// A regular meeting of the Council of the City of Lynchburg was held on the 27th day of February, 2018, at 4:00 P.M. in the Council Chamber, City Hall, Joan Foster, President, presiding. The following Members were present:

Present: MaryJane Dolan, Jeff S. Helgeson, J. Randy Nelson, Treney Tweedy,

Sterling A. Wilder, Joan F. Foster 6

Absent: E. J. Turner Perrow 1

// Deputy City Manager Charles Hartgrove provided some information on the Lynchburg Business Development Centre (LBDC) stating that on February 23, 2016 Council requested information on how the BDC could best serve our community. Mr. Hartgrove introduced John Stone, Chairman of the Board of Directors and Byron Steward, Executive Director for the Lynchburg Business Development Centre who presented an update to City Council on the recently completed Lynchburg Business Development Centre Strategic Plan.

The Board of Directors and staff of the Lynchburg Business Development Centre engaged in a strategic planning process with a consultant, Cities Reimagined. The Board of Directors approved the Strategic Plan in 2017. The goals of the strategic planning process were to: 1) address the immediate concerns of Lynchburg City Council discussed at the June 2016 work session; 2) review best practices for business incubators and engage with the local entrepreneurial community to better understand their needs; 3) collaborate with the City of Lynchburg; and 4) set performance goals and report outcome data to key stakeholders. The following are highlights of the Lynchburg Business Development Centre (LBDC):

History

- Lynchburg's Business Development Centre, Inc. (LBDC) opened as a small business incubator in 1989 with 20,000 square feet and an additional 22,000 square feet was added in 1993.
- The total project cost was approximately $1.6 million. The construction of the building was funded by the Economic Development Administration (75%) and the City of Lynchburg (25%).
- Initial operating funds for the facility were provided by the Virginia's Center for Innovation Technology ($60,000), the Piedmont Private Industry Council ($23,000) and the City of Lynchburg ($30,000).
- The Centre has been self-supporting since its initial funding and operates today on an annual budget of approximately $250,000.

On Site Programs and Services

- Business Incubation – 44,000 square feet of incubator space, including manufacturing bays and office space.
- Mentoring/Classes

  - SCORE (Service Corps of Retired Executives) provides on-site business mentoring to Business Development Centre tenants
  - Smart Start Business Seminar and Basics of Business Training
- Financing - $2M pool of low interest loans available to entrepreneurs in the Lynchburg region

Finances

- Program Revenue
  - Budgeted Annual Rental Income: $190,000
  - Budgeted Annual Loan Fund Income: $60,000
- Occupancy Rates
  - Manufacturing Bays at 58%
  - Leasable Office Space at 64%
  - Overall Occupancy Rate is 60%

Cash Reserves

- Since 2012 the Business Development Centre has built its cash reserves from $11,500 to $160,000

Success Stories

- The Endurance Auto Repair and Tire and Runk and Pratt mentioned how BDC has been a solid sounding board and financial resource for growing business. Also mentioned was the use of loan funds for purchasing equipment that was outside of the projected budget for the start-up equipment budget projections.

Need for Strategic Planning

- Since its inception in the late 1980's the BDC had not revisited its core slate of service offerings or conducted a comprehensive evaluation of the effectiveness of its facility.
- The best practice for business incubation, financing and maintain a physical space have changed dramatically from 1989 to present 2017.

Strategic Planning Goals

The BDC engaged in a strategic planning process with Cities Reimagined to:

- Address the following immediate concerns: rental rates adjusted to market rates, term limits on occupancy; and graduation/exit practices from incubation
- Hear from local entrepreneurs on what services they find valuable
- Follow business incubation best practice to enhance service delivery
- Identify areas of needed support from the City of Lynchburg
- Set performance goals and report outcome data to stakeholders

Strategic Planning Vision

- Provide new and existing small business with management assistance, cost effective space and a

- synergistic environment to encourage the development of local, home grown business.
    - Contribute to the economic health of Region 2000
    - Provide new and increased job opportunities
    - Add to the variety of products and services available to area business and industry

