

FINANCE COMMITTEE AGENDA

**Tuesday, December 10, 2019
11:30 a.m. – Bidder's Room**

GENERAL BUSINESS

11:30 a.m.

1. Approval of the Draft Finance Committee Meeting Notes from October 22, 2019.

Contact: Donna Witt, Chief Financial Officer 455-3968

11:35 a.m.

2. Report on the General Fund Reserve for Contingencies.

Contact: Donna Witt, Chief Financial Officer 455-3968

11:40 a.m.

3. Consider a request to adopt a resolution to amend the FY 2020 General Fund budget and appropriate \$32,585 with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs associated with the March 3, 2020 Democratic Presidential and City Council Primary. A third quarter budget request may occur due to a possible U.S. Senate or U.S. House of Representative Primary in June.

Contact: Christine O. Gibbons, Director of Elections & Registrar 477-5999

11:45 a.m.

4. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$215,474 with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.

Contact: John H. Hughes, IV, Assistant City Manager 455-3990

11:50 a.m.

5. Review, amend and reaffirm the City's Financial Management Policies.

Contact: Donna Witt, Chief Financial Officer 455-3968

11:55 a.m.

6. Review collections received from five of the City's largest revenue sources.

Contact: Donna Witt, Chief Financial Officer 455-3968

12:00 p.m.

7. Roll Call

The next Finance Committee meeting is Tuesday, January 28, 2020, at 11:30 a.m.

FINANCE COMMITTEE NOTES-- DRAFT
Tuesday, October 22, 2019

GENERAL BUSINESS

Meeting commenced at 11:30 a.m.

ATTENDEES

Committee Members: Council Member Jeff S. Helgeson, Chair; Council Member Randy Nelson; Council Member Beau Wright

Others: Reid Wodicka, Deputy City Manager (Partial meeting); Donna Witt, Chief Financial Officer; Rhonda Allbeck, Assistant Director of Financial Services; Starlette Early, Budget Analyst

1. Approval of the Draft Finance Committee Meeting Notes from September 24, 2019.

The meeting notes from September 24, 2019 were approved as submitted.

2. Report on the General Fund Reserve for Contingencies.

Donna Witt reported there were no new items and the FY 2020 Reserve for Contingencies balance is \$1.2 million, including \$50,000 for Manager's Discretionary Funding.

3. Consider a request to adopt a resolution to amend the FY 2020 General Fund budget and appropriate \$9,429 with resources from the State Compensation Board, Technology Trust Fund fees to support information technology needs in the Office of the Circuit Court.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

4. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund Budget and appropriate \$65,000 for the Lynchburg Adult Drug Treatment Court award with resources from the Supreme Court of Virginia Drug Treatment Court Docket Grant. This grant is administered by the Supreme Court of Virginia.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

5. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$76,000 with resources from the 2019 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS) to fund water rescue equipment and training for the Fire Department Technical Rescue Team.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

6. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$91,750 with resources from the 2019 State Homeland Security

Program (SHSP) grant from U.S. Department of Homeland Security (DHS) to fund equipment and training for the Fire Department Technical Rescue Team.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

7. Consider a request to adopt a resolution to amend the FY2020 City/Federal State Aid Fund budget and appropriate \$24,517 with resources from the 2019 State Homeland Security Program (SHSP) Grant through the Virginia Department of Emergency Management (VDEM) to purchase law enforcement equipment for the Lynchburg Police Department.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

8. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$34,930 with resources from the 2019 Edward Byrne Memorial Justice Assistance Grant (JAG) to purchase law enforcement equipment for the Lynchburg Police Department, Lynchburg Sheriff's Office and the Office of the Commonwealth's Attorney.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

9. Consider a request to adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$42,612 with resources of \$21,306 from the Bulletproof Vest Partnership 2019 Grant Program and \$21,306 transferred from the FY 2020 General Fund Police Department (\$18,506) and Sheriff's Office (\$2,800) budgets to purchase replacement bulletproof vests for law enforcement officers.

The Committee approved this item and is scheduled to be considered by full Council at their October 22, 2019 meeting.

10. Review highlights of attached quarterly financial reports for the Greater Lynchburg Transit Company (GLTC) as well as the Regional Airport, Lynchburg Regional Juvenile Detention Center, Children's Services Act, Water Operating, Sewer Operating, Stormwater Operating, and General Funds for the quarter ending June 30, 2019.

GLTC: Brian Booth reported total revenues for the fourth quarter were approximately 3% below budget due to lower revenues in: passenger fare (5%), Liberty University revenue (15%), and Advertising (32%). Year-to-date revenues were below budget by 2% overall. Expenditures were 4% below budget in the fourth quarter, with a \$57,000 savings in labor costs due to staff vacancy savings net of overtime. Other expenditure items were in line with budget for fourth quarter. Year to date expenditures were over budget: Overtime (\$256,000), Tires (\$45,000), and Casualty and Liability (\$63,000). At the end of the fourth quarter and year, GLTC had a surplus of approximately \$138,000.

Airport: Mark Courtney reported total airport revenues increased by 6.8% over last fiscal year with increased passenger traffic (due to larger equipment and more seats) contributing to record vehicle parking and rental car concession revenues. Total expenses increased 7.3% in FY 2019, primarily due to a workers compensation claim, a consulting study for converting to an independent authority, a consultant to assist in attracting United Airlines, and an

increase in benefits accrual of current and future retirees. Overall, the airport anticipates an operating surplus of \$227,000 for FY 2019 and expects to operate with a surplus for the foreseeable future due to growth in air service levels, competitive fares, and anticipated increasing passenger demand.

Lynchburg Regional Juvenile Detention Center: Tamara Rosser reported year end expenses were slightly higher than revenues due to additional expenses in contractual services. Additional revenues were received in the Community Placement Program (CPP) to provided funding for educational initiatives such as a welding simulator program and college courses for residents.

Children's Services Act (CSA): Tamara Rosser reported overall revenues and expenses were in line with budget for the end of fiscal year 2019. Expenditures for Special Education students were approximately \$3 million, or 135.5% of budgeted amount due to increased enrollments at private day placements.

Water: Tim Mitchell reported the Water Fund had a good year with overall revenues exceeding budgeted amount by approximately \$925,000 for FY 2019 while expenses were about \$722,000 less than budget. Debt coverage ratio for the end of the fiscal year was 1.61 (above Council's minimum target of 1.2) and the fund balance ratio was 73% compared to a target range of 25% - 40%.

Sewer: Tim Mitchell reported overall revenues at the end of the fourth quarter exceeded budget by approximately \$2.2 million, primarily due to leachate, sewer contracts, and interest earnings. Overall expenses were less than budgeted by \$856,000, primarily due to savings in unfilled positions, capital outlay, and debt service. Debt coverage ratio was 1.45 compared to a target range of 1.20 to 1.50, and the fund balance ratio at the end of the fiscal year was 44% compared to a target range of 25% - 40%.

Stormwater: Tim Mitchell reported overall revenues were at budget and expenses were less than the budgeted amount by \$319,000 due to savings in personnel services, and less than anticipated purchases in capital outlay. The debt coverage ratio for end of FY 2019 was 12.19 (above Council's minimum target of 1.20) and the fund balance ratio was 34% compared to the target range of 15% - 20%.

General Fund: Donna Witt reported the General Fund ended the year strong, with revenues above budget by \$4.3 million (2.3%), the Unassigned Fund balance at \$29 million resulting in a Fund Balance ratio of 15.4%, and a balance of almost \$36 million in Restricted, Committed, and Assigned Fund Balance. Overall, large revenues were above budgeted amounts, and expenditures were at 94.5% of budget.

11. Receive a report on the FY 2019 Write-Off of Uncollectible Accounts Receivable.

Donna Witt reported on the write-off accounts for FY 2019 noting the overall was less than one percent (0.89%) of total billing amount.

12. Review collections received from five of the City's largest revenue sources.

Donna Witt reported on the status of revenue collections received for the month ending August 2019 for five revenues. She noted August was a good month, with revenues in line with budget.

13. Roll Call

There were no items for roll call.

Meeting adjourned at 1:15 p.m.

DRAFT

FY 2020 GENERAL FUND RESERVE FOR CONTINGENCIES

	<u>Reserve for Contingencies</u>	<u>City Manager's Discretionary Funding</u>
BEGINNING BALANCE, JULY 1, 2019	\$1,150,000	\$50,000
Carryforward to FY 2020 Reserve for Contingencies - FY 2020 Adopted Budget	0	
BALANCE	<u><u>\$1,150,000</u></u>	<u><u>\$50,000</u></u>
 APPROPRIATIONS (Second Reading)		
 TOTAL APPROPRIATIONS	<u>\$0</u>	<u>\$0</u>
 REMAINING BALANCE	<u><u>\$1,150,000</u></u>	<u><u>\$50,000</u></u>
 ITEMS INTRODUCED		
City Manager's Discretionary Fund - Risk Management - Cyber Liability Insurance Premium	0	(6,185)
Electoral Board/Registrar - March 2020 Presidential Primary Election	(32,585)	
 TOTAL INTRODUCED ITEMS	<u>(\$32,585)</u>	<u>(\$6,185)</u>
 REMAINING BALANCE	<u><u>\$1,117,415</u></u>	<u><u>\$43,815</u></u>
 PENDING ITEMS		
 TOTAL PENDING ITEMS	<u>\$0</u>	<u>\$0</u>
 PROJECTED BALANCE, JUNE 30, 2020	<u><u>\$1,117,415</u></u>	<u><u>\$43,815</u></u>

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **3**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Appropriate Funding for the March 3, 2020 Democratic Presidential and City Council Primary

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☒ Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2020 General Fund budget and appropriate \$32,585 with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs associated with the March 3, 2020 Democratic Presidential and City Council Primary. A third quarter budget request may occur due to a possible U.S. Senate or U.S. House of Representative Primary in June.

SUMMARY: Pursuant to § 24.2-24.2-515 of the Code of Virginia, the City of Lynchburg is required to hold a Presidential Primary to be held on the first Tuesday in March next preceding a Presidential Election. Pursuant to § 24.2-518 The city in which elections are held shall pay the costs of primary elections. However, in § 24.2-545 f. as provided by the Appropriations Act, the Department of Elections will reimburse local governments, to the extent of funds available for the cost of the March 3, 2020 Presidential Primary.

The City's Director of Elections & Registrar requests City Council appropriate \$32,585 to cover the estimated costs associated with this Presidential Primary. Costs include \$20,500 for election official pay, \$5,200 for election software programming, \$6,000 for ballot printing, \$500 for Officer of Election training and precinct supplies/printing of envelopes, \$200 for postage of absentee ballots, \$185 for the required legal notice in the newspaper.

PRIOR ACTION(S): Finance Committee, December 10, 2019

FISCAL IMPACT: \$32,585 from the FY 2020 General Fund Reserve for Contingencies; reimbursement from the Commonwealth is unknown at this time.

CONTACT(S): Christine O. Gibbons, Director of Elections & Registrar, 477-5999

ATTACHMENT(S): Resolution

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2020 General Fund budget is amended and \$32,585 is appropriated with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs for the March 3, 2020 Democratic Presidential and City Council Primary.

Introduced:

Adopted:

Certified:

Clerk of Council

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **4**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Appropriation of the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant

KEY ELEMENTS:

☒ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☒ Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$215,474 with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.

SUMMARY: The City submitted a grant application to VDSS (BEN-19-113) as part of Lynchburg's poverty reduction strategy on August 1, 2019. Negotiations culminated in the award of \$215,474 to the City. These funds will be used to expand current poverty reduction initiatives within the City focused on preparing participants to enter and maintain employment with the prospect of a career path and wage growth. Partnerships, collaboration with stakeholders, and direct intervention with residents who are within 200% of the federal poverty level and/or meet other eligibility requirements are the primary methods of service projected.

PRIOR ACTION(S): Finance Committee, August 13, 2019 (Notice of application)
Finance Committee, December 10, 2019

FISCAL IMPACT: None (no match required)

CONTACT(S): John H. Hughes, IV, Assistant City Manager, 455-3990

ATTACHMENT(S): Resolution
Sub-Award agreement

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that the FY 2020 City/Federal/State Aid Fund budget is amended and \$215,474 is appropriated with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.

Introduced:

Adopted:

Certified:

Clerk of Council

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF SOCIAL SERVICES

SUB-AWARD AGREEMENT

Agreement Number: BEN-19-113-04

THIS AGREEMENT for a subgrant award is entered into this 1st day of October 2019, by the City of Lynchburg, hereinafter called the "Subrecipient" or "Subgrantee" and Commonwealth of Virginia, Department of Social Services, Division of Benefit Programs called the "VDSS," "DBP," "BP" or Grantee."

WITNESSETH that the Subrecipient and the VDSS, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

SCOPE OF AGREEMENT: The Subrecipient shall provide the services to the VDSS as set forth in the Agreement Documents.

PERIOD OF PERFORMANCE: From October 1, 2019 through June 30, 2020.

COMPENSATION AND METHOD OF PAYMENT: The Subrecipient shall be paid by the VDSS a maximum reimbursement of **\$215,473.68** upon submission of itemized invoices as specified in Section X - Payment Terms of the Request for Applications (RFA).

The agreement documents shall consist of:

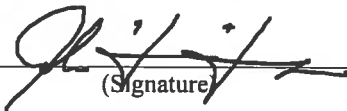
- (1) This signed form;
- (2) The Request for Application dated June 24, 2019;
- (3) Addendum #1, Dated June 25, 2019; and Addendum #2, Dated July 23, 2019;
- (4) The Subrecipient's Application dated July 31, 2019 and the negotiated modifications to the Application dated September 13, 2019, all of which documents are incorporated herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

CITY OF LYNCHBURG, VIRGINIA

VIRGINIA DEPARTMENT OF SOCIAL SERVICES

BY: _____


(Signature)

BY: _____


(Signature)

NAME: John H. Hughes, IV
(Print)

NAME: Michele S Skaggs
(Print)

TITLE: Assistant City Manager

TITLE: Director, General Services

DATE: September 26, 2019

DATE: 9/30/19

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include subparagraph 1.e in General Condition C Anti-Discrimination. Such a request shall be in writing and explain why an exception should be made in that request for proposal or request for application.

Lynchburg City Council

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **5**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: **Review, Amend and Reaffirm the City Council's Financial Management Policies**

KEY ELEMENTS:

___ Economic Development **X** Excellent Government ___ Natural and Built Environment ___ Safe Community ___ Vibrant Community

RECOMMENDATION: Review, amend and reaffirm the City Council's Financial Management Policies.

SUMMARY: The Government Finance Officers Association (GFOA) recommends that localities review their financial management policies on no less than a biennial basis. These policies were last reaffirmed by City Council in March 2018.

In consultation with the City's financial advisors, Davenport & Company, LLC (Davenport), staff has reviewed the Financial Management Policies and proposed amendments to the Fund Balance and Debt Management Policies. Such amendments are proposed to meet bond rating agency recommendations in advance of the upcoming bond issue. There are no proposed revisions to the Budget and Investment Policies.

Staff recommends the policies be amended and reaffirmed with the changes as noted in the attached document.

PRIOR ACTION(S): The Financial Policies were originally adopted by Council beginning in August 1999 and have been periodically revised or reaffirmed.
Finance Committee, December 10, 2019

FISCAL IMPACT: As indicated in the Financial Management Policies.

