is historically significant in the context of Downtown Lynchburg. The parties recognize that historic, rehabilitation, and other tax credit financing arrangements are essential to finance the Project.

R7. The Authority, based on the undertakings of the Owner, has determined to make the Authority Loan to the Owner in accordance with the terms and conditions of this Agreement.

R8. The Authority, based on the undertakings of the Owner, has determined to make annual economic development grants (the "Grants") to the Owner from funds provided for that purpose to the Authority by the City, in accordance with the terms of this Agreement.

R9. The City, based on the undertakings of the Authority and the Owner, has determined to appropriate funds from the Tax Revenues generated by the Project to the Authority for the purpose of the Grants, in accordance with the terms of this Agreement.

R10. The parties wish to reduce their understanding to writing.

NOW, THEREFORE, the parties, in consideration of the promises and obligations contained herein, mutually agree as follows:

ARTICLE I
INCORPORATION OF RECITALS

1.1 The recitals stated above shall be part of this Agreement.

ARTICLE II
DEFINITIONS

The terms defined in this Article II shall for all purposes of this Agreement have the meanings specified unless the context expressly or by necessary implication otherwise requires:

2.1 **"Agreement"** means this Performance Agreement by, between and among the City, the Authority, and the Owner, as amended, supplemented, or modified from time to time, and all amendments.

2.2 **"Annual Net Positive Cash Flow"** means the positive difference between the Owner's cash inflows and outflows in a calendar year. In this case, the annual net positive cash flow shall be determined after the payment of all required payments to tax credit partners, lender required replacement reserves, deferred developer fee allowed in the historic tax credit, all tax liabilities associated with the Project, and/or the syndication of any tax credits, and a preferred cumulative annual return to the Owner equal to four percent (4%) of the Project cost.

2.3 **"Appropriation"** means the appropriation by the City to the Authority each Fiscal Year pursuant to this Agreement in the amount of the New Tax Revenues, with any reconciliation adjustments, or any other amount.

2.4 **"Authority"** shall mean the Lynchburg Economic Development Authority.

2.5 **"Authority Deed of Trust"** means that certain deed of trust of even date with the Authority Loan in form and substance reasonably satisfactory to the Authority given to secure the payment of the Authority Loan. The Authority Deed of Trust shall be subordinate to the Conduit Loan Deed of Trust and any deed of trust providing primary construction financing or permanent financing for the Project.

2.6 **"Authority Loan"** means the Two Million Dollars ($2,000,000) loan by the Authority to the Owner evidenced by the Authority Note and any renewals, modifications or extensions thereof.

2.7 **"Authority Note"** means the promissory note evidencing the Authority Loan, executed and delivered pursuant to this Agreement, and any and all renewals, modifications, and extensions thereof.

2.8 **"Bank Loan"** means the Three Million Dollar ($3,000,000) loan between a bank and the Authority.

2.9 **"Bank Note"** means the promissory note evidencing the Bank Loan, and any and all renewals, modifications, and extensions thereof.

2.10 **"Closing Date"** shall mean the date of the Authority Note.

2.11 **"Conduit Loan"** means the Three Million Dollar ($3,000,000) loan by the Authority to the Owner evidenced by the Conduit Note and funded by the proceeds of the Bank Loan, and any renewals, modifications, or extensions thereof.

2.12 **"Conduit Loan Deed of Trust"** means that certain deed of trust given to secure the payment of the Conduit Loan. The Conduit Loan Deed of Trust shall have priority over the Authority Loan Deed of Trust and shall be subordinate to any deed of trust providing primary construction financing or permanent financing for the Project.

2.13 **"Conduit Note"** means the promissory note evidencing the Conduit Loan, and any and all renewals, modifications, and extensions thereof.

2.14 **"City"** means the City of Lynchburg, Virginia.

2.15 **"Debt Service"** means the amount necessary to pay all amounts due, including principal and interest, on the Authority Loan and the Conduit Loan.

2.16 **"Fiscal Year"** means the financial reporting period from July 1 through June 30 of each year.

2.17 **"GenWorth Lot"** shall mean the parking lot adjacent to the Property located on 717 Main Street.

2.18 **"Grant"** shall mean the annual cash grant payment by the Authority to the Owner from funds provided for that purpose to the Authority by the City.

2.19 **"New Tax Revenues"** means all tax revenues and tax benefits the City receives from the Property or the Project, and any taxes generated by the Project, the Property or any business located on the Property, including revenues from real estate taxes, the City's portion of general sales tax, business professional and occupational license tax, tangible personal property tax, meals and beverage tax, and lodging tax, and all other tax revenues or benefits realized by the City from the Property or the Project, to the extent that such tax revenues and benefits exceed $100,000 in a Fiscal Year (or prorated for any period shorter than a Fiscal Year).

2.20 **"Owner"** means the Virginian Hotel, LLC.

2.21 **"Project"** means the rehabilitation, renovation, and development of the Property for a hotel, restaurant, commercial and conference facility with related amenities, site improvements and public infrastructure improvements.

2.22 **"Property"** means the land, buildings, structures, and improvements formerly known as the Virginian Hotel located at 712 Church Street, Lynchburg, Virginia, Tax Map No. 02434012**.**

2.23 **"Shortfall"** means the amount by which the cumulative Grants are less than the cumulative Debt Service, plus interest on said amount from the date it is paid to when it is reimbursed. Interest shall be the same rate charged on the Conduit Loan.

ARTICLE III
THE AUTHORITY LOAN

3.1 **Amount**. The Authority agrees to lend the Owner the principal sum of Two Million Dollars ($2,000,000), upon the terms and conditions set forth in this Agreement. The Owner agrees to accept the Authority Loan and agrees to comply with the terms and conditions of this Agreement.

3.2 **Disbursement**. The Authority will disburse the Authority Loan on a lump sum basis at the Closing Date.

3.3 **The Authority Note**. The Authority Loan shall be evidenced by the Authority Note in the amount of the Authority Loan, payable to the order of the Authority, in accordance with the terms and conditions set forth in this Agreement. The Authority Note shall be on the same terms and conditions and interest rate as the Bank Loan.

3.4 **Authority Deed of Trust**. The Authority shall receive the Authority Deed of Trust as collateral security for the Authority Loan. The Authority Deed of Trust shall be subordinate to the Conduit Loan Deed of Trust and subordinate to the primary construction and permanent financing for the Project.

3.5 **Pledge of Grants**. The Owner shall pledge the Grants as collateral security to pay the Debt Service.

3.6 **Closing Date**. The Closing Date for the Authority Loan shall be on a date mutually agreed upon by Owner and Authority, but in no case later than July 1, 2015.