Strategic Plan S.W.O.T. Analysis

- Strengths
    - Loan programs
    - Manufacturing bays
    - Non-Profit status
- Weakness
    - Current classes
    - Outdated physical space
    - Isolated/Hidden location
    - Marketing
- Opportunities
    - Regional hub for manufacturing
    - Wider range of loan programs
    - Resource center for region
- Threats
    - Age and condition of building
    - Private sector co-working
    - Work from home culture
    - Former CAER facility

Strategic Planning Implementation

- Establish Graduation Policy and Increase Rental Rates – July 2017
- Establish a Marketing Committee – September 2017
- Implement a Marketing Plan – January 2018
- Determine Demand and Feasibility for a Commercial Kitchen – March 2018
- Launch New Commercial Kitchen Program in Renovated Space – July 2019

After the presentation, Council remarks included the following comments: the history of the building; aging of the air conditioning systems and roof; tracking system of businesses, if they are still located in the City; the average stay of businesses that operate at the incubator; regional program; non-profit and taxes are paid by the businesses in the incubator; a study to track the businesses that have left the facility, if they are still in operation and growth. There is a lack of knowledge in the community about what the facility has to offer.

There was discussion and a clear consensus of Council Member Nelson's proposal for the City to seek collaboration with local colleges and universities to explore how members of those entities may wish to integrate with the Lynchburg Business Development Centre (LBDC). This included an invitation for Byron Steward to make a presentation about the LBDC at the next Town and Gown meeting scheduled for March 14, 2018.

// There were no roll call items. Council Member Nelson mentioned the State of the City Address that was held on Monday, February 26, 2018 at 7:00 p.m. in Council Chamber was a great event.

// On motion of Council Member Dolan, seconded by Council Member Wilder, Council by the following recorded vote elected to hold a closed meeting to consider appointments to Council appointed Boards and Commissions, i.e. Economic Development Authority, pursuant to Section 2.2-3711(A) (1) of the Code of Virginia, 1950, as amended:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Perrow	1

// 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 Wilder, and Council by the following recorded vote adopted the motion:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Perrow 1

// In the matter of Appointments, and on nomination of Council Member Helgeson, seconded by Council Member Nelson, Council by the following recorded vote appointed Rex D. Geveden to serve on the Economic Development Authority Board for a term to expire June 30, 2021:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Perrow 1

// City Council recessed the meeting at 5:40 p.m.

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

The following Members were present:

Present: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster 6

Absent: Perrow 1

Council Member Nelson gave the Invocation, followed by the Pledge of Allegiance led by Cub Scout Pack 180, Den I.

// Copies of the minutes of the February 1, 2017 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Helgeson, seconded by Council Member Nelson, Council by the following recorded vote approved the minutes as amended:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Perrow 1

// In the matter of Schools, Resolution #R-18-008, to amend the FY 2018 General Fund budget and appropriate $426,317 with resources from unexpended FY 2017 Schools Operating Fund appropriation to increase the Schools Health Insurance Reserve laid over from the February 13, 2018 meeting, was again presented and read, and on motion of Council Member Helgeson, seconded by Council Member Nelson, Council by the following recorded vote adopted the Resolution:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster 6

Noes: 0

Absent: Perrow 1

// In the matter of Community Development, a public hearing was held regarding City Council Report #6 outlining the proposed amendments to the zoning and building fee schedule. Director of Community Development Kent White identified five (5) fees charged by a number of other Virginia localities to offset staff costs for development review services. These “user fees” are specific to services that are typically not part of the normal review process or are used as deterrents for not meeting the permitting requirements. Mr. White further stated of the sixteen (16) surveyed jurisdictions, at least half of them charged the proposed fees. Lynchburg last adopted changes to the building and zoning sections of the development fee schedule in 2003. Although a legal notice and public hearing are only required for changes to zoning fees, all of the fees were advertised to help notify the public and solicit feedback. The proposed fees are as follows: (i) zoning certification letters - $100 (ii) working without a building permit - $100 (iii) increase building re-inspection fees from $25 to $50 (iv) temporary certificate of occupancy - $150 for 30 days (v) issuance of a certificate of occupancy for an existing structure - $75. Mr. White went on to say If adopted, the program will be communicated through various outlets to notify residents and industry professionals prior to and after the recommended May 1st effective date. There was no one else present who wished to speak to this item, and the public hearing was closed.