CONTACT(S): Donna Witt, Chief Financial Officer, 455-3968

ATTACHMENT(S): Resolution
Financial Management Policies (last reaffirmed March 27, 2018)

REVIEWED BY: bms

RESOLUTION:

BE IT RESOLVED that City Council amends and reaffirms City Council's Financial Management Policies as noted in the document, Financial Management Policies.

Adopted:

Certified:

Clerk of Council

FINANCIAL MANAGEMENT POLICIES

<i>Policy I</i>	<i>Fund Balance</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Reaffirmed December 12, 2006 Reaffirmed December 9, 2008 Reaffirmed November 23, 2010 Revised May 10, 2011 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy II</i>	<i>Debt Management</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Revised November 23, 2010 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy III</i>	<i>Budget</i>	Adopted November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Reaffirmed November 23, 2010 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy IV</i>	<i>Investment</i>	Adopted September 25, 2001 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Reaffirmed November 23, 2010 Revised February 26, 2013 Reaffirmed March 22, 2016 Reaffirmed March 27, 2018

BASIS FOR SOUND FINANCIAL MANAGEMENT POLICIES

The primary objective of sound financial management policies is for the City Council to create a framework within which financial decisions can be made. These policies are a statement of the guidelines and goals that influence and guide the financial management practices of the City of Lynchburg. Financial management policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Sound financial management policies:

- Contribute significantly to the City's ability to insulate itself from fiscal crisis and economic disruption.
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the City rather than single-issue areas.
- Promote the view of linking long-term financial planning with day-to-day operations.
- Provide the City Council and citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- Ensure that the organization has sufficient resources to perform mandated responsibilities.
- Provide a foundation for evaluating financial analysis and condition.

FINANCIAL MANAGEMENT POLICIES

The City intends to adhere to these policies. If there is any anticipated or unplanned variance from these policies, staff will advise City Council and establish a plan for recovery within three years.

Policy I - Fund Balance

General Fund

Unassigned Fund Balance

- The City of Lynchburg's Unassigned General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Unassigned General Fund Balance (UGFB) equal to *a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available*. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Unassigned General Fund Balance to the ~~minimum of 10%~~ *previous level* within three years.
- ~~Funds in excess of the targeted 10% fund balance may be considered to supplement "pay as you go" capital outlay expenditures, other non-recurring expenditures or as additions to fund balance. The City will balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.~~

Committed Fund Balance

- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of City Council. These committed fund balance amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance

- Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or designee, in accordance with Council adopted fund balance policy.

Restricted Fund Balance

- Restricted fund balance includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Non-Spendable Fund Balance

- Non-spendable Fund Balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.

Policy on the order of spending resources

- The City considers restricted fund balance to be spent when expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

Enterprise Funds***Water Fund***

- Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years. Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves. Total appropriations include operating expenses, debt service and transfers.
- A rate review will be conducted at least every two years.

Sewer Fund

- In accordance with the Virginia Department of Environmental Quality Special Order, the City shall annually adjust sewer system reserve funds to no more than 40% of the subsequent fiscal years’ budgeted operating expenses and debt service.
- Minimum ending fund balance shall not be less than 25% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years. Total appropriations include operating expenses, debt service and transfers.
- Ending fund balance in excess of 40% will be reallocated to “pay-as-you-go” capital outlay expenditures.
- A rate review will be conducted at least every two years.

Stormwater Fund

- Minimum ending fund balance shall not be less than 15% of total fund appropriations with a target balance of 20% of total fund appropriations. In the event the ending fund balance falls below the minimum of 15% of total fund appropriations, the City shall restore the fund balance to the minimum of 15% within three years. Total appropriations include operating expenses, debt service and transfers.
- Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves.
- A rate review will be conducted at least every two years.

Policy II - Debt Management**Tax-Supported Debt**

Tax-supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.

- The City will not use long-term debt to fund current operations.
- The City will not use short-term borrowing to fund current operations.
- Whenever the City finds it necessary to issue tax-supported bonds, the following policy will be adhered to:
 1. The City will never borrow more than it has the capacity to repay.
 2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
 3. Annual debt service expenditures for tax-supported debt should not exceed 10% of total General Fund Expenditures plus School Component Unit Expenditures minus the General Fund Transfer to Schools.
 4. Total tax-supported debt will not exceed 4.50% of the net assessed valuation of taxable property in the City of Lynchburg.
 - ~~5. Total tax-supported debt per capita should be maintained at a reasonable level.~~
 6. The 10-Year Principal Payout Ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program for Tax-Supported General Obligation Indebtedness.

Revenue-Supported Debt

The Water, Sewer and Stormwater Funds may issue General Obligation or Revenue-Supported Debt.

Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water, sewer). These are not considered tax-supported debt of the City. Whenever the City finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported or general obligation bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported and general obligation bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed. For those revenue-supported bonds issued through the Virginia Revolving Loan Fund, annual debt service payments shall not exceed thirty years.
3. The Water, Sewer and Stormwater Funds, net revenues available for debt service shall not be less than 1.2 times annual debt service for each fiscal year. For the Sewer Fund, in accordance with the Virginia Department of Environmental Quality Special Order, net revenues shall not exceed 1.5 times annual debt service computed on a three-year rolling average. Net revenues available for debt service will be calculated as operating income, plus depreciation and amortization, plus interest income, plus governmental grants, plus miscellaneous income, plus capital contributions of others who jointly share in ownership of an infrastructure or facility, and plus any capitalized costs. Debt service will include all debt service paid by the respective fund; however, the principal portion of any bond anticipation notes or other short-term financing should be excluded.
4. In the event net revenues available for debt service falls below 1.2 times annual debt service of any fiscal year, the City shall restore the net revenues available for debt service to the minimum of 1.2 within three years.

Refinancing of Debt

- The City shall issue refunding bonds to achieve debt service savings, eliminate onerous covenants or provisions in outstanding bond documents, or to respond to a financial emergency.
- The City shall continually monitor its outstanding debt to identify instances where the City may achieve savings through an advance refunding or current refunding transaction.
- The City shall receive a written refunding analysis indicating the amount of net present value savings from its financial advisor prior to selling bonds to refund any outstanding bonds.

- A refunding transaction to achieve debt service savings should only be undertaken when the net present value of the savings, net of issuance costs, will be at least 3% of the principal amount of the refunded bonds. Refunding transactions for revenue bonds can be structured so that savings are realized over the life of the refunding bonds or up-front, depending on the results of a cost-benefit analysis.

General Debt Policies

- The City will maintain communication with bond rating agencies to keep them abreast of its financial condition and will provide them with information on a timely basis including the City's *Comprehensive Annual Financial Report*, *Annual Adopted Budget* and *Capital Improvement Program*.
- The City shall comply with all of its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure.
- The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.

Policy III - Budget

Principles

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

Policies

- City Council shall adopt a balanced budget in accordance with all legal requirements.
- A structured budget preparation and formulation process shall be used for all departments and agencies receiving funding from the City.
- Departmental budgets shall be managed within the total appropriated budget for each fiscal year.
- All operating budget appropriations shall lapse at the end of the fiscal year to the extent that they are not expended or encumbered.
- The budget shall be adopted by the favorable vote of a majority of members of City Council.
- The Vision and priorities established by City Council as well as the *Comprehensive Plan* will serve as the framework for the budget proposed by the City Manager.
- The fiscal year for the City is July 1 through June 30 as defined by the *City Code*, Section 18-1.
- One-time revenues shall be used for one-time expenditures only.
- A General Fund Reserve for Contingencies of \$1.2 million shall be used as a source of funding for unanticipated expenditures during the budget year. The Reserve for Contingencies is limited to one-time expenditures and shall not be considered a source for recurring financing.

Process

- The City Manager shall annually prepare a *Proposed Budget* for City Council review. The *Proposed Budget* shall serve as a financial plan for the upcoming fiscal year and shall contain the following information:
 1. A budget message that outlines the proposed revenue and expenditures for the upcoming fiscal year together with an explanation of any major changes from the previous fiscal year. The budget message should also include any proposals for major changes in financial policy.
 2. Charts indicating the major revenues and expenditures in each major fund (General, Water, Sewer, Stormwater, Airport) as well as changes in fund balance for all funds.
 3. Summaries of proposed expenditures by function, department and activity for all funds proposed to be expended in a fiscal year.
 4. A schedule of estimated requirements for the principal and interest of each bond issue.
 5. A three-year history of revenues and expenditures to include the prior year actual, current year adopted, revised and proposed budgets for each major fund.
 6. The proposed budget appropriation resolution, including the tax levy.
- The City Council shall hold a public hearing on the budget submitted by the City Manager and all interested citizens shall be given an opportunity to be heard on issues related to the proposed budget, including the *Capital Improvement Program*.
- Following the public hearing on the *Proposed Budget*, City Council may make adjustments. In instances where City Council increases the total proposed expenditures, it shall also identify a source of funding at least equal to the proposed expenditures.

Capital Improvement Program

- A five-year *Capital Improvement Program (CIP)* that serves as the basis for annual capital appropriations and debt financing requirements shall be prepared and updated annually.
- The *CIP* shall include descriptions, timeline, cost estimates, and a schedule of expected expenditures for each project.
- Debt service requirements and funding needs for schools and City government shall be determined based on the *Adopted CIP*.
- Long-term borrowing shall be confined to major capital improvements and equipment purchases.
- Short-term borrowing shall be limited to bond anticipation notes and equipment leasing, where feasible, with a life of less than 8 years.
- Capital project appropriations shall lapse upon project completion, allowing for an adequate warranty period. Lapsed appropriations shall remain in the Capital Fund for reallocation to other projects.
- Incremental operating costs associated with capital projects shall be funded in the operating budget after being identified and approved in the Capital Improvement Program.
- Pay-as-you-go funding, including State Highway Maintenance Funds, State Revenue Sharing Funds, State and federal grants, and other cash sources, shall not be less than 10%, with a goal of 15%, of the City's 5-Year CIP.

Quarterly Financial Reporting

The City Manager will present to the City Council's Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water, Sewer, Stormwater, Airport, Children's Services Act, Juvenile Detention, and Greater Lynchburg Transit Company Funds.

Third Quarter Review

In March, Budget staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible budget adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when a proposed amendment of the budget exceeds one percent of the total expenditures shown in the currently adopted budget.

First Quarter Review

In September, Budget staff will evaluate requests for the carry forward of funds remaining from prior year appropriations and other possible budget adjustments. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to City Council action when a proposed budget amendment exceeds one percent of the total expenditures shown in the currently adopted budget.

Policy IV - Investment

I. Policy Statement

It is the policy of The City of Lynchburg, Virginia ("the City") that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. The City shall be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council. See Appendix 1 for a Glossary of Investment Terms.

II. Scope

This policy applies to the investment of all the financial assets and funds held by the City. Specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds are located in Section X of this Policy. These Funds are accounted for in the City of Lynchburg's Comprehensive Annual Financial Report and include the General, Special Revenue, Capital Projects, and Proprietary Funds.

III. Objectives

Funds shall be invested in only those investments permitted by Federal, State and local law as it relates to public funds, as well as any contractual agreements entered into by the City.

All of the City's funds, regardless of term, shall be invested with the following objectives listed in the order of priority:

1. *Safety* - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will:
 - a. seek to avoid realizing any loss through the sale or disposal of an investment; and
 - b. seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
2. *Liquidity* - The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio in the following manner:
 - a. The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity;
 - b. A portion of City Funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and
 - c. The portfolio will consist largely of investments with active secondary markets.
3. *Yield* - The City's investment portfolio shall be designed with the objective of maximizing a fair rate of return consistent with the investment risk constraints and cash flow characteristics of the portfolio. The Investment Committee shall establish suitable benchmarks for the measurement of the portfolio's return.

IV. Delegation of Authority

Under the guidance of the Investment Committee, the City's Director of Financial Services is the official charged with collecting, safeguarding and disbursing City funds. In this capacity, and with consensus from the Investment Committee, the Director of Financial Services is responsible for establishing staff roles and responsibilities, considering the quality and capability of staff, selecting investment advisors and consultants involved in investment management, and developing and maintaining appropriate administrative procedures for the operation of the investment program. Examples of key staff roles and responsibilities include, but are not limited to, solicitation of investment offerings, placement of purchase and sell orders, confirmation of trades, and preparation of reports and other activities as required for the daily operations of the investment area. The Director of Financial Services is also charged with developing written standard Investment procedures and an asset allocation plan consistent with this policy. Such procedures shall be reviewed and approved by the Investment Committee. Subject to the approval of the Investment Committee and City Council, the Director of Financial Services may employ financial consultants on a contractual basis to assist in the development and implementation of investment procedures and policies, to monitor the effectiveness and continued compliance with such policies and procedures, and to provide guidance in investment matters.

V. Standards of Care

The standard of prudence to be used by investment personnel shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states:

"Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Director of Financial Services, and those delegated investment authority under this Policy, when acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. Ethics and Conflicts of Interest

Officers and employees of the City involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Office of the Clerk of Council any material interests in financial institutions with which they conduct business and any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees are required to abide by the provisions of the Virginia Conflict of Interests Act. The Act prohibits City officers and employees from seeking or accepting money or any other thing of value for the performance of their duties, using confidential information for their own benefit and having a personal interest in a company with which the City is doing business. "Officer" means any person appointed or elected to the City's government whether or not he/she receives compensation or other emolument of office. "Employee" means all persons employed by the City.

VII. Collateral and Safekeeping Arrangements

The City's investments shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by Virginia Code, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. The Code refers to counterparty as the issuer or seller of the security and any repurchase agreement provider. All securities purchased or sold will be transferred when possible only under "delivery vs. payment method" to ensure that funds or securities are not released until all criteria relating to the specific transaction are met.

VIII. Competitive Selection of Investment Instruments

It is desirable to select investments on a competitive basis when possible to ensure that the City receives the best price available on a particular investment and avoids paying excessive fees, mark-ups or other compensation to the provider. A list will be maintained of approved financial institutions and security broker/dealers selected by creditworthiness (*e.g.*, a minimum capital requirement of \$10,000,000 and at least five years of operations). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions will supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the City of Lynchburg Investment Policy

Under the guidance and oversight of the Investment Committee, the Director of Financial Services shall adhere to the following procedures, with assistance from the City’s Investment Advisor where appropriate, when funds become available for investment to the extent practical:

1. The Director of Financial Services shall determine the class of investment and maturity range most appropriate for investment of the funds available, based upon the anticipated expenditure schedule of the City, the desired asset allocation of the City’s portfolio and the City’s Investment Plan.
2. Offers will be solicited for the selected investment from the list of pre-approved providers as noted above.
3. The Director of Financial Services will accept the offer (or bid, if the City is selling an investment) which provides the highest rate of return or which is otherwise deemed most suitable while complying with this Policy and any other criteria specified in the solicitation of offers.

The City shall retain a record of the offers received, the instruments chosen, and the rationale for making the decision.

From time to time, certain investment dealers may present the City with offers that are attractive for investment. Although the City should endeavor to verify (and document) that the price is “fair,” it may occasionally purchase such a security without a competitive process if the investment is for \$500,000 or less.

Additionally, a competitive process shall not be required for the investment of funds in money market funds, investment pools and overnight securities. However, it shall be the responsibility of the Director of Financial Services to be aware of the yields being offered by various highly liquid investments, and to invest the City’s overnight funds in the vehicle(s) which provide a competitive return to the City while complying with this policy and any other criteria established by the Investment Committee or City Council.