3.7 **Additional Collateral**. At Closing the Authority shall receive a first lien deed of trust on a property located at 709 Church Street in the City of Lynchburg (formerly known as the Allied Arts Building parking deck) and personal guaranties from W. Blair Godsey and George D.

W. Stanley which deed of trust and personal guaranties shall be released by the Authority upon issuance of a Certificate of Occupancy for the Project.

3.8 **Deliveries**. Prior to Closing on the Authority Loan, Owner shall show evidence of commitment for the primary financing for the Project and an agreement that identifies the hotel brand. The Authority will have the opportunity to see the primary financing package.

ARTICLE IV
THE CONDUIT LOAN

4.1 **Bank Loan**. The Authority shall enter into a loan with a bank in the amount of Three Million Dollars ($3,000,000) upon the terms and conditions agreed to between the Authority and the bank. The Owner shall arrange the Bank Loan, with the Authority's assistance.

4.2 **No Recourse**. The Bank Loan shall be without recourse to the Authority other than the pledge of the Appropriations, the Conduit Note and the Conduit Loan Deed of Trust.

4.3 **Conduit Loan**. The Authority agrees to lend the Owner the principal sum of Three Million Dollars ($3,000,000) upon the terms and conditions set forth in this Agreement. The Conduit Loan shall be made on the same terms and conditions and interest rate as the Bank Loan. The Owner agrees to accept the Conduit Loan and agrees to comply with the terms and conditions of this Agreement. The Authority shall use the proceeds of the Bank Loan to fund the Conduit Loan.

4.4 **Disbursement**. The Authority shall disburse the proceeds of the Conduit Loan to the Owner on a lump sum basis at the Closing Date or as determined by the terms of the Conduit Loan.

4.5 **Conduit Note**. The Conduit Loan shall be evidenced by the Conduit Note in the amount of the Conduit Loan, payable to the order of the Authority, in accordance with the terms thereof.

4.6 **The Conduit Loan Deed of Trust**. The Authority and the Owner agree that the Authority shall receive the Conduit Deed of Trust as collateral security for the Conduit Loan. The Conduit Deed of Trust shall be subordinate to the primary construction and permanent financing for the Project and shall have priority over the Authority Deed of Trust.

4.7 **Pledge of Grants**. The Owner shall pledge the Grants as collateral security to pay the Debt Service.

ARTICLE V
GRANTS

5.1 **Amount**. The Authority shall make a Grant each Fiscal Year to the Owner in an amount equal to the Appropriation for that Fiscal Year.

5.2 **Commencement of Grants**. The Authority shall make the first annual Grant on or before July 31, 2017 for the 2017- 2018 Fiscal Year. The first annual Grant shall include the estimated New Tax Revenues for Fiscal Year 2017 – 2018 plus an amount equal to the tax revenues and tax benefits the City receives from the Property or the Project, and any taxes generated by the Project, the Property, or any business located on the Property, for the time period from the issuance of the certificate of occupancy for the Project through June 30, 2017.

5.4 **Date of Grants**. The Authority shall make annual Grants to the Owner on or before July 31 of each year. In the event the Authority has not received the Appropriation from the City to fund the grant by July 31 of each year, the Authority shall make such Grants upon receipt of the Appropriation for such purpose from the City.

5.5 **Use of the Appropriation**. The Authority shall use the Appropriation solely to make Grants to the Owner.

5.6 **Owner's Pledge of Grants**. The Authority and the City acknowledge that the Owner will pledge the Grants as security for the repayment of the Authority Loan and the Conduit Loan.

5.7 **Excess Grant**. In the event the amount of the Grant in a Fiscal Year exceeds the Debt Service, the Owner shall use any such excess amount solely:

5.7.1 First, for any unreimbursed Shortfall.
5.7.2 Second, to prepay the Authority Loan.
5.7.3 Third, to prepay the Conduit Loan.

5.8 **Shortfall**. In the event the Grant in a Fiscal Year is less than the Debt Service, the Owner shall pay the Shortfall needed to pay the Debt Service, subject to the terms of this Agreement.

5.9 **Reconciliation**. The Authority, the City and the Owner shall reconcile the amounts due each year as provided in Section 6.5 below.

5.10 **Final Annual Grant**. The final annual Grant shall include the estimated New Tax Revenues for the time period July 1 through December 31, 2034, unless a lesser amount is needed to pay the remaining amounts due on the Authority Loan, the Conduit Loan, and any unreimbursed Shortfall.

5.11 **Term**. The Authority shall make Grants for the period beginning January 1, 2017 and continuing through December 31, 2034 or until the Authority Loan, the Conduit Loan, and any unreimbursed Shortfall have been paid, whichever is sooner.

ARTICLE VI
CITY APPROPRIATIONS TO THE AUTHORITY

6.1 **Budget**. The City shall budget each Fiscal Year for the appropriation of funds to the Authority to allow the Authority to make the Grants to the Owner in accordance with this Agreement. The first Appropriation shall include all amounts to be granted to Owner pursuant to Section 5.3 of this Agreement. Each subsequent year, the City shall budget for the Appropriation in the amount of the New Tax Revenues the City estimates it will receive in the next Fiscal Year.

6.2 **Appropriation**. The City shall make the Appropriation each Fiscal Year to allow the Authority to make the Grants. The City shall make the Appropriation to the Authority by July 31 of each Fiscal Year.

6.3 **Nature of the Obligation of the City**. The City, the Authority and the Owner recognize that the City may not have the power to make a legally enforceable obligation to make the Appropriations beyond the current Fiscal Year. It is the intention of the Council of the City to make sufficient annual appropriations during the term of this Agreement to satisfy the City's obligations under this Agreement.

6.3.1 The City Council hereby directs the City Manager (or other officer charged with responsibility for preparing the City's budget) to include in the budget for each Fiscal Year of the City during the term of this Agreement a request that the Council appropriate the amount of the estimated New Tax Revenues plus any reconciliation adjustments for the next Fiscal Year to the Authority in order to satisfy the City's obligations pursuant to this Agreement. If the Council fails to appropriate the amount of the estimated New Tax Revenues to the Authority before July 31 in each year, the City Manager (or other officer charged with the responsibility of preparing the City's budget) shall:

6.3.1.1 Submit to the Council at its next scheduled meeting, or as promptly as possible, but in any event within 45 days, a request for a supplemental appropriation sufficient to satisfy the City's obligation pursuant to this Agreement; and

6.3.1.2 Give the Owner and the Authority written notice of the Council's failure to appropriate the amount of the estimated New Tax Revenues prior to July 31 in the year in question and give notice to the Owner and the Authority of the request for the supplemental appropriation pursuant to this Section.