After discussion, Council Member Helgeson stated he was concerned about raising fees to be more in line with other Virginia localities; it could make Lynchburg less friendly to businesses looking to open a business in the City. He went on to say we can get an additional $20,000 a year by raising fees, but he would rather have a different paradigm. Instead of saying other localities are doing this, let’s be a leader and go in the other direction. He further stated that he was not in favor of this request to raise fees at this time when we need companies to locate in the City.

On motion of Council Member Wilder, seconded by Council Member Dolan, Council by the following recorded vote adopted Resolution #R-18-011, as presented, for amendments to the zoning and building fee schedule:

Ayes: Dolan, Nelson, Tweedy, Wilder, Foster 5

Noes: Helgeson 1

Absent: Perrow 1

// In the matter of City Council, Tommy Meadows spoke before Council regarding City Council Report #7, concerning the city budget as it pertains to the Lynchburg City Schools.

// In the matter of Fire Department, City Council Report #8 was considered, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $62,817 with resources of $32,826 from the Virginia

Office of Emergency Medical Services – Rescue Squad Assistance Fund and $29,991 transferred from the FY 2018 General Fund Fire Department budget to purchase one chest compression device, one Power Pro stretcher and one cardiac monitor/defibrillator for the Fire Department. Council Member Helgeson, Chair of the Finance Committee (FC) stated this item came before the FC which recommended approval. This motion does not require a second. Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-18-012, as presented, to amend the FY 2018 City/Federal/State Aid Fund budget and appropriate $62,817 with resources of $32,826 from the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund and $29,991 transferred from the FY 2018 General Fund Fire Department budget to purchase one chest compression device, one Power Pro stretcher and one cardiac monitor/defibrillator for the Fire Department:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Perrow	1

// In the matter of Public Works, City Council Report #9 was considered to adopt an Ordinance regarding the City Code for the proposed revision to Sections 25-212, 25-271, 35-12, 35-19, 35-55 for Use of and Excavation in the Public-Right-of-Way. Vice Mayor Tweedy, member of the Physical Development Committee (PDC) stated this item came before the PDC which recommended approval. This motion does not require a second. Council by the following recorded vote adopted Ordinance #0-18-013, as presented, regarding the City Code for the proposed revision to Sections 25-212, 25-271, 35-12, 35-19, 35-55 for Use of and Excavation in the Public-Right-of-Way:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Perrow	1

// In the matter of Public Works, City Council Report #10 was considered to adopt a Resolution to request the Virginia Department of Transportation to increase City street lane mileage for reimbursement of highway maintenance funds. On motion of Council Member Helgeson, seconded by Council Member Nelson, Council by the following recorded vote adopted Resolution #R-18-014, as presented, to request the Virginia Department of Transportation to increase City street lane mileage for reimbursement of highway maintenance funds:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Perrow	1

// In the matter of Economic Development, City Council Report #11 was considered, to adopt a Resolution to designate Strategic Economic Development Areas for consideration as Virginia Opportunity Zones. On motion of Council Member Helgeson, seconded by Council Member Wilder, Council by the following recorded vote adopted Resolution #R-18-015, as presented, to adopt the designated Strategic Economic Development Areas for consideration as Virginia Opportunity Zones:

Ayes: Dolan, Helgeson, Nelson, Tweedy, Wilder, Foster	6
Noes:	0
Absent: Perrow	1

// The meeting was adjourned at 8:15 P.M.

Clerk of Council