IX. Suitable and Authorized Investments – Without Exception, Only the Following Investments Are Suitable and Authorized

1. Treasury Securities

Bonds, Notes and Bills issued by the United States Treasury or certificates representing ownership of treasury bond principal or coupons.

2. Agency Securities (FHLB, FNMA, FFCB, FHLMC, GNMA)

Obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, maturing within five years of the date of purchase.

3. Prime Commercial Paper

Commercial Paper maturing within 270 days of the day of purchase rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody's and Standard & Poor's.

4. Certificates of Deposit

Certificates of Deposit maturing within one year and issued by domestic banks rated P-1 by Moody's and A-1 by Standard & Poor's.

5. Banker's Acceptances

Banker's Acceptances maturing within 180 days rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided the issuer is a major domestic bank or the domestic office of an international bank rated AA category or higher by Moody's and Standard & Poor's.

6. Commonwealth of Virginia and Virginia Local Government Obligations

General Obligations, Insured Obligations or Revenue Bonds secured by Debt Service Reserve Funds not subject to annual appropriation rated AA category or higher by Moody's or Standard & Poor's.

7. Repurchase Agreements

Repurchase Agreements collateralized by securities approved for investment herein, provided that the counterparty is rate A or better by Moody's and Standard & Poor's and the collateral is held by an independent third party. All Repurchase Agreements are purchased with a Master Repurchase Agreement in place with a third-party custodian.

8. Open-End Investment Funds

Open-end Investment Funds registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein.

9. Virginia Local Government Investment Pool

10. Virginia State Non-Arbitrage Program or Other Authorized Arbitrage Investment Management Programs

X. Suitable and Authorized Investments – Restricted Funds

Funds defined as sinking funds under the Virginia Code may be invested in items listed in Section IX.1 and IX.6 above, repurchase agreements collateralized by those investments, and in the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs.

XI. Internal Controls

Under the guidance of the Investment Committee, the Director of Financial Services will establish and maintain an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The Internal Audit Department shall add this Policy and related Procedures to their Audit Universe for audit consideration. The internal control structure will address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

XII. Reporting

Under the guidance of the Investment Committee, the Director of Financial Services will ensure that a Management Report will be prepared on a quarterly basis. The information from this Report may be derived from the Investment Advisor and/or the Safekeeping Agent, or both, where appropriate. This Report will include information that provides an analysis of the status of the current investment portfolio and whether investment activities during the reporting period have conformed to the investment policy herein. The Report will be presented to City Council for information and comment. To the extent practical, the report detail may include such items as the following:

- Listing of securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Average weighted yield to maturity of portfolio on investments compared to benchmarks
- Listing of investment by maturity type
- Percentage of the total portfolio which each type of investment represents

XIII. Diversification

The City will endeavor to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. Target asset allocation strategies shall be developed by the Investment Committee to provide guidance as to appropriate levels of diversification. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the City's total investment will be the obligations of a single financial institution.

XIV. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase.

Appendix 1: Glossary of Investment Terms

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GOMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization – The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life – The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point – A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., “one-quarter” of 1 percent is equal to 25 basis points.

Bid – The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Call Price – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk – The risk to a bondholder that a bond may be redeemed prior to maturity.

Callable Bond – A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Cash Sale/Purchase – A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization – Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity – A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the “interest rate.”

Credit Quality – The measurement of the financial strength of a bond issuer to help an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) – A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) – A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount – The amount by which the par value of a security exceeds the price paid for the security.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate – Interest rate charged by one institution lending federal funds to the other.

Government Securities – An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market See “Treasury Bills, Notes, and Bonds.”

Interest Rate – See “Coupon Rate.”

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls – An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers -Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian – The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve – A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 – Federal legislation which sets the standards by which investment such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Liquidity – An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) – An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-Market – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk – The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value – Current market price of a security.

Maturity – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See “Weighted Average Maturity.”

Money Market Mutual Fund – Mutual funds that invest, solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers’ acceptances, repos and federal funds).

Mutual Fund – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund’s holdings, performance, management and general investment policy.
3. Have the fund’s investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund’s shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

Mutual Fund Statistical Services – Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund’s assets which includes securities, cash, and any accrued earnings, subtracting this from the fund’s liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund’s portfolio.
$$\frac{[(\text{Total assets}) - (\text{Liabilities})]}{(\text{Number of shares outstanding})}$$

No Load Fund – A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield – The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon,” “coupon rate,” or “interest rate.”

Offer – An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the “Ask price.”

Par – Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve – A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium – The amount by which the price paid for a security exceeds the security's par value.

Prime Rate – A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery – Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk – The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) – An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act – Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping – Holding of assets (e.g., securities) by a financial institution.

Serial Bond – A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap – Trading one asset for another.

Term Bond – Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return – The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$.

Treasury Bills – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bonds – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Treasury Notes – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Uniform Net Capital Rule – SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility – A degree of fluctuation in the price and valuation of securities.

“Volatility Risk” Rating – A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bonds funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns (“AAA” by S&P; “V- 1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“CCC”- S&P, “V-10” by Fitch).

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) – A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

Yield – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield Curve – A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-Call (YTC) – The rate of return an investor earns on a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield-to-Maturity – The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

Zero-Coupon Securities – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

FINANCE COMMITTEE

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **6**

CONSENT:

REGULAR: **X**

WORK SESSION:

CLOSED SESSION:

ACTION:

INFORMATION: **X**

(Confidential)

ITEM TITLE: Revenue Update

KEY ELEMENTS:

___ Economic Development **_X_ Excellent Government** ___ Natural and Built Environment ___ Safe Community ___ Vibrant Community

RECOMMENDATION: Review the collections received from five of the City's revenue sources.

SUMMARY: Five of the City's major revenue sources are taxes collected on a monthly basis: Local Sales and Use Tax, Consumer Utility Tax – Electric, Meals Tax, Lodging Tax, and Amusement Tax. Since the last Finance Committee meeting, revenue information through September 2019 has been posted for these five revenue streams.

PRIOR ACTION(S): This information is provided monthly to the Finance Committee.

FISCAL IMPACT: None

CONTACT(S): Donna Witt, Chief Financial Officer, 455-3968

ATTACHMENT(S): Comparison of Collections Budget to Actual FY 2019 – FY 2020

REVIEWED BY:

Comparison of Collections
Budget to Actual FY 2019 - FY 2020

	Actual FY 2017	Actual FY 2018	Actual FY 2019	Adopted FY 2020	Actual FY 2020	Actual FY 2020 to Adopted FY 2020	Actual FY 2020 to Actual FY 2019
SALES & USE TAX							
ADOPTED FY 2020 BUDGET - \$15,673,983							
JULY	\$1,152,527	\$1,134,520	\$1,361,089	\$1,335,342	\$1,304,129	(\$31,213)	(\$56,960)
AUGUST	1,267,330	1,248,275	1,287,868	1,263,506	1,400,949	137,443	113,081
SEPTEMBER	1,275,989	1,289,489	1,305,048	1,280,361	1,423,548	143,187	118,500
TOTAL	\$3,695,846	\$3,672,284	\$3,954,005	\$3,879,209	\$4,128,626	\$249,417	\$174,621
CONSUMER UTILITY TAX - ELECTRIC							
ADOPTED FY 2020 BUDGET - \$3,800,000							
JULY	\$328,501	\$335,326	\$343,448	\$338,828	\$323,666	(\$15,162)	(\$19,782)
AUGUST	355,434	327,959	332,393	327,921	335,376	7,455	2,983
SEPTEMBER	351,627	314,864	324,940	320,569	322,201	1,632	(2,739)
TOTAL	\$1,035,562	\$978,149	\$1,000,781	\$987,318	\$981,243	(\$6,075)	(\$19,538)

	Actual Collected FY 2017 ²	Actual Collected FY 2018 ²	Actual Collected FY 2019 ²	Adopted FY 2020	Actual Assessed FY 2020	Actual Assessed FY 2020 to Adopted FY 2020	Actual Collected FY 2020 ²	Actual Collected FY 2020 to Adopted FY 2020	Actual Collected FY 2020 to Assessed FY 2020
MEALS TAX									
ADOPTED FY 2020 BUDGET - \$15,500,000									
JULY ¹	\$1,088,474	\$1,109,545	\$1,157,381	\$1,203,713	\$1,192,588	(\$11,125)	\$1,167,412	(\$36,301)	(\$25,176)
AUGUST	1,098,748	1,140,836	1,208,215	1,280,948	1,338,608	57,660	1,327,301	46,353	(11,307)
SEPTEMBER	1,243,540	1,295,882	1,301,166	1,296,010	1,327,436	31,426	1,348,242	52,232	20,806
TOTAL	\$3,430,762	\$3,546,263	\$3,666,762	\$3,780,671	\$3,858,632	\$77,961	\$3,842,955	\$62,284	(\$15,677)
LODGING TAX									
ADOPTED FY 2020 BUDGET - \$2,950,000									
JULY ¹	\$207,361	\$248,422	\$291,530	\$301,067	\$238,068	(\$62,999)	\$235,865	(\$65,202)	(\$2,203)
AUGUST	167,929	224,761	266,637	274,331	356,692	82,361	359,491	85,160	2,799
SEPTEMBER	215,545	222,577	242,417	249,287	257,590	8,303	257,054	7,767	(536)
TOTAL	\$590,835	\$695,760	\$800,584	\$824,685	\$852,350	\$27,665	\$852,410	\$27,725	\$60
AMUSEMENT TAX									
ADOPTED FY 2020 BUDGET - \$850,000									
JULY ¹	\$72,413	\$66,786	\$72,761	\$75,349	\$92,901	\$17,552	\$90,398	\$15,049	(\$2,503)
AUGUST	50,145	53,857	51,694	53,533	54,599	1,066	56,722	3,189	2,123
SEPTEMBER	54,062	58,269	54,943	56,897	64,454	7,557	62,500	5,603	(1,954)
TOTAL	\$176,620	\$178,912	\$179,398	\$185,779	\$211,954	\$26,175	\$209,620	\$23,841	(\$2,334)

¹ Due to year end accounting activities, a portion of revenues associated with May and June were posted in June and July.

² "Actual Collected" includes all revenue received per month regardless of whether the payment is current or delinquent.

A G E N D A
City Council Meeting of December 10, 2019

4:00 P.M. – Work Session

- #1. Hear a presentation on the FY 2019 Comprehensive Annual Financial Report from the City's auditors.
- #2.. Review, Amend and Reaffirm the City Council's Financial Management Policies
- #3. R-1/Single-Household Development Discussion
- #4. City Council Compensation
- #5. Roll Call
- #6. Consideration of a closed meeting to discuss appointments to the Building Code Appeals Board, Community Development Advisory Committee, Horizon Behavioral Health Board, LYNCAAG Board, Lynchburg Regional Airport Commission, Planning Commission, Transit Company Board of Directors and Youth Services Citizens Board

7:30 P.M.
City Council Agenda Items

**VICE MAYOR DOLAN WILL GIVE THE INVOCATION FOLLOWED BY
THE PLEDGE OF ALLEGIANCE LED BY GIRL SCOUT TROOP #9200**

GENERAL POLICY REGARDING PUBLIC PARTICIPATION AT CITY COUNCIL MEETINGS

Each speaker shall clearly state his or her name and locality of residence.

The City Council agenda is divided into four sections.

CONSENT AGENDA: This section includes routine items. All items may be approved by one vote.

PUBLIC HEARINGS: This section includes all public hearings as required by law or as Council may direct.

Procedure:

- Staff will make a presentation.
- For zoning petitions, the applicant or his or her representative shall have ten (10) minutes to make a presentation.
- Comments will then be solicited from those in favor.
- Comments will then be solicited from those in opposition.

During the public hearing, there shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify that group at the beginning of his or her remarks. A group may have only one spokesperson. After public comments have been received, for zoning petitions, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5)-minute time limit for rebuttal. Upon the conclusion of public comments or the applicant's rebuttal, the public hearing will be closed and the matter referred to Council for deliberation.

PUBLIC COMMENT: Public comment shall be for the purpose of allowing members of the public to present any matter, which, in their opinion, deserves the attention of the Council. They shall not serve as a forum for debate with the Council. Individuals may speak up to three (3) minutes; or group spokesperson up to five (5) minutes. Once Council has heard a presentation from a citizen or organization on a particular subject, the citizen or organization may not make another presentation on the same subject within three (3) months of the first presentation, except by a majority vote of the members of Council present and voting.

GENERAL BUSINESS: This section includes items of a general nature to be considered by Council.

City Council may make exceptions to these rules at its discretion. Prior to a meeting, any questions which citizens may have regarding any item on the agenda may be addressed to City Council or the City Administration. The following numbers are provided for the convenience of the citizens:

CITY COUNCIL 455-3995

MAYOR 455-3995

CITY MANAGER 455-3990

A reasonable charge may be made for copying and other activities related to responding to long and involved inquiries.

CITIZENS OFTEN EXPRESS CONFLICTING AND DIVERSE POSITIONS REGARDING SPECIFIC ISSUES UNDER CONSIDERATION. TO ENCOURAGE CITIZEN PARTICIPATION AND TO AVOID INTIMIDATION TO PERSONS WHO MAY EXPRESS SOMETIMES UNPOPULAR OPINIONS, APPLAUSE, CHEERS, OR JEERS FROM THE AUDIENCE ARE NOT PERMITTED. WHEN APPEARING BEFORE CITY COUNCIL, CITIZENS MAY NOT ENGAGE IN BEHAVIOR THAT INTIMIDATES OR INSULTS OTHERS, ENGAGE IN DISRUPTIVE BEHAVIOR, USE PROFANITY OR VULGAR LANGUAGE, PROMOTE PRIVATE BUSINESS VENTURES OR CAMPAIGN FOR PUBLIC OFFICE.