6.4 **Appropriation of Funds**. All obligations for funding undertaken by the City or the Authority in connection with the Project or this Agreement are subject to the appropriation of such funds by City Council as may be necessary for such funding.

6.5 **Annual Reconciliation**. The Authority, the City and the Owner shall reconcile the amounts of Appropriations and Grants each year based on the difference between the estimated New Tax Revenues appropriated to the Authority in each year and the actual New Tax Revenues received by the City in that Fiscal Year.

6.5.1. **Underpayment**. If the amount of estimated Tax Revenues appropriated by the City in a Fiscal Year is less than the actual New Tax Revenues collected in that Fiscal Year, the City shall make an additional Appropriation for the next Fiscal Year in the amount of the underpayment.

6.5.2 **Overpayment**. If the amount of the estimated Tax Revenues appropriated in a Fiscal Year is more than the actual New Tax Revenues collected in that Fiscal Year, the City shall receive a credit against the Appropriation for the next Fiscal Year in the amount of the overpayment.

6.6 **Term**. The City shall make Appropriations for the period beginning January 1, 2017 through December 31, 2034 or until the Authority Loan, the Conduit Loan, and Shortfall have been paid, whichever is sooner.

6.7 **Failure to Appropriate**. If the City fails to make an Appropriation to the Authority in accordance with this Agreement in a Fiscal Year, then the City shall make an Appropriation of the amount provided for in accordance with this Agreement in the following fiscal years to reconcile the underpayment.

ARTICLE VII
ADDITIONAL OBLIGATIONS OF THE CITY

7.1 **Tax Credits**. The parties acknowledge that rehabilitation, historic and other tax credit financing arrangements are essential to the financing of the Project. The parties will cooperate in structuring the transactions and payments as provided for in this Agreement to allow the realization of rehabilitation, historic and other tax credit financing arrangements.

7.2 **GenWorth Lot**. The parties acknowledge that the Owner's acquisition of the GenWorth Lot is essential to the Project. The parties will cooperate in efforts to allow the Owner to acquire the GenWorth Lot.

7.3 **Street and Utility Improvements**. The parties acknowledge that street and utility improvements planned by the City will affect the Project and that the construction of these improvements after the Project opens will have a negative effect on the Project's operations. The City and the Authority agree to make reasonable efforts to accelerate the completion of the street and utility improvements and/or make provisions that will mitigate the adverse effects of the construction of these improvements on the Project.

7.4 **Two Way Traffic on Seventh Street, Main Street, and Church Street**.

7.4.1 **Seventh Street and Eighth Street**. The City and the Authority will initiate efforts to cause Seventh Street and Eight Street between Main Street and Church

Street to become two-way streets to accommodate access to the Project and to facilitate construction.

7.4.2 **Main Street and Church Street**. The City and the Authority shall explore efforts to cause Main Street and Church Street to be converted to two-way traffic before the opening of the Project.

7.5 **Loading Zones**. The City and the Authority acknowledge that the operation of the Project requires the designation of loading zones in front of the Project on Eighth Street and Church Street to accommodate 150 feet of loading area in front of the Project on Church Street and 120 feet of loading area in front of the Project on Eighth Street. The City and the Authority shall allow a canopy to be constructed over a portion of Eighth Street to provide shelter for loading in inclement weather. The City and the Authority agree to construct streetscape improvements for the entire block around the Project to include sidewalks, curbs, streets, crosswalks at intersections, architectural street lighting and landscaping. The City and the Authority shall arrange for the milling of Church Street to the original grade because the asphalt overlay of Church Street over the years has reduced the height of the curb in front of the Project significantly.

7.6 **Additional Grants**. The City and the Authority may seek additional grant funding available to offset the capital cost of the Project to the Owner and reduce the loan amounts dollar for dollar for amounts received by Owner which reduce its costs. The parties acknowledge that the historic, rehabilitation, and other tax credits sought by the Owner shall not be considered grant funding pursuant to this Agreement.

ARTICLE VIII
OWNER'S OBLIGATIONS

8.1 **Development of the Project**. The Owner shall prosecute diligently and continuously the construction of the Project.

8.2 **Conditions Precedent**. The obligations of the Owner to construct the Project shall be subject to the following conditions precedent:

8.2.1 The timely availability of construction financing and permanent financing.

8.2.2 The timely availability of rehabilitation, historic, and other tax credit financing arrangements.

8.2.3 The timely acquisition of the GenWorth Lot.

8.3 **Use of Loan Proceeds**. The Owner shall use the proceeds of the Authority Loan and the Conduit Loan only for the construction and development of the Project and for capital costs of the Project. The Owner shall not use the proceeds of the Authority Loan or the Conduit Loan for the acquisition of the Property.

8.4 **Use of Grant Proceeds**. The Owner shall use the Grants solely to pay the Debt Service and Shortfall.

8.5 **Owner's Payment of Debt Service if Shortfall**. If the amount of the Grant in a Fiscal Year is not sufficient to pay the Debt Service in that Fiscal Year because the estimated or actual New Tax Revenues were in an amount less than the Debt Service, the Owner shall pay the Shortfall in that Fiscal Year.

8.5.1 **Failure of the City to Appropriate Estimated Tax Revenues**. If the City fails to appropriate an amount equal to the estimated New Tax Revenues in a Fiscal Year in accordance with this Agreement, then the Owner shall not be obligated to pay the Debt Service on the Authority Loan in that Fiscal Year.

8.5.2 **Failure of the City to Appropriate Tax Revenue for Reconciliation**. If the City fails to appropriate amounts to allow the reconciliation of prior appropriated estimated New Tax Revenues and/or actual New Tax Revenues for a specific Fiscal Year, then the Owner shall not be obligated to pay the Debt Service on the Authority Loan in the Fiscal Year in which the City fails to appropriate the amounts needed to reconcile the Grants in past Fiscal Years with the Debt Service in past fiscal years and any Shortfall.

8.6 **Pledge of Grants**. The Owner shall pledge the Grants to secure the payment of the Debt Service.

8.7 **Refinancing of First Priority Financing**. Nothing in this Agreement shall restrict the Owner's ability to refinance the principal of the primary construction financing, the primary first priority permanent financing, or the first priority Deed of Trust. If the Owner refinances the first priority permanent financing or the first priority Deed of Trust for the purpose of taking cash out of the Project prior to the repayment of the first priority permanent financing or the first priority Deed of Trust, then the Owner shall repay the Authority Loan and the Conduit Loan in full or the parties will renegotiate this Agreement.