*** PREVIOUSLY DISCUSSED AND/OR CONSIDERED BY CITY COUNCIL**

RECOGNITIONS

- Chris Adams, Lynchburg Fire Department – Governor’s EMS Provider of the Year
 - Digital Cities Award
 - Mayor’s Youth Council Attendees – John and Teddy Tharp
-

CONSENT AGENDA

- #7. Consideration of approving the minutes of the November 7, 2019 Council retreat
 - #8. Consideration of approving the minutes of the November 12, 2019 Council meeting
-

PUBLIC HEARINGS

- #9. Public hearing regarding the petition of HumanKind for a Conditional Use Permit at 150 Linden Avenue to allow the construction of recreational facilities including athletic fields, swimming pool, and parking areas in an R-1, Low-Density Residential District.
(File: Community Development) #R-19-095
 - #10. Public hearing regarding the Petition of Millside Development Center (Scott Zechini) to amend the previously approved Conditional Use Permit for a Cluster Commercial Development at 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road to allow the construction of a twenty-two thousand three hundred (22,300) square foot assisted living facility in a B-1, Limited Business District.
(File: Community Development) #R-19-096
 - #11. Public hearing regarding amending the FY 2020 Budget to reflect the Return of Schools Fund Balance for ongoing activities not expended in FY 2019, and appropriating supplemental funds for both the Capital and Operating Budgets for the twelve month period beginning July 1 2019 and ending June 20, 2020
(File: Budget) #R-19-097
 - #12. Public hearing regarding the proposed adoption of a resolution to authorize the City to contract a debt and issue General Obligation Public Improvement Bonds of the City (the “Bonds”) in the principal amount not to exceed \$32,000,000 to finance the costs of the acquisition, construction, reconstruction, improvement, extension, enlargement, equipping, rehabilitation and repair of various public improvement projects of and for the City) including related design and architectural and engineering services and underwriting compensation and other costs of issuance of such Bonds), including, but not limited to, the Lakeside Drive bridge project, acquisition of fleet vehicles, transportation projects, school improvement projects, sewer improvement projects, water improvement projects, construction, renovation and improvements to various City buildings, parks and recreation projects, economic development projects, and stormwater improvement projects (collectively, the “Projects”). The Resolution will also authorize the City to issue its general obligation public improvement bond anticipation notes of the City, if any, in an amount not to exceed \$32,000,000 in order to provide short-term financing for the Projects in anticipation of the issuance of the Bonds and to reduce the annual debt service requirements of the City.
(File: Budget) #R-19-098
#R-19-099
 - #13. Public hearing regarding the Consideration of adding a new section 36-178 to the Code of the City of Lynchburg, 1981, relating to the establishment of a Commercial Property Assessed Clean Energy (C-PACE) Financing Program. Pursuant to the C-PACE Act, any Virginia locality may enact an ordinance authorizing a C-PACE program to provide C-PACE loans for the initial acquisition and installation of eligible clean energy, resiliency, and/or stormwater management improvements with willing owners of qualifying properties, which may include renovations to existing improvements or new construction.
(File: Economic Development) #O-19-047
-

PUBLIC COMMENT

- #14. Hear from a citizen – Curt Diemer
 - #15. Hear from a citizen – Roger Fons
 - #16. Hear from a citizen – Isaiah Knight on behalf of Virginia Families Political Action Committee
 - #17. Hear from a citizen – Nathan Cantu
 - #18. Hear from a citizen – Ryan Thomas
 - ~~#19. Hear from a citizen – The citizen asked to be removed~~
 - #20. Hear from a citizen – Craig Storrs, Jr.
 - #21. Hear from a citizen – Jamie Cash
 - #22. Hear from a citizen – Damian Miller
 - #23. Hear from a citizen – Mike Sharrett
 - ~~#24. Hear from a citizen – The citizen asked to be removed~~
 - ~~#25. Hear from a citizen – The citizen asked to be removed~~
 - #26. Hear from a citizen – Karch Frankenfield
 - #27. Hear from a citizen – Kathy Cyphert
-

GENERAL BUSINESS

- #28. Consideration of a Resolution Amending City Council's 2020 General Assembly Legislative Agenda to include language regarding the right of citizens to keep and bear arms.
(File: City Council) #R-19-100
- #29. Consideration of introducing a resolution to amend the FY 2020 General Fund budget and appropriate \$32,585 with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs associated with the March 3, 2019 Democratic Presidential and City Council Primary. A third quarter budget request may occur due to a possible U.S. Senate or U.S. House of Representative Primary in June.
(File: Budget) #R-19-101
- #30. Consideration of introducing a resolution approving the issuance of up to \$28,000,000 in taxexempt revenue bonds for the rehabilitation of the James Crossing Apartments located at 808 Greenfield Drive through the Lynchburg Redevelopment and Housing Authority (LRHA).
(File: Budget) #R-19-102
- #31. Consideration of adopting an ordinance to regulate the use of shared mobility devices such as electric power-assisted scooters, skateboards, bicycles, etc. within the City.
(File: City Code) #O-19-046
- #32. Consideration of introducing a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$215,474 with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.
(File: Budget) #R-19-103
- #33. Consideration of approving a support resolution for Holiday Lake 4-H Educational Center to the Commonwealth of Virginia for funding capital improvement projects.
(File: City Council) #R-19-104

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **1**

CONSENT:
ACTION:

REGULAR:
INFORMATION: **X**

WORK SESSION: **X**

CLOSED SESSION:
(Confidential)

ITEM TITLE: Presentation of the FY 2019 Comprehensive Annual Financial Report (CAFR) and Related Reports

KEY ELEMENTS:

___Economic Development **X**Excellent Government ___Natural and Built Environment ___Safe Community ___Vibrant Community

RECOMMENDATION: Hear a presentation on the FY 2019 Comprehensive Annual Financial Report from the City's auditors.

SUMMARY: Representatives from the City's external auditing firm, Brown Edwards, LLC, will present the results of the annual audit to City Council.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Donna Witt, Chief Financial Officer, 455-3968

ATTACHMENT(S):

- Memo from Donna Witt (attached; hard copies of the following will be hand delivered)
- FY 2019 Comprehensive Annual Financial Report (CAFR)
- Audit Committee Letter – Required Communication with those Charged with Governance
- Independent Auditor's Report on Agreed –Upon Procedures – City of Lynchburg's Sheriff's Office
- Independent Auditor's Report on Census Data submitted to the Virginia Retirement System - City of Lynchburg
- Independent Auditor's Report on Census Data submitted to the Virginia Retirement System- Lynchburg City Schools and Laurel Regional Program
- Management Letter – City of Lynchburg
- Management Letter – Lynchburg City Schools
- Audit Committee Letter – Required Communication with those Charged with Governance – Lynchburg City Schools

REVIEWED BY: bms

153R



The City of Lynchburg, Virginia

CITY HALL, 900 CHURCH STREET, LYNCHBURG, VIRGINIA 24504
(434) 455-3968
FAX (434) 845-0711

FINANCIAL SERVICES
OFFICE OF THE DIRECTOR

To: City Council
From: Donna Witt, Chief Financial Officer 
C: Bonnie Svrcek, City Manager
Reid Wodicka, Deputy City Manager
Date: December 5, 2019
Re: FY 2019 Comprehensive Annual Financial Report and Related Reports

In preparation for the upcoming presentation by Brown Edwards, LLC the following documents are enclosed for your review:

- FY 2019 Comprehensive Annual Financial Report (CAFR)
- Audit Committee Letter – Required Communication with those Charged with Governance
- Independent Auditor's Report on Agreed –Upon Procedures – City of Lynchburg's Sheriff's Office
- Independent Auditor's Report on Census Data submitted to the Virginia Retirement System-City of Lynchburg
- Independent Auditor's Report on Census Data submitted to the Virginia Retirement System- Lynchburg City Schools and Laurel Regional Program
- Management Letter – City of Lynchburg
- Management Letter – Lynchburg City Schools
- Audit Committee Letter – Required Communication with those Charged with Governance – Lynchburg City Schools

Representatives from Brown Edwards, LLC will be presenting this information at the December 10th work session. Hard copies of these documents will be distributed at that time.

Thank you.

Lynchburg City Council

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **2**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: **Review, Amend and Reaffirm the City Council's Financial Management Policies**

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☐ Vibrant Community

RECOMMENDATION: Review, amend and reaffirm the City Council's Financial Management Policies.

SUMMARY: The Government Finance Officers Association (GFOA) recommends that localities review their financial management policies on no less than a biennial basis. These policies were last reaffirmed by City Council in March 2018.

In consultation with the City's financial advisors, Davenport & Company, LLC (Davenport), staff has reviewed the Financial Management Policies and proposed amendments to the Fund Balance and Debt Management Policies. Such amendments are proposed to meet bond rating agency recommendations in advance of the upcoming bond issue. There are no proposed revisions to the Budget and Investment Policies.

Staff recommends the policies be amended and reaffirmed with the changes as noted in the attached document.

PRIOR ACTION(S): The Financial Policies were originally adopted by Council beginning in August 1999 and have been periodically revised or reaffirmed.

Finance Committee, December 10, 2019

FISCAL IMPACT: As indicated in the Financial Management Policies.

CONTACT(S): Donna Witt, Chief Financial Officer, 455-3968

ATTACHMENT(S):

Resolution

Financial Management Policies (last reaffirmed March 27, 2018)

REVIEWED BY: bms

RESOLUTION:

#R-19-094

BE IT RESOLVED that City Council amends and reaffirms City Council's Financial Management Policies as noted in the document, Financial Management Policies.

Adopted:

Certified: _____
Clerk of Council

154R

FINANCIAL MANAGEMENT POLICIES

<i>Policy I</i>	<i>Fund Balance</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Reaffirmed December 12, 2006 Reaffirmed December 9, 2008 Reaffirmed November 23, 2010 Revised May 10, 2011 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy II</i>	<i>Debt Management</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Revised November 23, 2010 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy III</i>	<i>Budget</i>	Adopted November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Reaffirmed November 23, 2010 Revised February 26, 2013 Revised March 22, 2016 Reaffirmed March 27, 2018
<i>Policy IV</i>	<i>Investment</i>	Adopted September 25, 2001 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008 Reaffirmed November 23, 2010 Revised February 26, 2013 Reaffirmed March 22, 2016 Reaffirmed March 27, 2018

BASIS FOR SOUND FINANCIAL MANAGEMENT POLICIES

The primary objective of sound financial management policies is for the City Council to create a framework within which financial decisions can be made. These policies are a statement of the guidelines and goals that influence and guide the financial management practices of the City of Lynchburg. Financial management policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Sound financial management policies:

- Contribute significantly to the City's ability to insulate itself from fiscal crisis and economic disruption.
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the City rather than single-issue areas.
- Promote the view of linking long-term financial planning with day-to-day operations.
- Provide the City Council and citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- Ensure that the organization has sufficient resources to perform mandated responsibilities.
- Provide a foundation for evaluating financial analysis and condition.

FINANCIAL MANAGEMENT POLICIES

The City intends to adhere to these policies. If there is any anticipated or unplanned variance from these policies, staff will advise City Council and establish a plan for recovery within three years.

Policy I - Fund Balance

General Fund

Unassigned Fund Balance

- The City of Lynchburg's Unassigned General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the Unassigned General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Unassigned General Fund Balance (UGFB) equal to *a minimum of 10% of General Fund revenues with a goal of 15% as the City strives to grow incrementally each year subject to revenues available*. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Unassigned General Fund Balance to the ~~minimum of 10% previous level~~ within three years.
- ~~Funds in excess of the targeted 10% fund balance may be considered to supplement "pay as you go" capital outlay expenditures, other non-recurring expenditures or as additions to fund balance. The City will balance moving towards the 15% targeted fund balance with its annual "Pay as you go" capital improvement requirements.~~

Committed Fund Balance

- Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of City Council. These committed fund balance amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. Committed fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance

- Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or designee, in accordance with Council adopted fund balance policy.

Restricted Fund Balance

- Restricted fund balance includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Non-Spendable Fund Balance

- Non-spendable Fund Balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.

Policy on the order of spending resources

- The City considers restricted fund balance to be spent when expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

Enterprise Funds***Water Fund***

- Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years. Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves. Total appropriations include operating expenses, debt service and transfers.
- A rate review will be conducted at least every two years.

Sewer Fund

- In accordance with the Virginia Department of Environmental Quality Special Order, the City shall annually adjust sewer system reserve funds to no more than 40% of the subsequent fiscal years’ budgeted operating expenses and debt service.
- Minimum ending fund balance shall not be less than 25% of total fund appropriations. In the event the ending fund balance falls below the minimum of 25% of total fund appropriations, the City shall restore the fund balance to the minimum of 25% within three years. Total appropriations include operating expenses, debt service and transfers.
- Ending fund balance in excess of 40% will be reallocated to “pay-as-you-go” capital outlay expenditures.
- A rate review will be conducted at least every two years.

Stormwater Fund

- Minimum ending fund balance shall not be less than 15% of total fund appropriations with a target balance of 20% of total fund appropriations. In the event the ending fund balance falls below the minimum of 15% of total fund appropriations, the City shall restore the fund balance to the minimum of 15% within three years. Total appropriations include operating expenses, debt service and transfers.
- Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves.
- A rate review will be conducted at least every two years.

Policy II - Debt Management**Tax-Supported Debt**

Tax-supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.

- The City will not use long-term debt to fund current operations.
- The City will not use short-term borrowing to fund current operations.
- Whenever the City finds it necessary to issue tax-supported bonds, the following policy will be adhered to:
 1. The City will never borrow more than it has the capacity to repay.
 2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
 3. Annual debt service expenditures for tax-supported debt should not exceed 10% of total General Fund Expenditures plus School Component Unit Expenditures minus the General Fund Transfer to Schools.
 4. Total tax-supported debt will not exceed 4.50% of the net assessed valuation of taxable property in the City of Lynchburg.
 - ~~5. Total tax-supported debt per capita should be maintained at a reasonable level.~~
 6. The 10-Year Principal Payout Ratio shall not be less than 60% at the end of each adopted five-year Capital Improvement Program for Tax-Supported General Obligation Indebtedness.

Revenue-Supported Debt

The Water, Sewer and Stormwater Funds may issue General Obligation or Revenue-Supported Debt.

Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water, sewer). These are not considered tax-supported debt of the City. Whenever the City finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported or general obligation bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported and general obligation bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed. For those revenue-supported bonds issued through the Virginia Revolving Loan Fund, annual debt service payments shall not exceed thirty years.
3. The Water, Sewer and Stormwater Funds, net revenues available for debt service shall not be less than 1.2 times annual debt service for each fiscal year. For the Sewer Fund, in accordance with the Virginia Department of Environmental Quality Special Order, net revenues shall not exceed 1.5 times annual debt service computed on a three-year rolling average. Net revenues available for debt service will be calculated as operating income, plus depreciation and amortization, plus interest income, plus governmental grants, plus miscellaneous income, plus capital contributions of others who jointly share in ownership of an infrastructure or facility, and plus any capitalized costs. Debt service will include all debt service paid by the respective fund; however, the principal portion of any bond anticipation notes or other short-term financing should be excluded.
4. In the event net revenues available for debt service falls below 1.2 times annual debt service of any fiscal year, the City shall restore the net revenues available for debt service to the minimum of 1.2 within three years.

Refinancing of Debt

- The City shall issue refunding bonds to achieve debt service savings, eliminate onerous covenants or provisions in outstanding bond documents, or to respond to a financial emergency.
- The City shall continually monitor its outstanding debt to identify instances where the City may achieve savings through an advance refunding or current refunding transaction.
- The City shall receive a written refunding analysis indicating the amount of net present value savings from its financial advisor prior to selling bonds to refund any outstanding bonds.

- A refunding transaction to achieve debt service savings should only be undertaken when the net present value of the savings, net of issuance costs, will be at least 3% of the principal amount of the refunded bonds. Refunding transactions for revenue bonds can be structured so that savings are realized over the life of the refunding bonds or up-front, depending on the results of a cost-benefit analysis.

General Debt Policies

- The City will maintain communication with bond rating agencies to keep them abreast of its financial condition and will provide them with information on a timely basis including the City's *Comprehensive Annual Financial Report*, *Annual Adopted Budget* and *Capital Improvement Program*.
- The City shall comply with all of its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure.
- The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.

Policy III - Budget

Principles

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

Policies

- City Council shall adopt a balanced budget in accordance with all legal requirements.
- A structured budget preparation and formulation process shall be used for all departments and agencies receiving funding from the City.
- Departmental budgets shall be managed within the total appropriated budget for each fiscal year.
- All operating budget appropriations shall lapse at the end of the fiscal year to the extent that they are not expended or encumbered.
- The budget shall be adopted by the favorable vote of a majority of members of City Council.
- The Vision and priorities established by City Council as well as the *Comprehensive Plan* will serve as the framework for the budget proposed by the City Manager.
- The fiscal year for the City is July 1 through June 30 as defined by the *City Code*, Section 18-1.
- One-time revenues shall be used for one-time expenditures only.
- A General Fund Reserve for Contingencies of \$1.2 million shall be used as a source of funding for unanticipated expenditures during the budget year. The Reserve for Contingencies is limited to one-time expenditures and shall not be considered a source for recurring financing.