8.8 **Use of Annual Net Positive Cash Flow**. After the Project has been operational for three full calendar years, and for as long as the Authority Note and the Conduit Note are outstanding, the Owner shall deposit and maintain twenty-five percent (25%) of the Annual Net Positive Cash Flow for each year in an escrow account controlled by the Owner. The funds in the escrow account shall be used solely:

8.8.1 First, for any unreimbursed Shortfall.

8.8.2 Second, for public benefit in the immediate area of the Project as agreed to between the City and the Owner.

8.8.3 The funds in the escrow account may be used to pay Debt Service upon the approval of the City and the Owner.

8.8.4 All funds in the escrow account shall be disbursed upon the repayment of the Authority Loan, the Conduit Loan, and any reimbursed Shortfall have been paid, whichever is sooner.

8.9 **Assessed Value**. Owner agrees to not appeal the City's assessed value for a period of Five (5) years after the opening of the hotel as long as the assessed value does not exceed Sixteen Million Dollars ($16,000,000).

8.10 **New Local Jobs**. Owner will use its good faith efforts to create and maintain at least Eighty (80) new jobs in the City of Lynchburg, which jobs will come from full and part-time positions, both directly and indirectly associated with the Project operations, its vendors and service contractors. Owner agrees to hire Sixty Percent (60%) of its workforce from citizens of the City of Lynchburg to the extent qualified workers are available. Owner agrees to participate in job fairs for new hires in City neighborhoods as reasonably requested by the Authority.

8.11 **Use of Local Contractors**. Owner understands and agrees that in calculating the Authority's return on investment, the use of local contractors from the City of Lynchburg, Virginia shall be considered by Owner. Owner shall use commercially reasonable efforts to use such local contractors if Owner's general contractor determines in its sole discretion that such local contractors are the most qualified to provide services for the Project and at a competitive cost.

8.12 **Appraisal**. Upon receipt, Owner agrees to allow the Authority to review the Appraisal for the Project, which appraisal shall be performed by a MAI certified appraiser.

ARTICLE IX
EVENTS OF DEFAULT

9.1 **Events of Defaults**. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

9.1.1 The Owner shall fail to make any payment when due of principal or interest with respect to the Authority Note or the Conduit Note, or any of them, on the due date thereof, whether at maturity, acceleration or otherwise, provided that, in the Event of Default, Owner shall receive written notice of such Event of Default and the opportunity to cure the same within thirty (30) days after the notice of same is given;

9.1.2 The Owner shall breach or fail to perform any other term, covenant, warranty or agreement herein and such default shall continue for thirty (30) days after written notice thereof has been given to the Owner by the Authority or the City.

9.1.3 The Owner shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for it or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due, or (vii) with respect to the Owner, take partnership action for the purpose of effecting any of the foregoing.

9.1.4 An involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Owner or of a substantial part of its property, under Title 11 of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Owner or for a substantial part of its property or (iii) the winding-up or liquidation of the Owner and such proceeding or petition shall continue un-dismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days.

9.2 **Remedies**.

9.2.1 Upon the occurrence of an Event of Default the Authority may, without notice to the Owner, take either or both of the following actions, at the same or different times: (i) declare the full unpaid principal of and accrued interest on the Authority Note or the Conduit Note and all other obligations of the Owner to be immediately due and payable, whereupon the Authority Note or the Conduit Note and such obligations shall be immediately due and payable, without presentment, demand protest or other obligations formalities of any kind, all of which are hereby expressly waived by the Owner; or (ii) exercise any other rights or remedies available to the Authority under the applicable law.

ARTICLE X
ADDITIONAL PROVISIONS

10.1 **Reports to the Authority and City**. During the term of this Agreement, the Owner agrees to report to and provide the Authority and the City on a semi-annual basis, on or before June 30 and December 31 of each year, sufficient information related to the Owner's compliance with the conditions of this Agreement and to provide appropriate documentation to support such compliance. The Owner also agrees to allow the Authority, the City and/or their representatives to inspect, audit, copy, or examine any of the Owner's books, documents, or other relevant material in connection therewith, to the extent necessary to administer this Agreement, upon written request by the Authority or the City. All such documents, information (including electronic data), or access shall be provided or made available within thirty (30) days of a written request from either the Authority or the City at no cost to the Authority or the City. Any information provided to the Authority or the City pursuant to this agreement shall be deemed to be proprietary and confidential information and will be held in confidence by the City and the Authority to extent allowed by Section 2.2-3705.6 of the Code of Virginia.

10.2 **Compliance With the Laws**. The Owner agrees to comply with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, obtaining a City business license, if applicable.

10.3 **Cooperation**. Each party agrees to cooperate with the others in a reasonable manner to carry out the intent and purpose of this Agreement.

10.4 **Severability**. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect. The parties intend the remaining provisions of this Agreement be enforced to the fullest extent permitted by applicable law.

10.5 **Authority To Sign**. The persons who have executed this Agreement on behalf of the parties represent and warrant they are duly authorized to execute this Agreement on behalf of their respective entity.

10.6 **Counterpart Copies**. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

10.7 **Successors**. The terms, conditions, provisions and undertakings of this Agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns.

10.8 **Assignment**. Owner agrees not to assign or transfer any part of this Agreement without the prior written consent of the City and the Authority, which shall not be unreasonably withheld, and any such assignment shall not relieve Owner from any of its obligations under this Agreement. Owner shall be allowed to assign or transfer rights under this Agreement for the purpose of furthering the development of the Project for financing purposes or for the development of specific portions of the Project, subject to providing the Authority and the City with 30 days written notice of any such assignment and the City's right to object within such 30 day time period and withhold the City's consent which shall not be unreasonably withheld.

10.9 **Responsibility of the Parties.** To the extent permitted by applicable law, each party to this Agreement will be responsible for the actions, inactions, or violations of its officers, employees, and agents in connection with the Project or the Property, and the activities provided for in this Agreement, but nothing contained herein shall be construed as a waiver of the City's sovereign immunity.

10.10 **Forum Selection And Choice Law/Disputes**.

10.10.1 By virtue of entering into this Agreement, Owner agrees and submits itself to the jurisdiction of the Circuit Court of the City of Lynchburg, Virginia, and further agrees this Agreement is controlled by the laws of the Commonwealth of

Virginia, with the exception of Virginia's choice of law provisions which shall not apply; and all claims, disputes, and other matters shall be decided only by such court according to the laws of the Commonwealth of Virginia as aforesaid.

10.10.2 **Disputes**. Prior to the initiation of any litigation, the parties agree to seek to resolve any and all claims, disputes, and other matters utilizing mediation in accordance with the dispute provisions provided in this Section.

10.10.2.1 If a dispute arises out of or relates to this Agreement, or a claimed breach of this Agreement, the parties first to try in good faith to resolve the dispute through negotiation among the parties and by nonbinding mediation. In the event of any such dispute, a party may give the other parties a written description of the dispute and the relief requested. The parties shall promptly attempt to resolve the dispute by negotiation involving senior managers. If the dispute is not promptly resolved by negotiation, any party may demand in writing that all of the parties involved in the dispute participate in a formal mediation presided over by a third-party neutral mediator. If the parties cannot agree on a mediator, then McCammon Mediation Group, 6641 West Broad Street, Richmond, Virginia 23230, or its successor, shall have the power to select the mediator. The parties shall share in the cost of the mediation proceedings equally.

10.10.2.2 If mediation is unsuccessful, the parties shall be free to initiate litigation or take other appropriate action as they deem appropriate. However, no party shall initiate any litigation or action against any other party to this Agreement with respect to the performance or enforcement of this Agreement without first complying with the dispute resolution provisions of this section except for the sole and limited purpose of tolling a statute of limitations or similar laws that would otherwise impair a party's legal rights, or for enforcing this Dispute Section.

10.11 **Nonwaiver**. Each party agrees that any party's waiver or failure to enforce or require performance of any term or condition of this Agreement or any party's waiver of any particular breach of this Agreement by any other party extends to that instance only. Such waiver or failure is not and shall not be a waiver of any of the terms or conditions of this Agreement or a waiver of any other breaches of the Agreement by any party and does not bar the nondefaulting party from requiring the defaulting party to comply with all the terms and conditions of this Agreement and does not bar the nondefaulting party from asserting any and all rights and/or remedies it has or might have against the defaulting party under this Agreement by law.

10.12 **Captions and Headings**. The section captions and headings are for convenience and reference purposes and shall not affect in any way the meaning or interpretation of this Agreement.

10.13 **Easements**. Owner promises and agrees to grant and dedicate to the City all reasonably necessary easements on the Property for the construction of infrastructure improvements needed for or benefiting the Project or surrounding areas, including, but not limited to, storm drainage, sanitary sewers, and/or water, all at no cost to the City.

10.14 **Performance**. If Owner fails to comply with any of the obligations of this Agreement, Owner shall not be entitled to be eligible for and/or receive and/or continue to be eligible for and/or receive any such Grants as referred to above or in this Agreement. In the event the City or the Authority believe that Owner has failed to comply with any of the obligations of this Agreement, except as noted below, the City or the Authority shall give Owner written notice identifying how Owner is not in compliance, with reasonable specificity. Owner shall then have a 30 day period to reasonably cure the identified noncompliance issue. If the identified noncompliance issue cannot reasonably be cured within the 30 day period, Owner shall have an additional reasonable time to cure, not exceeding an additional 60 days, provided Owner acts diligently to accomplish the cure.

10.15 **Notices**. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested, or by a nationally recognized overnight courier, addressed as follows (or any other address the party to be notified may have designated to the sender by like notice):

If to City, to:	City of Lynchburg, Virginia Attn: L. Kimball Payne, III, City Manager 900 Church Street, 3rd Floor Lynchburg, VA 24504 (434) 455-3990 Fax: (434) 847-1536
With a copy to:	City of Lynchburg, Virginia Attn: Walter C. Erwin, III, City Attorney 900 Church Street, 3rd Floor Lynchburg, VA 24504 (434) 455-3973 Fax: (434) 847-2067
If to Authority, to:	H. Michael Lucado, Chair Lynchburg Economic Development Authority 900 Church Street Lynchburg, VA 24504 (434) 455-4490

With a copy to: Theodore J. Craddock, Esquire
Caskie & Frost, P.C.
2306 Atherholt Road
Lynchburg, VA 24501
(434) 846-2731

If to Owner, to: Blair Godsey
Virginian Hotel, LLC
101 Mountain Avenue
Roanoke, VA 24016

With a copy to: G. Franklin Flippin, Esq.
Gentry Locke
800 SunTrust Plaza
10 Franklin Road, S.E.
P.O. Box 40013
Roanoke, VA 24022-0013
Fax No. 540-983-9400

Notice shall be deemed delivered upon the date of personal service, two days after deposit in the United States mail, or the day after delivery to a nationally recognized overnight courier.

10.16 **Force Majeure**. A delay in or failure of performance by any party shall not constitute a default, nor shall Owner, the City or Authority be held liable for loss or damage, or be in breach of this Agreement, if and to the extent that such delay, failure, loss or damage is caused by an occurrence beyond the reasonable control of such party and its agents, employees, contractors, subcontractors and consultants, which results from Acts of God or the public enemy, compliance with any order of or request of any governmental authority or person authorized to act therefore, acts of declared or undeclared war, public disorders, rebellion, sabotage, revolution, earthquake, floods, riots, strikes, labor or employment difficulties, delays in transportation, inability of party to obtain necessary materials or equipment or permits due to existing or future laws, rules, or regulations of governmental authorities or any other causes, whether direct or indirect, and which by the exercise of reasonable diligence said party is unable to prevent. For purposes of this Agreement any one delay caused by any such occurrence shall not be deemed to last longer than 6 months and all delays caused by any and all such occurrences under any circumstances shall not be deemed to last longer than a total of 9 months. Any party claiming a force majeure occurrence shall give the other parties written notice of the same within 30 days after the date such claiming party learns of or reasonably should have known of such occurrence, or any such claim of force majeure shall be deemed waived. Notwithstanding anything else set forth above, after a total of 9 months of delays or failure of performance of any type have been claimed by a party as being subject to force majeure, no further delays or claims of any type shall be claimed by such party as being subject to force majeure and/or being an excusable delay.

10.17 **Entire Agreement**. This Agreement, together with any exhibits, attachments, and referenced items, constitutes the entire agreement of the parties and supersedes all prior agreements between the parties. No amendment to this Agreement shall be valid unless made in writing and signed by the appropriate parties.

(**SIGNATURE PAGE TO FOLLOW)**

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives.