Process

- The City Manager shall annually prepare a *Proposed Budget* for City Council review. The *Proposed Budget* shall serve as a financial plan for the upcoming fiscal year and shall contain the following information:
 1. A budget message that outlines the proposed revenue and expenditures for the upcoming fiscal year together with an explanation of any major changes from the previous fiscal year. The budget message should also include any proposals for major changes in financial policy.
 2. Charts indicating the major revenues and expenditures in each major fund (General, Water, Sewer, Stormwater, Airport) as well as changes in fund balance for all funds.
 3. Summaries of proposed expenditures by function, department and activity for all funds proposed to be expended in a fiscal year.
 4. A schedule of estimated requirements for the principal and interest of each bond issue.
 5. A three-year history of revenues and expenditures to include the prior year actual, current year adopted, revised and proposed budgets for each major fund.
 6. The proposed budget appropriation resolution, including the tax levy.
- The City Council shall hold a public hearing on the budget submitted by the City Manager and all interested citizens shall be given an opportunity to be heard on issues related to the proposed budget, including the *Capital Improvement Program*.
- Following the public hearing on the *Proposed Budget*, City Council may make adjustments. In instances where City Council increases the total proposed expenditures, it shall also identify a source of funding at least equal to the proposed expenditures.

Capital Improvement Program

- A five-year *Capital Improvement Program (CIP)* that serves as the basis for annual capital appropriations and debt financing requirements shall be prepared and updated annually.
- The *CIP* shall include descriptions, timeline, cost estimates, and a schedule of expected expenditures for each project.
- Debt service requirements and funding needs for schools and City government shall be determined based on the *Adopted CIP*.
- Long-term borrowing shall be confined to major capital improvements and equipment purchases.
- Short-term borrowing shall be limited to bond anticipation notes and equipment leasing, where feasible, with a life of less than 8 years.
- Capital project appropriations shall lapse upon project completion, allowing for an adequate warranty period. Lapsed appropriations shall remain in the Capital Fund for reallocation to other projects.
- Incremental operating costs associated with capital projects shall be funded in the operating budget after being identified and approved in the Capital Improvement Program.
- Pay-as-you-go funding, including State Highway Maintenance Funds, State Revenue Sharing Funds, State and federal grants, and other cash sources, shall not be less than 10%, with a goal of 15%, of the City's 5-Year CIP.

Quarterly Financial Reporting

The City Manager will present to the City Council's Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water, Sewer, Stormwater, Airport, Children's Services Act, Juvenile Detention, and Greater Lynchburg Transit Company Funds.

Third Quarter Review

In March, Budget staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible budget adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when a proposed amendment of the budget exceeds one percent of the total expenditures shown in the currently adopted budget.

First Quarter Review

In September, Budget staff will evaluate requests for the carry forward of funds remaining from prior year appropriations and other possible budget adjustments. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to City Council action when a proposed budget amendment exceeds one percent of the total expenditures shown in the currently adopted budget.

Policy IV - Investment

I. Policy Statement

It is the policy of The City of Lynchburg, Virginia ("the City") that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. The City shall be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council. See Appendix 1 for a Glossary of Investment Terms.

II. Scope

This policy applies to the investment of all the financial assets and funds held by the City. Specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds are located in Section X of this Policy. These Funds are accounted for in the City of Lynchburg's Comprehensive Annual Financial Report and include the General, Special Revenue, Capital Projects, and Proprietary Funds.

III. Objectives

Funds shall be invested in only those investments permitted by Federal, State and local law as it relates to public funds, as well as any contractual agreements entered into by the City.

All of the City's funds, regardless of term, shall be invested with the following objectives listed in the order of priority:

1. *Safety* - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will:
 - a. seek to avoid realizing any loss through the sale or disposal of an investment; and
 - b. seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
2. *Liquidity* - The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio in the following manner:
 - a. The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity;
 - b. A portion of City Funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and
 - c. The portfolio will consist largely of investments with active secondary markets.
3. *Yield* - The City's investment portfolio shall be designed with the objective of maximizing a fair rate of return consistent with the investment risk constraints and cash flow characteristics of the portfolio. The Investment Committee shall establish suitable benchmarks for the measurement of the portfolio's return.

IV. Delegation of Authority

Under the guidance of the Investment Committee, the City's Director of Financial Services is the official charged with collecting, safeguarding and disbursing City funds. In this capacity, and with consensus from the Investment Committee, the Director of Financial Services is responsible for establishing staff roles and responsibilities, considering the quality and capability of staff, selecting investment advisors and consultants involved in investment management, and developing and maintaining appropriate administrative procedures for the operation of the investment program. Examples of key staff roles and responsibilities include, but are not limited to, solicitation of investment offerings, placement of purchase and sell orders, confirmation of trades, and preparation of reports and other activities as required for the daily operations of the investment area. The Director of Financial Services is also charged with developing written standard Investment procedures and an asset allocation plan consistent with this policy. Such procedures shall be reviewed and approved by the Investment Committee. Subject to the approval of the Investment Committee and City Council, the Director of Financial Services may employ financial consultants on a contractual basis to assist in the development and implementation of investment procedures and policies, to monitor the effectiveness and continued compliance with such policies and procedures, and to provide guidance in investment matters.

V. Standards of Care

The standard of prudence to be used by investment personnel shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The "prudent person" standard states:

"Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The Director of Financial Services, and those delegated investment authority under this Policy, when acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. Ethics and Conflicts of Interest

Officers and employees of the City involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Office of the Clerk of Council any material interests in financial institutions with which they conduct business and any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees are required to abide by the provisions of the Virginia Conflict of Interests Act. The Act prohibits City officers and employees from seeking or accepting money or any other thing of value for the performance of their duties, using confidential information for their own benefit and having a personal interest in a company with which the City is doing business. "Officer" means any person appointed or elected to the City's government whether or not he/she receives compensation or other emolument of office. "Employee" means all persons employed by the City.

VII. Collateral and Safekeeping Arrangements

The City's investments shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by Virginia Code, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. The Code refers to counterparty as the issuer or seller of the security and any repurchase agreement provider. All securities purchased or sold will be transferred when possible only under "delivery vs. payment method" to ensure that funds or securities are not released until all criteria relating to the specific transaction are met.

VIII. Competitive Selection of Investment Instruments

It is desirable to select investments on a competitive basis when possible to ensure that the City receives the best price available on a particular investment and avoids paying excessive fees, mark-ups or other compensation to the provider. A list will be maintained of approved financial institutions and security broker/dealers selected by creditworthiness (*e.g.*, a minimum capital requirement of \$10,000,000 and at least five years of operations). These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions will supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the City of Lynchburg Investment Policy

Under the guidance and oversight of the Investment Committee, the Director of Financial Services shall adhere to the following procedures, with assistance from the City’s Investment Advisor where appropriate, when funds become available for investment to the extent practical:

1. The Director of Financial Services shall determine the class of investment and maturity range most appropriate for investment of the funds available, based upon the anticipated expenditure schedule of the City, the desired asset allocation of the City’s portfolio and the City’s Investment Plan.
2. Offers will be solicited for the selected investment from the list of pre-approved providers as noted above.
3. The Director of Financial Services will accept the offer (or bid, if the City is selling an investment) which provides the highest rate of return or which is otherwise deemed most suitable while complying with this Policy and any other criteria specified in the solicitation of offers.

The City shall retain a record of the offers received, the instruments chosen, and the rationale for making the decision.

From time to time, certain investment dealers may present the City with offers that are attractive for investment. Although the City should endeavor to verify (and document) that the price is “fair,” it may occasionally purchase such a security without a competitive process if the investment is for \$500,000 or less.

Additionally, a competitive process shall not be required for the investment of funds in money market funds, investment pools and overnight securities. However, it shall be the responsibility of the Director of Financial Services to be aware of the yields being offered by various highly liquid investments, and to invest the City’s overnight funds in the vehicle(s) which provide a competitive return to the City while complying with this policy and any other criteria established by the Investment Committee or City Council.

IX. Suitable and Authorized Investments – Without Exception, Only the Following Investments Are Suitable and Authorized

1. Treasury Securities

Bonds, Notes and Bills issued by the United States Treasury or certificates representing ownership of treasury bond principal or coupons.

2. Agency Securities (FHLB, FNMA, FFCB, FHLMC, GNMA)

Obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, maturing within five years of the date of purchase.

3. Prime Commercial Paper

Commercial Paper maturing within 270 days of the day of purchase rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody's and Standard & Poor's.

4. Certificates of Deposit

Certificates of Deposit maturing within one year and issued by domestic banks rated P-1 by Moody's and A-1 by Standard & Poor's.

5. Banker's Acceptances

Banker's Acceptances maturing within 180 days rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided the issuer is a major domestic bank or the domestic office of an international bank rated AA category or higher by Moody's and Standard & Poor's.

6. Commonwealth of Virginia and Virginia Local Government Obligations

General Obligations, Insured Obligations or Revenue Bonds secured by Debt Service Reserve Funds not subject to annual appropriation rated AA category or higher by Moody's or Standard & Poor's.

7. Repurchase Agreements

Repurchase Agreements collateralized by securities approved for investment herein, provided that the counterparty is rate A or better by Moody's and Standard & Poor's and the collateral is held by an independent third party. All Repurchase Agreements are purchased with a Master Repurchase Agreement in place with a third-party custodian.

8. Open-End Investment Funds

Open-end Investment Funds registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein.

9. Virginia Local Government Investment Pool

10. Virginia State Non-Arbitrage Program or Other Authorized Arbitrage Investment Management Programs

X. Suitable and Authorized Investments – Restricted Funds

Funds defined as sinking funds under the Virginia Code may be invested in items listed in Section IX.1 and IX.6 above, repurchase agreements collateralized by those investments, and in the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs.

XI. Internal Controls

Under the guidance of the Investment Committee, the Director of Financial Services will establish and maintain an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The Internal Audit Department shall add this Policy and related Procedures to their Audit Universe for audit consideration. The internal control structure will address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

XII. Reporting

Under the guidance of the Investment Committee, the Director of Financial Services will ensure that a Management Report will be prepared on a quarterly basis. The information from this Report may be derived from the Investment Advisor and/or the Safekeeping Agent, or both, where appropriate. This Report will include information that provides an analysis of the status of the current investment portfolio and whether investment activities during the reporting period have conformed to the investment policy herein. The Report will be presented to City Council for information and comment. To the extent practical, the report detail may include such items as the following:

- Listing of securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Average weighted yield to maturity of portfolio on investments compared to benchmarks
- Listing of investment by maturity type
- Percentage of the total portfolio which each type of investment represents

XIII. Diversification

The City will endeavor to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. Target asset allocation strategies shall be developed by the Investment Committee to provide guidance as to appropriate levels of diversification. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the City's total investment will be the obligations of a single financial institution.

XIV. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase.

Appendix 1: Glossary of Investment Terms

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GOMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization – The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life – The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point – A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield, e.g., “one-quarter” of 1 percent is equal to 25 basis points.

Bid – The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Call Price – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk – The risk to a bondholder that a bond may be redeemed prior to maturity.

Callable Bond – A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Cash Sale/Purchase – A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization – Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity – A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon Rate – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the “interest rate.”

Credit Quality – The measurement of the financial strength of a bond issuer to help an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) – A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) – A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount – The amount by which the par value of a security exceeds the price paid for the security.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate – Interest rate charged by one institution lending federal funds to the other.

Government Securities – An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market See “Treasury Bills, Notes, and Bonds.”

Interest Rate – See “Coupon Rate.”

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls – An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers -Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian – The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve – A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 – Federal legislation which sets the standards by which investment such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Liquidity – An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) – An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-Market – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk – The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value – Current market price of a security.

Maturity – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See “Weighted Average Maturity.”

Money Market Mutual Fund – Mutual funds that invest, solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers’ acceptances, repos and federal funds).

Mutual Fund – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund’s holdings, performance, management and general investment policy.
3. Have the fund’s investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund’s shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

Mutual Fund Statistical Services – Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund’s assets which includes securities, cash, and any accrued earnings, subtracting this from the fund’s liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund’s portfolio.
$$\frac{[(\text{Total assets}) - (\text{Liabilities})]}{(\text{Number of shares outstanding})}$$

No Load Fund – A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield – The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon,” “coupon rate,” or “interest rate.”

Offer – An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the “Ask price.”

Par – Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve – A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium – The amount by which the price paid for a security exceeds the security's par value.

Prime Rate – A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery – Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk – The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) – An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act – Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping – Holding of assets (e.g., securities) by a financial institution.

Serial Bond – A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap – Trading one asset for another.

Term Bond – Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return – The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. $(\text{Price Appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$.

Treasury Bills – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Bonds – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Treasury Notes – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

Uniform Net Capital Rule – SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility – A degree of fluctuation in the price and valuation of securities.

“Volatility Risk” Rating – A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bonds funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns (“AAA” by S&P; “V- 1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“CCC”- S&P, “V-10” by Fitch).

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) – A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

Yield – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield Curve – A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-Call (YTC) – The rate of return an investor earns on a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield-to-Maturity – The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

Zero-Coupon Securities – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **3**

CONSENT:
ACTION:

REGULAR:
INFORMATION: **X**

WORK SESSION: **X**

CLOSED SESSION:
(Confidential)

ITEM TITLE: R-1/Single-Household Development Discussion

KEY ELEMENTS:

X Economic Development **X** Excellent Government **X** Natural and Built Environment **X** Safe Community **X** Vibrant Community

RECOMMENDATION: Discuss R-1/Single-Household Development

SUMMARY: At the direction of City Council, staff has prepared background information on single-household development. Development associated with single-household detached dwellings has been described as “R-1” Development. The *Zoning Ordinance* characterizes R-1, Low Density Residential Districts as lots with a minimum of fifteen thousand (15,000) square feet and a minimum of one hundred (100) feet of frontage on a public street improved to City standards. The R-1, District allows single-household “detached” dwellings as a use permitted by right. “R-1” is typically used to describe development containing single-household detached dwellings yet, the *Zoning Ordinance* permits the use in a variety of zoning districts:

<u>District</u>	<u>Minimum Lot Size</u>	<u>Permitted</u>
R-C, Conservation	10 ac	Yes
R-1, Low Density	15,000 sf	Yes
R-2, Low-Medium Density	10,000 sf	Yes
R-3, Medium Density	4,000 sf	Yes
R-4, High Density	4,000 sf	Yes
B-1, Limited Business	6,000 sf	Yes
B-3, Community Business	6,000 sf	Yes
B-5, General Business	N/A	CUP ¹
IN-2, Institutional District	N/A	Yes

The City of Lynchburg contains approximately twenty-seven thousand three hundred and forty (23,340) acres of land. Of that area, thirteen thousand five hundred and twenty-four (13,534) acres are zoned R-1, Low Density Residential or R-2, Low-Medium Density Residential (49.47% of total land area). Of the land zoned for low density residential uses, three thousand fifty-one (3,051) acres could be considered vacant. This is land which is listed with an improvement value of less than \$6000. This does not include large parcels of land containing one dwelling, which could be further subdivided in the future. The remaining land area is limited by factors such as topography, flood plains, availability to water / sewer infrastructure and access.