CITY OF LYNCHBURG, VIRGINIA

By: ___________________________________

_________________________, City Manager

ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
LYNCHBURG, VIRGINIA

By: ___________________________________

________________________________, Chair

VIRGINIAN HOTEL, LLC

By: ___________________________________

Its: Manager

The Virginian Hotel and Conference Center
Lynchburg, VA
Sources and Uses

2-16-15

Construction Financing

Building Acquistion	$	1,250,000
Soft Costs	$	2,250,000
Building Renovation Costs	$	17,500,000
FF&E (Furniture etc.)	$	2,500,000
Genworth Deck Construction	$	1,500,000
Total Cash Required for Construction Completion	**$**	**25,000,000**
Construction Loan	$	15,000,000
LEDA Loan	$	2,000,000
Private Conduit Loan	$	3,000,000
Owner Cash Contributions	$	5,000,000
Total Cash Available for Construction Completion	**$**	**25,000,000**

Permanent Financing

Total Historic Tax Credit Qualified Rehab Expense	$	20,160,000
State Tax Credit Contribution (.80 cents less tax consequence)	$	3,628,800
Federal Tax Credit Contribution (.85 cents)	$	3,427,200
State and Federal Historic Tax Credit Contributions	**$**	**7,056,000**
Cash for Construction Completion	$	25,000,000
Deferred Developer Fee (paid only from positive operational cashflow over 10 yrs)	$	2,650,000
Total Uses	**$**	**27,650,000**
Permanent Loan	$	10,000,000
LEDA Loan	$	2,000,000
Private Conduit Loan	$	3,000,000
State and Federal Historic Tax Credit Contributions	$	7,056,000
Developer Fee Equity	$	2,650,000
Owner Cash Equity	$	2,944,000
Total Sources	**$**	**27,650,000**

Virginian Hotel LLC

March 2, 2015

Re: Developer response to opposing statements

Dear Kim and Marjette,

In preparation of the EDA's meeting on Wednesday we felt it was important to summarize the comments we made over the past month in response to various statements from people who oppose the proposal we presented to redevelop The Virginian. Please share as you feel appropriate.

- The security on the loans is most significantly placed in the fact that this project will be redeveloped as a luxury hotel and event space with food service. It will not operate in any other capacity under its current design. As long as the property is redeveloped as a hotel it will operate as one, and the various taxes associated with it will be collected and the loans repaid. This alone is security for the City and the EDA and should insure that this property will generate significant tax revenue long after the loans are paid off.

- The Project will have no more than $10 mm of debt on the property when we go to permanent financing. We assumed for tax revenue projections that the property will be tax assessed for $16 mm at completion. Based on this assessment we are projecting a Loan to Value Ratio (LTV) of 62.5%. Based on our projected Net Operating Income and Debt Service we anticipate a Debt Service Coverage Ratio (DSCR) at stabilization of 2. Both our projected LTV and DSCR exceed lender underwriting requirements. Our combined equity from cash and historic tax credits will be at least $10 mm and we are prepared and capable of leaving more equity in the deal if we feel it is necessary.

- Due to this being our first hotel development, we made a decision in early fall 2014 to engage several hotel operators about working with us on the project. After a lot of consideration we chose Cornerstone Hospitality to be part of our development team and to handle long term operations for 2 primary reasons. The first being that they have maintained the Craddock Terry Hotel as the top rated hotel in Lynchburg for several years. The second being that we feel strongly that working closely with other downtown hotel operators and owners will best serve our project and the interests of the market. This was echoed in a conversation I had with the owners of the downtown Holiday Inn just last week. We feel very confident in our partnership with Cornerstone and believe we have aligned our interests strategically to insure the greatest chance of success for the project.

- The equity partners in this project have more than 75 years combined experience in the construction and real estate industries. Collectively, we own more than $75 mm in productive real estate assets, have been responsible for successful real estate development projects in excess of $200 mm and have significant net worth. 3 lenders are proposing to finance this project for us and one of the top hospitality companies in the world has endorsed it (more to come later).

- We develop, buy and invest in real estate for the long term. We are not short sighted by fees. We pay ourselves well below industry averages, and we are able to perform the work in a manner that is faster, better designed and less expensive than our competitors.

- Our market study shows an increase in occupied room nights over the 2013-2018 forecast period of 101,040 (see memo from S. Patz & Associates to Jason Ruiter with the News & Advance dated 2/17/15). Our statement to Council of 80,000 was derived assuming the projected average annual increase in room nights and a fall 2017 opening. For The Virginian, we project 25,162 rooms sold in year 1, 27,687 in year 2, 28,178 in year 3, 28,965 in year 4 and 29,764 in year 5. These numbers are well within the market's projected growth and give room for additional inventory to come into the market. We conservatively project average daily rates from $135 in year 1 to $146 in year 5. These rates and the occupancy projections are below The Craddock Terry, which is where we will likely be priced and is within range of the rates and occupancy levels for the newest hotel products in the market, yet The Virginian will offer an experience consistent with hotels that have average daily rates of $250+ in many markets. We are being conservative.

- We are aware that other hotels are being planned and/or are under construction. Some will happen. Some will not. Regardless, our analysis anticipates some hotels entering the market and still indicates support for the addition of The Virginian at a 60+ percent occupancy rate in its 1st year. As is the case with any new property that opens up, whether apartments, an office building or a hotel, new supply puts pressure on demand. As long as we avoid a major economic downturn and Lynchburg continues to see sustainable growth, demand should catch up with the supply. We can be successful below 60% occupancy and can afford to wait until demand catches up if the market doesn't grow as well as projected.

- There is only one building like The Virginian. There will be nothing in the market that can provide the same experience and it can be priced competitively. Future projects will likely put short term pressure on those hotels that are existing, but good properties that are operated well should perform long term for the Owners and the City. We believe The Virginian will be one of those properties.

- Stu Patz, President of S. Patz & Associates, did the initial analysis on the market and our project. He is known best for his work in the multi-family arena, but he also does work in the hospitality area as well and he is an expert at analyzing market data. We considered hiring one of the larger consultants, such as HVS or PKF, but ultimately decided on S. Patz due to the trust we have in the firm. They are conservative and most importantly, we trust them to tell us when not to do a deal.

- It is not surprising that one would see a drop in rates and occupancy when new hotels come into the market. Basic economic theory tells us this can happen, but it should stabilize. A look at the past 4 month STR (Smith Travel Research) report will not give you the full picture.

- Some markets are possibly being overbuilt, but we believe it is rooted in the unique economic environment we are in. When interest rates go up and inflation kicks in, the economics for developing anything will change and may make it very difficult to successfully execute projects for some time. We believe smart investors are thinking ahead and completing projects that make good long term economic sense, knowing that they may have to wait a little bit for demand to catch with supply. Returns may not be as great in the earlier years, but eventually the demand will catch up. Long term, those who get projects completed should benefit.

- Regardless of any statements to the contrary, we believe the market will support the additional rooms over the long term. This should be evidenced by our willingness to take the risk and by the nearly 300 rooms in construction and in various stages of development across the City.