In comparison to the surrounding counties, the City of Lynchburg has a much smaller land area:

Land Area by Locality

<u>County</u>	<u>Area</u>
Amherst	307,000 ac
Bedford	313,289 ac
Campbell	277,979 ac
City of Lynchburg	23,340 ac

¹ Conditional Use Permit

When considering the smaller size of the City of Lynchburg when compared to the surrounding counties, the number of single-house dwellings being constructed is proportional:

New Single-Household Dwellings by Locality

<u>Year</u>	<u>City of Lynchburg</u>	<u>Amherst</u>	<u>Bedford²</u>	<u>Campbell</u>
2015	47	50	----	86
2016	45	66	230	73
2017	49	85	228	77
2018	41	87	193	88
2019	48	64	83	111

The City of Lynchburg has higher development standards than that of the surrounding counties for new residential subdivisions. Curb & Gutter, sidewalk, wider street widths, water/sewer infrastructure and street trees result in infrastructure costs of approximately \$511 per linear foot. Infrastructure costs combined with high raw land costs of approximately \$24,000 per acre, combined with market conditions results in costs exceeding that which is required in the surrounding counties.

The City has policies in place to offset these costs. The City's *Subdivision Ordinance* provides that the City will extend water/sewer infrastructure to the subdivision boundary line based upon the ratio of one (1) unit per one hundred (100) feet of line extension. The City pays 100% of this cost. The City *Subdivision Ordinance* also provides that the City will cost share the installation of curb, gutter and sidewalk at the rate of (50/50).

The City has periodically amended its *Zoning Ordinance* to encourage single-household development by addressing perceived barriers. The most notable changes occurred in 2016 with the *Zoning Ordinance* rewrite. These changes included setbacks based upon the "Neighborhood Norm" to encourage infill development and the allowance of "Residential Clustering" to reduce infrastructure costs and preserve open space.

PRIOR ACTION(S): N/A

FISCAL IMPACT: There is no immediate fiscal impact for this agenda item. However, there are costs associated with infrastructure extensions related to these issues.

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

ATTACHMENT(S):
Presentation Slides

REVIEWED BY: raw

155R

² Bedford's data is by fiscal year, while other localities are tracked by calendar year



Single-Household Development

Tom Martin, AICP

City Planner

Department of Community Development

City Council Work Session

December 10, 2019



Purpose and Outline

Purpose: Engage in a discussion with City Council on R-1 / Single-Household Development

Outline:

- 1. What is R-1 Development?**
- 2. Development Standards**
- 3. Historic Development Data**
- 4. Perceived Barriers**
- 5. Addressing Barriers**
- 6. Discussion**





What is R-1 Development?

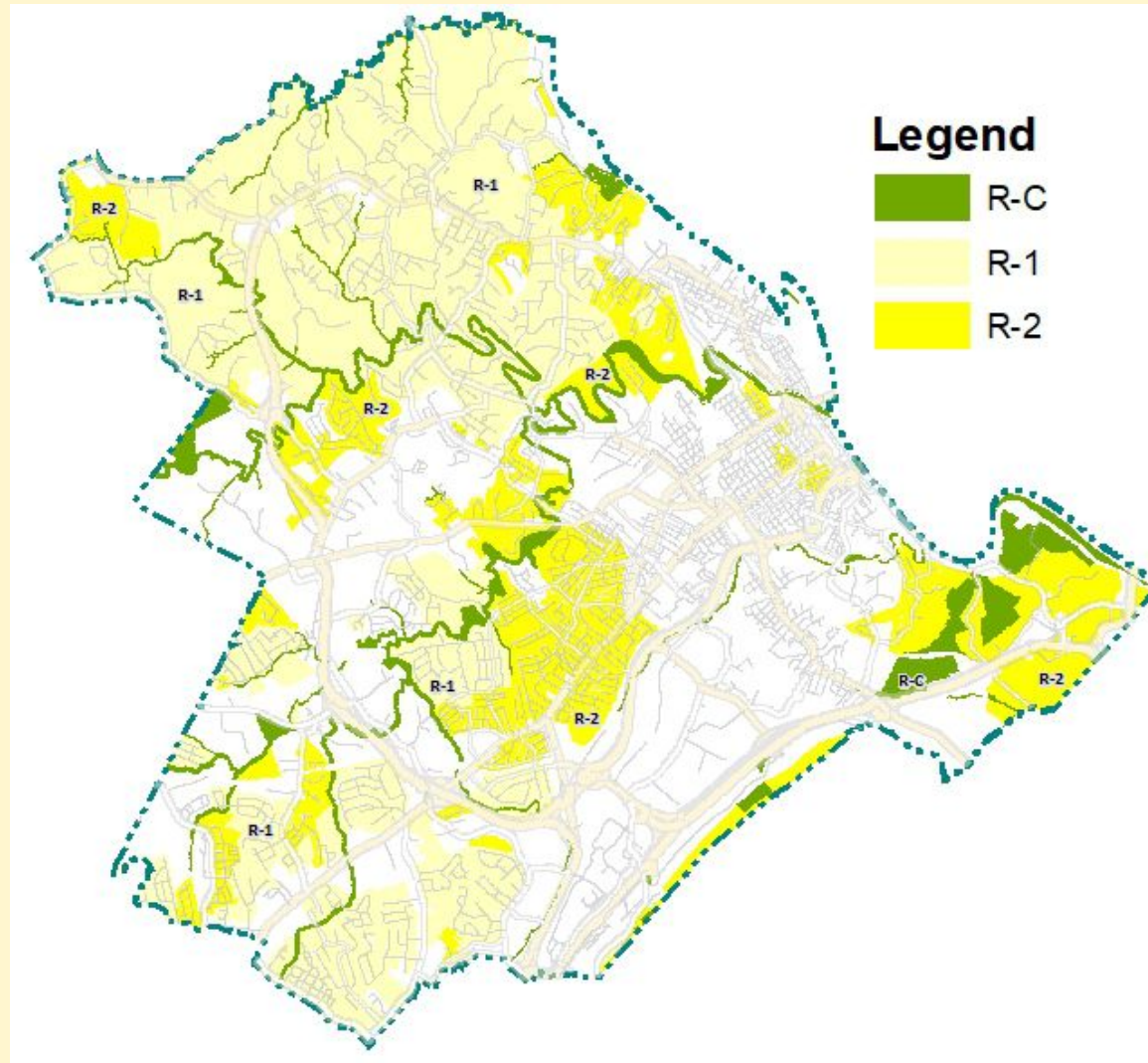
Zoning Ordinance, Article XI. Definitions

- **(92) Dwelling, detached:** A building containing only dwelling units surrounded by yards or other open area on the same zoning lot.
- **(97) Dwelling, single-household:** A building containing not more than one (1) dwelling unit and occupied by not more than one (1) household.





Where is it?





Development Standards

Lot Sizes

R-C, Conservation

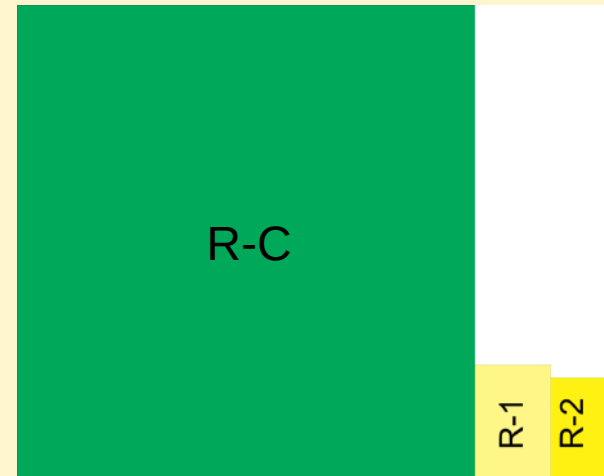
- 10 ac minimum lot size

R-1, Low Density Residential

- 15,000 sf minimum lot size
- 2.9 units per ac.

R-2, Low-Medium Density Residential

- 10,000 sf minimum lot size
- 4.35 units per ac.





Development Standards

Zoning Ordinance

Street Frontage

- Requires improved dedicated street to extend across entire frontage of new lots
- Street width requirements are 50' of R/W with 20' pavement



Development Standards

Subdivision Ordinance - 5 Lots or More

Sanitary Sewer/Public Water

- Subdivisions of 5 lots or more require connection to public sanitary sewer and public water where accessible
- Accessibility is determined by number of lots
- 100 feet of extension per lot





Development Standards

Subdivision Ordinance - 5 Lots or Less

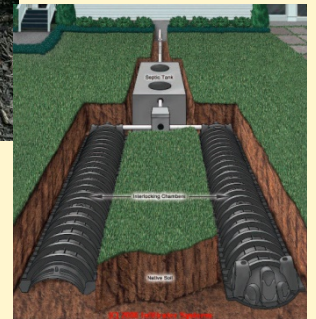
- Subdivisions of 5 lots or less may be served by private well or septic:
 - No new roads are required
 - Public water and sewer are not available
 - Lots served by only one of public water or sewer shall be 20,000 sf
 - Lots served by neither public water or sewer shall be 25,000 sf
 - Lots meet Health Department requirements



Development Standards

Subdivision Ordinance - 6 Lots or More - Well / Septic

- City Council may approved subdivisions of 6 lots or more without public water and sewer:
 - Public water and sewer are not available
 - Each lot must be 1 ac in size
 - Lots must have sufficient area for drain fields
 - Easements provided for future public / water sewer extension





Development Standards

Subdivision Ordinance

New Residential Streets

- Curb & Gutter required per City Manual of Specifications
- Sidewalks required on 1 side of all new residential streets and both sides if vehicle trips exceed 6000 per day
- Street trees required



Development Standards

City Manual of Specifications

- Street widths of 25 – 31' back of curb to back of curb

4/28/2017 - 1:55:21pm

CLASSIFICATION	PAVEMENT SECTION				(C) TOTAL WIDTH (MIN)	RIGHT-OF-WAY WIDTHS (FEET)				(CUL-DE-SACS (FEET))	
	RIDING SURFACE ①	BASE ②	AGGREGATE BASE (SEE NOTE 1) ③	SUB BASE ④		(A) BACK OF CURB TO BACK OF CURB (MINIMUM)	(B) BACK OF CURB TO FRONT OF SIDEWALK (MINIMUM)	SIDEWALK WIDTH (MINIMUM)	BEHIND SIDEWALK (MAX)	ROW RADIUS	BACK OF CURB RADIUS
RESIDENTIAL ADT < 401	2" SM 12.5A	N/A	6" NO. 21 or 21A	N/A	VARIES	25	5	VARIES	2'6"	60	50
RESIDENTIAL ADT > 401	2" SM 12.5A	N/A	6" NO. 21 or 21A	N/A	VARIES	31	3'6"	VARIES	1	60	50
COLLECTOR	2" 12.5D	4" BM 25.0	6" NO. 21 or 21A	N/A	VARIES	31	3'6"	VARIES	6	60	50
INDUSTRIAL	2" IM 19.0A	5" BM 25.1	6" CEMENT TREATED STABILIZED AGGREGATE BASE	4" NO.21 or 21A	VARIES	31	3'6"	VARIES	1	70	60

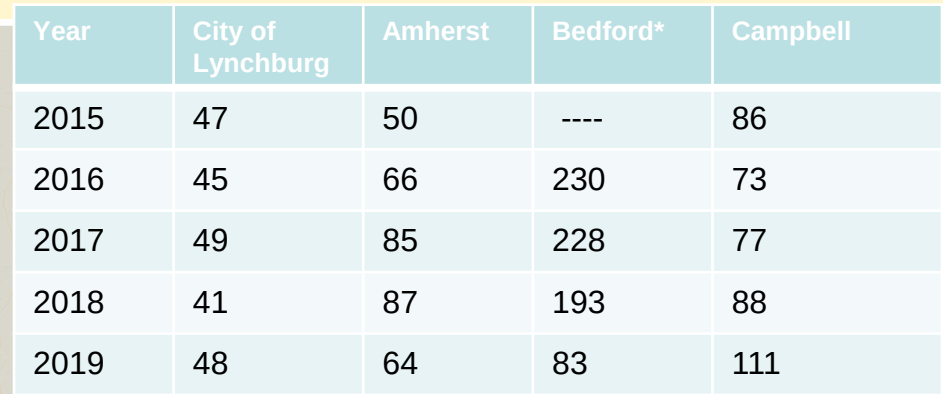
NOTES:

- FOR ALL STREET CLASSIFICATIONS:
AGGREGATE BASE SHALL BE SEALED WITH LIQUID BITUMINOUS MATERIAL CRS-2 AT THE RATE OF 0.3 GALLONS PER SQUARE YARD AND COVERED WITH No. 78 STONE AT THE RATE OF 15 POUNDS PER SQUARE YARD. THIS IS NOT REQUIRED IF BASE ASPHALT OF 4" OR GREATER IS INSTALLED.
- THE DESIGN DEPTHS SHOWN ABOVE ARE MINIMUM REQUIREMENTS. ACTUAL DEPTHS SHALL BE DETERMINED THROUGH CBR TESTING AND ANALYSIS.



Development Standards





* Bedford Data is per Fiscal Year

3,051 ac Vacant Land Zoned
R-1 / R-2



Perceived Barriers

- **Land Cost – Average Vacant Residential Land Sale of \$23,980 per acre (Assessors Data, Average Vacant Residential Sales 2016-2019)**
- **Infrastructure Costs – (Based on City's Annual Contract Price)**
 - Curb & Gutter - \$120**
 - Road Pavement - \$120**
 - Sidewalk - \$70**
 - Water - \$60**
 - Sewer - \$110**
 - Street Trees - \$1.25**
 - Total = \$511.25 per foot**
- **\$33,832 per 15,000 sf lot with 100' Road Frontage (land + infrastructure cost)**



Perceived Barriers

- **Topography**
- **Flood Plains**
- **Landlocked Parcels**
- **Water/sewer Availability**
- **Stormwater Management**
- **Land Availability**
- **Market Conditions**



Addressing Barriers

Subdivision Ordinance

Sanitary Sewer/Public Water

- City funds 100% of cost of extending water and sewer to subdivision boundary based upon economic feasibility:

Feet of water/sewer line construction	Required number of lots
5,000	50
3,000	30
1,000	10
500	5



Addressing Barriers

Subdivision Ordinance

Curb, Gutter & Sidewalk

- City costs shares curb, gutter & sidewalk 50/50.

Allows for flag lots with 50' of frontage if only feasible way to develop a parcel



Addressing Barriers

Zoning Ordinance

Lots existing as of July 11, 2011 may provide access on dedicated improved street extending a minimum of 25' past driveway entrance.