We hope these comments, combined with the revisions we recently offered in the performance agreement, will give the EDA the additional assurance and confidence needed to support our proposal. We are optimistic about the future of Lynchburg and no one can refute that this is a unique opportunity to restore The Virginian back to the gracious hotel that it once was. With approval of the gap financing we are prepared to take a significant risk in a real and meaningful investment that will result in The Virginian Hotel reopening in 2017 as a much improved asset for both the City and the region.

Thank you for your consideration.

Best Regards,

Blair Godsey and George Stanley

▪ S. PATZ & ASSOCIATES, INC ▪
▪ REAL ESTATE CONSULTANTS ▪

February 17, 2015

Subject: Lynchburg Area Hotel Market
From: Stuart M. Patz
To: Jruiter@newsadvance.com
Cc: Mr. Blair Godsey

Mr. Ruiter:

I am the consultant who provided the market study for Mr. Blair Godsey for The Virginian. My contact information is on the letterhead. We have been undertaking market studies in Lynchburg for 30+ years. Mr. Godsey asked that I provide you with some market data on the Lynchburg area hotel market for your upcoming news article:

1. Our base market data comes from a reputable source, Smith Travel Research. This research company provides trend hotel room occupancy data on the entire region. It is the one reliable source for all hotel market studies. Our research was supplemented by interviews with on-site hotel managers, many of which are people that we work with, so we know our data are correct.

   The market data in our report on room occupancy and trends are correct and I challenge any area hotel operator to provide data to the contrary.

2. Our market study shows that several hotels are planned for the market, which is the true test of whether "the veracity" of our data are correct. These new proposals are studied as part of our projections of net new room demand.

3. The Lynchburg market area has over 2,000 rooms, many of which are old and no longer competitive for the upgrading and evolving hotel room market in Lynchburg.

4. The market area hotel room occupancy rate has increased each year since 2010. That is due to the improvement in the area economy since the recession and to a sizable increase in hotel room occupancy demand from Liberty University.

46175 Westlake Drive ▪ Suite 400 ▪ Potomac Falls, Virginia 20165 ▪ 703.421.8101 ▪ 703.421.8109 fax ▪ spatzec@comcast.net

5. Our market analysis shows expected net growth of 100,000 occupied room nights over the 2013 to 2018 forecast period. That equals to a need for 400+ new hotel rooms at an industry accepted annual occupancy rate.

Please feel fee to call me. I did interview Mr. Greenburg as part of this study, as he and a partner are clients of mine for a development proposal next to the Kirkley Hotel. I found his understanding and knowledge of the area hotel market incorrect based on the results of our research.

Sincerely,

Stuart M. Patz
President

SMP/mes

The Virginian
Gap Funding- Loan Payoff Projection (February 3, 2015)

Development & Construction	Loan Balance	Interest Rate	Interest Paid by Project	Projected Tax Revenue to City	Appropriation to LEDA by City	Debt Service Payment by LEDA	Shortfall Payment by Project	Shortfall Reimbursement by LEDA	Additional Principal Payments by LEDA
Jul-15	2,000,000	5%	8,333	-	-	-	8,333	-	-
Aug-15	2,500,000	5%	10,417	-	-	-	10,417	-	-
Sep-15	3,000,000	5%	12,500	-	-	-	12,500	-	-
Oct-15	3,500,000	5%	14,583	-	-	-	14,583	-	-
Nov-15	4,000,000	5%	16,667	-	-	-	16,667	-	-
Dec-15	4,500,000	5%	18,750	-	-	-	18,750	-	-
Jan-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Feb-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Mar-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Apr-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
May-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Jun-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Jul-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Aug-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Sep-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Oct-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Nov-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Dec-16	5,000,000	5%	20,833	-	-	-	20,833	-	-
Jan-17	5,000,000	5%	20,833	-	-	-	20,833	-	-
Feb-17	5,000,000	5%	20,833	-	-	-	20,833	-	-
Mar-17	5,000,000	5%	20,833	-	-	-	20,833	-	-
Apr-17	5,000,000	5%	20,833	-	-	-	20,833	-	-
May-17	5,000,000	5%	20,833	-	-	-	20,833	-	-
Jun-17	5,000,000	5%	20,833	-	-	-	20,833	-	-

Post CO & Operations	Loan Balance	Interest Rate	Interest Paid by Project	Projected Tax Revenue to City	Appropriation to LEDA by City	Debt Service Payment by LEDA	Shortfall Payment by Project	Shortfall Reimbursement by LEDA	Additional Principal Payments by LEDA
3/1/17- 6/30/17	5,000,000	5%	-	133,814	133,814	-	-	-	-
Jul-17	4,800,000	5%	-	401,441	301,441	200,000	-	(235,255)	-
Jul-18	4,614,244	5%	-	449,269	349,269	349,269	76,487	-	-
Jul-19	4,419,200	5%	-	464,692	364,692	364,692	61,064	-	-
Jul-20	4,214,405	5%	-	483,799	383,799	383,799	41,957	-	-
Jul-21	3,999,369	5%	-	502,809	402,809	402,809	22,947	-	-
Jul-22	3,773,582	5%	-	664,393	564,393	425,756	-	(138,637)	-
Jul-23	3,536,505	5%	-	676,370	576,370	425,756	-	(150,614)	-
Jul-24	3,287,574	5%	-	689,734	589,734	425,756	-	(163,978)	-
Jul-25	2,980,566	5%	-	703,517	603,517	425,756	-	(132,130)	(45,631)
Jul-26	2,512,135	5%	-	717,459	617,459	425,756	-	-	(191,703)
Jul-27	2,005,933	5%	-	731,808	631,808	425,756	-	-	(206,052)
Jul-28	1,459,785	5%	-	746,444	646,444	425,756	-	-	(220,688)
Jul-29	871,401	5%	-	761,373	661,373	425,756	-	-	(235,617)
Jul-30	238,370	5%	-	776,601	676,601	425,756	-	-	(250,845)
Jul-31	-	5%	-	792,133	692,133	250,289	-	-	-

Notes: Minimum annual debt service payment assumes $4.8 mm amortized over 17 years at 5% with 1 time annual payments of $425,755.88.

The Historic Virginian: Hotel Restoration

Blair Godsey and George Stanley of Virginian Hotel, LLC and the developers of Cliffs Edge Lofts, Midpoint Apartments and Imperial Tobacco Lofts in downtown Lynchburg, plan to purchase the historic Virginian building at 712 Church Street and restore the downtown Lynchburg property into a luxury branded destination hotel.

- The total cost of the restoration project is $25,000,000.
- Funding in the amount of $5.0 million in "gap financing" is requested from the Lynchburg Economic Development Authority (LEDA), which Lynchburg City Council approved in concept on February 10, 2015. The developers anticipate using Historic Preservation Tax Credits as a component of the financing package.
- Of the $5.0 million gap financing, a $2.0 million loan from the Lynchburg Economic Development Authority and a $3.0 million conduit loan from a private bank through the LEDA will provide the gap funding required to complete the project.
- Payments on the $5.0 million loan will come from tax revenues generated by the hotel over a period not to exceed 17 ½ years. If tax revenues don't generate enough to fully amortize the loan over the term, the developer will make up any difference. The Economic Development Authority will maintain a lien on the property as security.
- Estimated revenues from all taxes generated by the property (real estate, business license, personal property, meals, sales and lodging taxes) are projected to be from $300,000 to $700,000 annually.
- The proposed performance agreement guarantees a minimum of $100,000 a year to the City of Lynchburg.
- In spring of 2015 when construction begins, 7th Street and 8th Street between Main and Church will become two-way streets, pending weather suitable for traffic striping.
- The City of Lynchburg is evaluating the return of two-way traffic on Main and Church Streets before the opening of the Virginian Hotel.
- The Virginian Hotel is scheduled to open in 2017 after major restoration efforts, and will have 115 rooms, a conference center with meeting rooms, a restaurant and two retail spaces.
- The project proposes a minimum of 80 new full time and part time positions.
- The increase in foot traffic around The Virginian Hotel will benefit other downtown shops and restaurants. The conference space will fill a void that currently exists for mid-size conferences and will be a destination for visitors, strengthening tourism in the City of Lynchburg.

Lynchburg Office of Economic Development
Lynchburg Economic Development Authority
900 Church Street
Lynchburg, VA 24504
(434) 455-4490
www.opportunitylynchburg.com

3.4.2015

The Virginia Hotel Re-development

The Lynchburg Regional Convention & Visitors Bureaus (LRCVB) views the proposed redevelopment of the historic Virginian Hotel as a boon to the tourism and conference appeal of Lynchburg. The Virginian Hotel and Conference Center project offers the City of Lynchburg an exceptional opportunity to bolster the city's tourism program by providing additional guest rooms and most importantly, much needed meeting and conference space located within one facility.

Currently, Lynchburg turns-away potential meetings and conferences too large for existing hotel meeting space. The appeal of The Virginian Hotel project is it will offer much needed meeting/conference space accommodating more people than the hotel will be able to provide with their guest rooms. This means many guests coming to a large conference at The Virginian will need to stay at other area properties, benefiting multiple hotels within the City.

The redevelopment of The Virginian Hotel will act as a catalyst for new private sector re-development along Church Street, nearby sections of Main Street and along the area's cross streets, all of which have great potential for renovation of existing buildings and provide new in-fill of area vacant lots.

Finally, the Virginian Hotel, and any area projects that result from this endeavor, will create new jobs, increase local real estate values and generate new local tax revenues. This project will also transform a neglected historic building back to new glory, and will help to generate vibrancy back to this area of downtown.

The Lynchburg hotel and Conference Center inventory needs as seen by the LRCVB are as follows:

- Currently, Lynchburg is positioned to handle conferences that require lodging/function space under one roof with a maximum group room commitment of approximately 175 rooms per night (variable depending on the group/time of booking) and a maximum banquet seating of 500 (table rounds of 10/with staging). For conferences that require flexible meeting space to accommodate general sessions, meal functions and concurrent meetings, this number would probably look more like 200-250. The majority of these conferences are membership associations headquartered in Virginia that require they hold an annual conference easily accessible to their membership for which Lynchburg's geographic location is ideal for such conferences. State associations typically rotate around the state to accommodate their members and drive attendance. The Holiday Inn Downtown which has approximately 10,000 square feet of flexible meeting space, is currently the largest hotel in the city with such meeting space.

- Lynchburg does offer some non-traditional meeting space venues such as colleges and universities as well as the James River Conference Center but there are limitations to these outlets. Colleges and universities can accommodate much larger groups and offer many amenities such as onsite food & beverage, high-speed internet access in conference rooms, large pre-function exhibitor space and sporting venues. However, these options are only appealing to groups who do not require lodging under the same roof. There is also an issue of restricted times of year due to when colleges and universities are able to make space available i.e. spring and Christmas breaks. The City's largest University, Liberty University does not allow alcoholic beverages on campus prohibiting a vast majority of conferences who desire this service.

- Hotels traditionally do not commit all their guest rooms for any conference since they reserve a block for their regular/corporate customers. If Lynchburg has a conference using space for 500 attendees, we now know our largest hotel can host 175 rooms per night on average. Any additional lodging would overflow into neighboring properties. The Virginia Hotel project will have meeting space that can hold considerably more guests than can be accommodated in the guest rooms. As a result, multiple lodging facilities within Lynchburg can expect overflow housing as a result guests attending a conference at The Virginian.

- It has been the experience of the LRCVB that a meeting/conference planner will not consider a property if they are not able to accommodate a majority of their attendees for lodging either in the host property or at least in facilities close by. The LRCVB believes the Virginia Hotel project will make Lynchburg much more attractive to these planners as a location for conferences of many state associations as it fulfills the desired needs referenced above.

New jobs will be created by The Virginia Hotel project including staff related to the day to day operations of a full-service property: Hotel Administrative, sales, front desk, housekeeping, maintenance, public food & beverage, catering and banquet staff. Food service vendors for the catering and public restaurant, florists/landscapers, taxi and transportation services. Potential for increased retail and restaurants along Church Street and area cross-streets.

The Virginian project will bring Lynchburg to a new level of competitiveness with other Virginia communities such as Roanoke, Charlottesville and Staunton in attracting larger conferences and more accommodation space for visitors.

The Virginian Hotel project would offer the LRCVB greater opportunity to lure conferences, weddings and motorcoach tours to the city and give Lynchburg two very distinct Luxury/Boutique hotels offering meeting/function space and full service food & beverage. Since establishing of the LRCVB as a city department, our staff has fielded inquiries about the Craddock-Terry Hotel as a meeting location because of its uniqueness. These inquiries are coming from meeting planners looking for distinctive locations with unique stories and have previously met at locations such as Boars Head Inn, Kingsmill, Wintergreen, The Homestead and Keswick.

The Virginian Hotel will positively impact our marketing efforts by showcasing it as a “destination” getaway for leisure travelers as well as meetings and conferences.