Lots existing prior to September 12, 1989 may be accessed by perpetual unobstructed easement at least 30' in width

Allows reduction in setbacks and lot sizes to encourage infill development (Neighborhood Norms) – February 2016





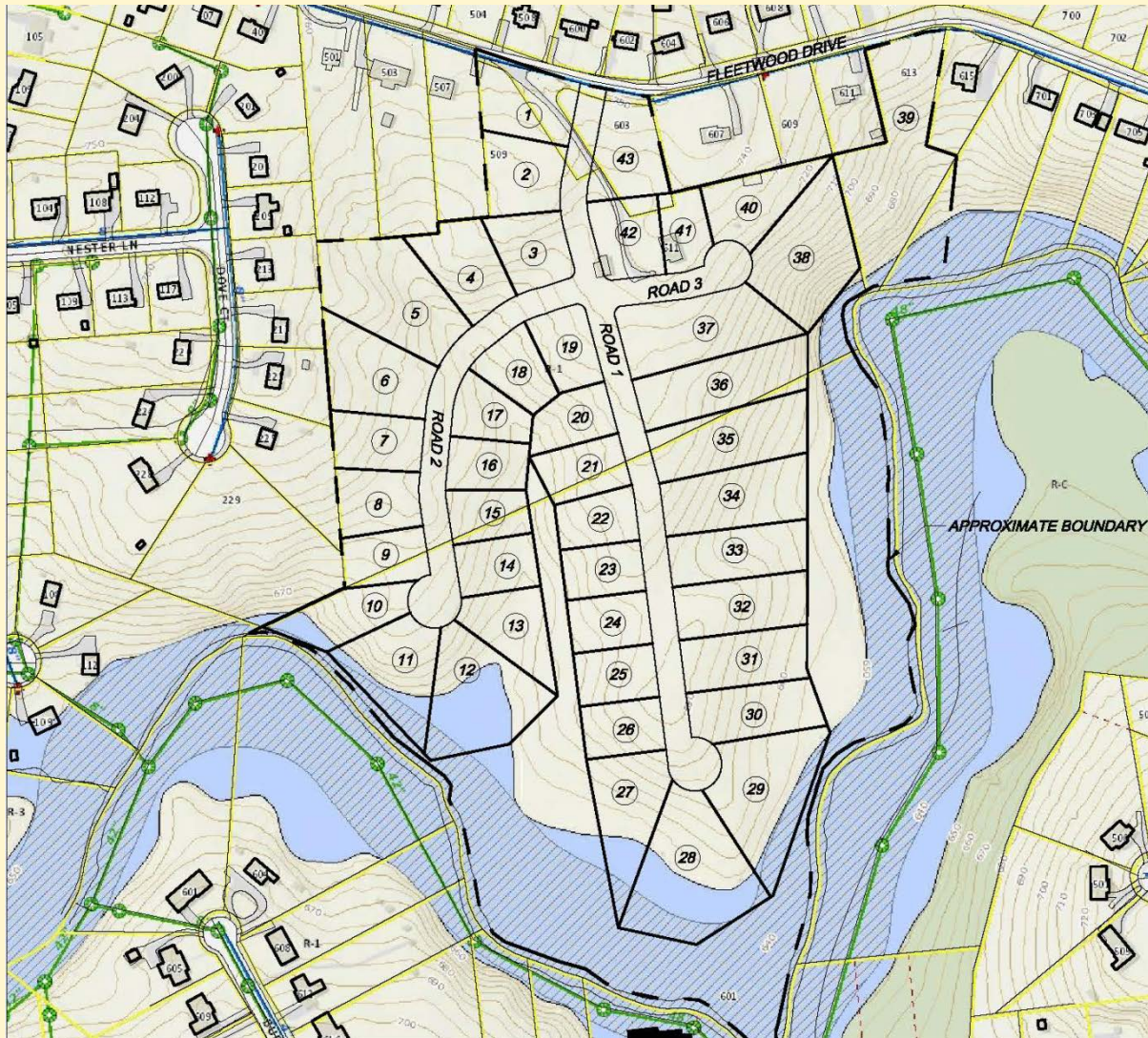
Addressing Barriers

Zoning Ordinance – Residential Cluster Subdivision

- **Allows up to 50% reduction in required lot size and setbacks to create residential cluster**
- **Allows density of underlying zoning district.**
- **Undeveloped land preserved in open space.**
- **Reduces infrastructure costs by shorter, water, sewer & road construction**
- **Adopted February 23, 2016**



Addressing Barriers

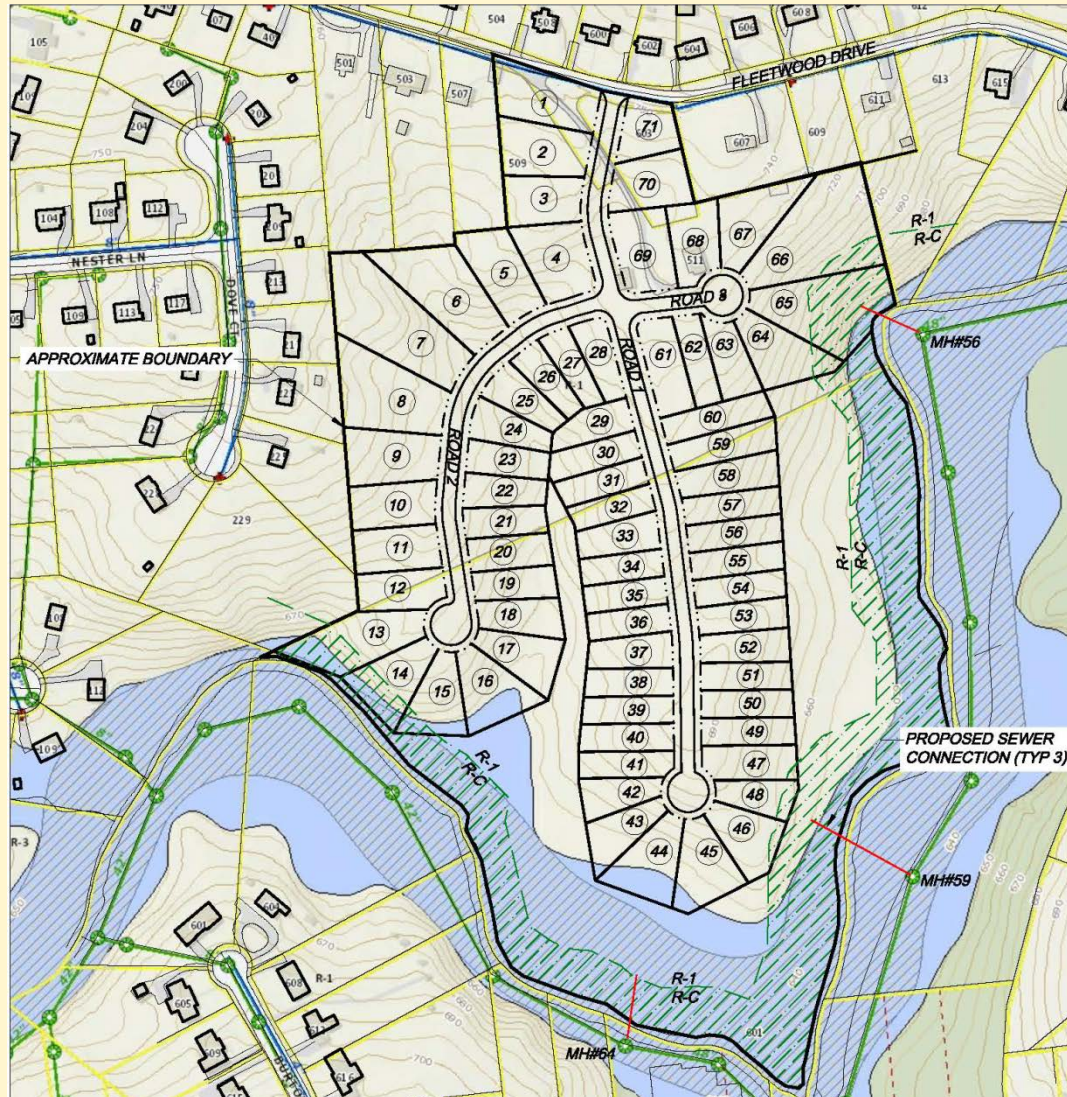


R-1 Subdivision

- 31 ac
- 43 Lots



Addressing Barriers



R-1 Residential Cluster Subdivision

- 31 ac
- 71 lots
- 30% open space



Comprehensive Plan

Vision & Guiding Principles (p.6)

Growth & Land Use

The City's boundaries are unlikely to expand in the foreseeable future, which means that new residential, commercial and industrial growth must occur through infill development of vacant land or redevelopment. To accommodate long-term growth, efficiently provide utilities and other facilities, provide for the diverse housing needs of families, students and older residents and achieve the other goals of this Plan, the City will provide opportunities for greater densities in areas where they can be compatibly integrated with existing neighborhoods.



Council Discussion

Discussion

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **4**

CONSENT:

REGULAR:

WORK SESSION: **X**

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: City Council Compensation

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☐ Vibrant Community

RECOMMENDATION: If so desired, adopt the revised ordinance regarding Council salaries and/or Resolution regarding fringe benefits.

SUMMARY: Section 15.2-1414.6 of the *Code of Virginia* (copy attached) states that no increase in the salary of a member of Council shall take effect until July 1 after the next regularly scheduled general election of council members. The *Code* further states that every proposed increase in the salary of members of council shall be adopted at least four months prior to the date of the next municipal election except in the case of a newly consolidated city when the proposed increase shall be adopted at least two months prior to the date of its municipal election.

According to the *Code of Virginia* cities within the 75,000 to 174,999 population bracket shall be allowed to set salaries for mayors, which include presidents of council and council members not to exceed \$25,000 for the Mayor and \$23,000 for Council. The attached "Mayor/Council Member Salaries Comparative Chart" offers comparative information from other cities in the Commonwealth.

It is not clear whether non-salary related or fringe benefits fall within Section 15.2-1414.6 of the *Code of Virginia*. In consultation with the City Attorney and in the spirit of transparency, staff recommends that Council consider any compensation be considered within the *Code of Virginia* language noted above.

If Council were to add fringe benefits to their compensation, the following rates would apply: Group Life Insurance – 1.34% of salary; Medical Insurance (employee only) - \$7,560; Dental Insurance (employee only) - \$336; Vision (employee only) - \$49; Virginia Retirement System –19.66% City contribution; Virginia Local Disability Program - .83%.

With a municipal election on May 5, 2020 Council would need to take action on a proposed increase prior to January 1, 2020.

Council salaries are set forth in the *City Code*. Accordingly, a change to the salaries would require a *Code* amendment. An excerpt of the *City Code* is attached along with a draft ordinance with blanks to fill in an amount that Council might choose. A resolution providing the members of City Council with benefits is also attached.

PRIOR ACTION(S): On December 11, 2007 City Council voted to increase the salary of the Mayor from \$10,000 to \$12,000 per year and increase the salary of Council members from \$8,000 to \$10,000 per year. While City Council has considered increased compensation since 2011, no action has been taken.

BUDGET IMPACT: To be determined based on Council discussion. Any additional funding would be budgeted in the *FY 2021 Proposed Operating Budget*.

CONTACT(S): Bonnie Svrcek, City Manager, 455-3990

ATTACHMENT(S): *Code of Virginia* § 15.2-1414-6 Permitted salaries; salary increases; reimbursement for expenses; Mayor/Council Member Salaries Comparative Chart; *City Code* Draft Ordinance Regarding Council Salaries; Resolution Regarding Benefits

REVIEWED BY: bms

§ 15.2-1414.6. Permitted salaries; salary increases; reimbursement for expenses.

Subject to the exception provided for in § [15.2-1414.5](#), the annual salary of each member of the council of any city shall be set by its members by ordinance notwithstanding any contrary provision of law, general or special. The setting of such salaries by members of council shall include the salary of the mayor or president of the council whether such official is a member of council or not.

Cities within the following population brackets shall be allowed to set salaries for mayors, which include presidents of council, and council members not to exceed the following:

a	Population	Annual Salary
b	260,000 and over	
c	Mayor	\$30,000
d	Council	28,000
e	175,000 to 259,999	
f	Mayor	27,000
g	Council	25,000
h	75,000 to 174,999	
i	Mayor	25,000
j	Council	23,000
k	35,000 to 74,999	
l	Mayor	20,000
m	Council	18,000
n	20,000 to 34,999	
o	Mayor	13,000
p	Council	12,000
q	15,000 to 19,999	
r	Mayor	12,000
s	Council	11,500
t	14,999 and under	
u	Mayor	11,500
v	Council	11,000

No increase in the salary of a member of council shall take effect until July 1 after the next regularly scheduled general election of council members.

Every proposed increase in the salary of a member of council shall be adopted at least four months prior to the date of the next municipal election except in the case of a newly created

consolidated city when the proposed increase shall be adopted at least two months prior to the date of its first municipal election.

Any member of council shall be eligible to be reimbursed for any personal expenses incurred by him for official business. However, all claims for reimbursement shall be for reasonable expenses to the extent permitted by law incurred in the conduct of official city business and shall be itemized and documented by stamped paid receipts to the extent feasible.

In addition to salary, each member of the council of any city may be compensated with such benefits as are provided city employees by the city.

1981, c. 358, § 14.1-47.2; 1982, c. 125; 1985, c. 111; 1986, cc. 111, 312; 1988, c. 213; 1996, c. [263](#); 1997, c. [592](#); 1998, c. [872](#).

**Mayor/Council Member Salaries Comparative Chart
December 2019**

Locality	Population (July 1, 2018 Estimate)*	Mayor (Annual Salary)	Council Members (Annual Salary)	Benefits
Lynchburg	81,339	\$12,000	\$10,000	Conferences, Training, Travel reimbursement
Charlottesville	49,281	\$20,000	\$18,000	Health, dental, vision at the employee rate, 457 plan and gym discount
Danville	40,590	\$12,000	\$10,000	Travel reimbursement
Hampton	135,629	\$25,000	\$23,000	Health care but they do pay whatever an employee pays, \$1,000 a year (can roll over)
Harrisonburg	54,606	\$14,400	\$12,000	Travel reimbursement
Hopewell	22,767	\$13,000	\$12,000	Conferences and trainings are paid and they may participate in health care
Lexington	7,362	\$4,800	\$3,600	Travel reimbursement
Martinsville	13,119	\$6,660	\$5,460	Conferences and trainings are paid
Newport News	181,119	\$27,000	\$25,000	Health care coverage if they choose, VRS (since 2010) and conferences and trainings are paid
Norfolk	245,741	\$27,000	\$25,000	Health and dental coverage at the employee rate; Norfolk has a pension plan (so subject to that ordinance) conferences and trainings are paid
Petersburg	31,746	\$8,500	\$6,500	Health care coverage if they choose and conferences and trainings are paid
Portsmouth	94,953	\$25,000	\$23,000	Conferences and trainings are paid; they are eligible for the same benefits as all other City employees
Richmond	226,919	N/A	N/A	N/A
Staunton	24,972	\$11,000	\$10,000	Health and dental coverage at employee rates; conferences and trainings are paid
Williamsburg	15,183	\$9,600	\$7,200	Conferences and trainings are paid
Winchester	28,282	\$10,800	\$9,000	Conferences and trainings are paid and they may participate in health care and flex pay

*Published on January 28, 2019 by the Weldon Cooper Center for Public Service Demographics Research Group

N/A – Not Available

DRAFT ORDINANCE:

AN ORDINANCE TO AMEND AND REENACT SECTION 2-16.1 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, THE AMENDED SECTION RELATING TO THE SALARIES OF THE MEMBERS OF COUNCIL.

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

1. That Section 2-16.1 of the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted as follows:

Sec. 2-16.1. Salaries of members of council.

Present members of council shall be paid their current salary until the first of July 2020, thereafter the salary of each member of council shall be ~~\$10,000~~ _____ per annum, except that member who shall be elected mayor, whose salary shall be ~~\$12,000~~ _____ per annum, payable out of the treasury of the City of Lynchburg in bi-weekly installments.

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

Adopted:

Certified: _____
Clerk of Council

RESOLUTION

BE IT RESOLVED by the Lynchburg City Council that pursuant to the authority granted to Council by Section 15.2-1414.6 of the Virginia Code, beginning on July 1, 2020, the members of City Council are hereby compensated with the following benefits _____.

Adopted:

Certified: _____
Clerk of Council

Minutes of Council Retreat of 11/7/19:

Members Present: Mayor Treney Tweedy, Vice Mayor Mary Jane Dolan, Councilmember Beau Wright, Councilmember Sterling Wilder, Councilmember Jeff Helgeson, Councilmember Turner Perrow, Councilmember Randy Nelson, Deputy City Manager Reid Wodicka, Assistant City Manager John Hughes, Robin Craig, Donna Witt, Joann Martin, Jenny Jones, Kent White and Marjette Upshur. Retreat began at 9:00 a.m.

Ms. Svrcek summarized the agenda and Dr. Reid Wodicka indicated that the changes they made from the September 24, 2019 retreat are in red on the Lynchburg Plan. Councilmember Perrow noticed some items in it that he did not remember and Dr. Wodicka indicated they are definitions. Dr. Wodicka went over the corrections made from the last retreat.

There was discussion and consensus on each of the changes in the document. Only comments that would require a change to the document or clarification by a staff member are noted.

Can we change the term Smart City because he did not know if it is copyrighted (Perrow)? Smart City is sort of a catchall (Wright). It may be a name that is known now but it may not be known in a few years (Perrow). What about forward thinking strategies (Svrcek)?

Regarding establishing a financial plan for the trail system, it can have a couple of connotations. He does not want to be bound to it every year in the budget (Nelson). The idea was just to create a plan (Jones and Wodicka).

He is not sure if it belongs in goal 2 but he would like to say somewhere that the City is engaged in sound environmental practices but he is not sure exactly what that language looks like. He thinks it is important that they acknowledge climate change (Wright). We need to acknowledge what we can actually do as citizens (Helgeson). We need to recognize there is a trend and we need to find a way to mitigate the effects (Wodicka). For example, we could retrofit City windows. I am talking about basic things the City can do (Wright). There are different opportunities to implement good practices and it is not just due to climate change. It is due to smart development, energy efficiency and a clean environment (Tweedy). We have already done these types of things such as green roofs and we are acknowledging the opportunities (Svrcek).

Does it shift the responsibility to a different department when you talk about the Center for Urban Design (Helgeson)? It means operational structure and coordinated efforts (Svrcek and Wilder). We are a big organization and the intent is to bring in different perspectives from different departments (Wodicka). I think that is smart and a way to get a compounding effect from a project. It needs to be done at the early stage of a project and be very deliberate. He does not want it to just sit there or be an impediment to getting something done (Perrow). We are trying to formalize and think through projects and take advantage of all the available resources (Wodicka). We want to make sure we have the right people at the table and it will also help with succession planning (Svrcek). Creekside Trail is a great example because we brought people from different departments together. They are concerned with bureaucracy and this seems to transcend it (Wodicka). We need to look at a project and all its moving

parts. Will there be a new protocol because he does not want them to be less nimble referring to what was said at the joint meeting with the Airport Commission (Nelson)? It has been his experience that it has not made them less nimble and they have been able to be more thoughtful and bring projects to Council sooner (Wodicka). The timing of bringing the stakeholders together is key. On a suggestion from Councilmember Perrow, they were able to pivot quickly using the stakeholders from the Dearington master plan team and figured out how we might find a funding source (White). In answer to a question from Councilmember Perrow, the team is dynamic and the people change (Wodicka). He thinks that is wise and they just need to be careful how they grow it (Perrow).

He would like to see some kind of map that shows real estate values in the City. He would like to see where the changing values in the City are occurring so we can see where we should be investing infrastructure dollars (Perrow). It would be interesting from an economic perspective (Tweedy).

We should add something to the goal about increasing partnerships if it makes sense. We do not want to just increase partnerships in and of themselves (Wright). As appropriate (Svrcek).

Suggest the Healthy Eating Active Living (HEAL) make a presentation to Council quarterly (Jones). I would think as the need arises would be appropriate rather than making a quarterly presentation. We do not even meet with the Planning Commission or School Board quarterly (Helgeson). The idea is to use their in an advisory capacity and come to Council when they have a recommendation (Svrcek). Are there other localities that have a board or commission like this (Tweedy)? We would have to take a look at that (Svrcek). There are about 100 localities that have this designation (Jones).

There was discussion about increasing the numbers at neighborhood centers. If there are increasing numbers at the center, it shows a decline in employment (Perrow). They are an investment across demographics (Tweedy). We are trying to develop more programs to draw in more people (Jones). Maybe you should measure attendance in programs (Perrow). We have a lot of senior communities that use the centers for social interaction (Tweedy). He would like to see a financial management program that could help improve their situation (Perrow). She thinks partnering is already being done. Maybe we need to do some touring of centers so staff can present what they are doing (Tweedy). There will never be an end to what good the centers can do so we should focus on what we can do best and get the best bang for the buck (Helgeson). They do needs assessments and those help them figure out what programs they should offer (Jones). He attends neighborhood meetings at Tinbridge Hill and they are very educational (Wilder). Could we have a schedule of the meetings sent to Councilmembers (Tweedy)? He is glad to hear about that two centers have viable early childhood education programs and that the parents are involved (Nelson). It has evolved from a play group into more of an educational program (Tweedy). She is not sure why they decided to call it a play group because it is more like a preschool (Jones). She summarized how they do the advertising of the program for Council and was asked to send a copy of the schedule to the Housing Authority by Councilmember Perrow (Jones).

How does this document and the data from the Center for Urban Analysis relate to Council (Helgeson)? He thinks it will allow them to bring Council better information and more robust analysis of conditions (Wodicka). Where does the data come from (Helgeson)? We already produce a tremendous amount of

data (Wodicka). We can provide data that already exists for better decision making (Svrcek). There is value in knowing data that is factual in nature and they can do something with it or not but hopefully it will help them make better informed decisions (Wodicka). She sees this as a good foundation and a good way to have a holistic look at our neighborhoods (Tweedy).

Regarding the community dialogue on the state of the family, a lot of our issues go back to social issues and perhaps a dialogue about families could be effective in sowing the seeds to strengthening families similar to the dialogue on race and racism. What gets measured gets managed (Svrcek).

There was a great deal of discussion about creating neighborhood statistical areas. Councilmember Helgeson was not sure they should be debating each part of this document because a retreat is supposed to be more about discussing the City as a whole.

In answer to a question from Councilmember Helgeson, not all the properties in disrepair are rental units and we need to look into the best practices of other localities and try to hold all property owners accountable (Wodicka).

With regard to the neighborhood coordinator program, he is concerned someone could abuse that position (Nelson).

6.8 feels a little vague to him (Wright).

He is not sure why the *Future Land Use Map* needs to be reviewed (Helgeson). The reason it is in there is because he asked for it last time (Wodicka). Staff conducts a five-year review and we are up for it soon (White). A review is good but he thinks it has gone the other direction and he would like to see neighborhoods protected (Helgeson). We have conflicting perspectives (Tweedy). No changes to the *Future Land Use Map* will happen without Council's approval (Svrcek). What is in here that protects current neighborhoods (Helgeson)? There is a goal regarding protecting the character of neighborhoods (Wodicka).

Councilmembers Helgeson and Wright did not get to report out at the last retreat on Priority 3.

We need to be able to retain employees and be the best employer in the area. An employee might not have a robust conversation with their supervisor during their tenure with the City (Wright). She thinks they have a gap and we have really ramped up their evaluation process (Svrcek). This seems more like a City Manager function than a City Council function (Helgeson). It is not the intention for Council to become involved in the day-to-day function of hiring employees but she cannot do a lot of this without Council's support. It is also not the intent of this document to dictate that Council needs to increase spending (Svrcek). The Lynchburg Plan is a roadmap and it does not mean that we have to take that path (Perrow).

He liked the Intended Community Outcomes in Goal 8. He is wondering if they are purchasing in the most efficient way they can. He asked for clarification on the fraud hotline (Wright). There is currently no way for employees or citizens to report fraud (Witt). We have internal audits on credit cards and payroll (Svrcek). As opposed to the fraud hotline, we could reinstate the internal audit (Helgeson). The

duties that were the functions of the internal audit department have been brought into her department (Witt). How do we measure who we do business with in terms of minorities, small businesses, women owned businesses and how do we know if we are being fair and equitable (Tweedy)? It is on our website and anyone can access that (Svrcek). He would like to see how they can improve the system (Wright). It is defined by the state procurement system and it would require policy setting. He mentioned the SWaM system (Perrow). She would like to see them being more intentional (Tweedy). He would like to see veterans added to the SWaM program (Perrow). Can they get data on that (Nelson)? It could be reported as a part of the budget document (Witt). Would the fraud hotline have whistle blowing protection (Nelson). Absolutely (Witt).

He thinks Goal 8 is the most important goal in this plan because we need to be focused on the long term viability of the City (Perrow). Our core mission should be to maximize property values. He thinks this is why he did not like this section because it fixated on the employees (Helgeson). You cannot take care of the citizens if you do not take care of the employees (Wright). There are municipalities across the country that have very few employees because they outsource services (Helgeson). We could privatize some services but need to protect our citizens from those companies increasing prices exorbitantly as happened in one of our neighboring counties (Tweedy). This document focuses on not privatizing (Helgeson). He does not think it does that. They just need to maximize their opportunities. Happy employees turn out great results (Wright). He thinks this is a very good definition of success on page 24 (Perrow).

The Schools Task Force subcommittees are listed on page 27 and their deliverables (Svrcek). They do not need Council's input on this section because it is working itself out, correct (Perrow)? Correct (Svrcek).

We will make the revisions, finalize the plan and bring a resolution to Council for it to adopt (Svrcek). Since there have been many differing opinions, he would like them to endorse the concept of a plan or the objectives, something a little softer so that it does not sound like a carte blanche approval of everything in the plan (Perrow). They would propose bringing a quarterly update to them (Svrcek). Is that burdensome (Wright)? She does not think so and it will be presented in a one-page summary using the red/yellow/green light system (Svrcek). This has been used in the Physical Development Committee effectively (Perrow). Suggested an update twice a year (Nelson). Received consensus (Svrcek).

The discussion moved to a discussion of the budget led by Donna Witt. Actual FY 2019 revenues were 2.3% more than budget (\$4.3 million). Actual FY 2019 expenditures were 95.2% of budget (\$185.6 million). Actual FY 2019 unassigned fund balance ratio is 15.4% (\$29.4 million). She went over several charts with them regarding projected revenues and she noted they are very preliminary numbers. They will be looked at again in January and March.

Councilmember Perrow asked if the number of people staying here is enough to drive the meals tax significantly and Ms. Witt did not think so. In answer to a question from Councilmember Nelson, they think the amount they will receive in Airbnb will be significant and that is why they increased the lodging

tax projection by over six percent. It was noted that staff is having a difficult time reaching Airbnb to work out the contract.

Ms. Witt covered some projected sources of revenue for FY 2021. Councilmember Helgeson would like to see how many rooms were occupied prior to this \$1 a night per room tax was implemented and Ms. Witt said she could bring that to Finance Committee. Councilmember Perrow had asked what the current interest rate was for their line of credit and it is 1.9 percent. He had also asked what our combined interest rate is for all our bonds and we are at 3.9 percent. He said that is fantastic.

Budget instructions for departments are to submit a budget that is equal to the current year or less. Departments also need to fill out a form and tell staff any necessities that cannot be funded within those parameters and the consequences of not funding that request (Svrcek). Ms. Svrcek covered the big issues and major expenditures for FY2021.

Councilmember Nelson asked if the transition from an airport to an authority could be funded with the surplus of airport revenues. Ms. Svrcek said she would have to look into that but she thought it could be done one time. There will be a reduction in the transfer to the general fund and it will take 12 to 18 months. Councilmember Nelson would like to see that approach explored as a possibility.

In answer to a question from Councilmember Perrow regarding staffing the police force, Ms. Svrcek noted that Council had said that it would authorize additional positions and the Chief is well aware of that. She is not planning on bringing it back to Council until they can fill all the slots already existing.

Councilmember Nelson asked when the schools audit would be available. Ms. Svrcek was not sure but would find out. In answer to a question from Councilmember Wright regarding their legal requirement regarding the schools return of fund balance, Ms. Svrcek said she will pull out the policy.

Dr. Wodicka presented them with the preliminary General Fund Capital Improvement Plan. Last year at this meeting, we projected a \$4.4 million deficit for capital projects in FY2021 with even more challenging years coming later. Significant restructuring of the CIP for FY 2020 budget is improving the outlook for out years (project timing, debt financing plan, inclusion of operating revenue used for one-time projects.) Annual revisions are still necessary but hopefully less dramatic.

FY2021-2025 total General Fund requests (including schools) total \$245.6 million. Cash flow: \$35.7 million in FY2021; \$25 million in FY2020. The largest project requiring cash flow is the Lakeside Drive Bridge project. This was anticipated when we restructured the CIP last year. Present FY2021 requests are \$1 million less than we anticipated during the last budget for FY2021. He covered the major requested changes to FY2021-2024 from the previously adopted plan. They are department requests and not recommendations. The Schools Task Force may potentially recommend other large projects for future years.

It is really too early to give precise statement as to what will actually be in the final recommendation. FY2021: \$7,136,008 in requests for pay-go, which includes some schools projects. Some may be funded

with return of fund balance request. As comparison FY2020 pay-go amount was \$4,984,908 (not including schools return of fund balance).

Dr. Wodicka concluded by indicating that we are getting a lot of meaningful projects done and staying in good financial condition. We continue to refine our capital improvement planning processes. We still have room for coordination improvements to help make the best recommendations. We need to continue annual review and revisions of the plan. We are refreshing the FY2020-FY2024 CIP to put the City in a more realistic position for the future.

Mayor Tweedy asked if anyone had any closing remarks. Councilmember Helgeson hoped they would be presenting a budget that would be lowering our tax rate and really help our economy grow.

The retreat was adjourned at 1:00 p.m.

November 12, 2019 City Council Work Session:

Members Present: Mayor (and Lynchburg Redevelopment & Housing Authority (LRHA) Board Member Treney Tweedy; Vice Mayor Mary Jane Dolan; Councilmember Beau Wright; Councilmember Sterling Wilder; Councilmember Jeff Helgeson; Councilmember (and LRHA Board Chair) Turner Perrow; Councilmember Randy Nelson; City Manager Bonnie Svrcek; Deputy City Manager Reid Wodicka; Assistant City Manager John Hughes; LRHA Board Member Hunsdon (H) Cary, III; LRHA Board Member John C. Farnandez; LRHA Board Member Sarah E. Ploch; LRHA Board Member Lauretta Spencer; Herschel Keller, Council for the LRHA; Dawn Fagan, Executive Director for the LRHA; Kent White; Director of Community Development, and members of the public. The meeting began at 4:00 p.m.

Agenda Item #1: Joint Meeting of City Council and the LRHA Board:

Mayor Tweedy thanked the members of the LRHA for coming today and for the service and the work they do. She mentioned that she thinks it has been at least twenty years since there has been a joint meeting with Council and the LRHA. Councilmember Perrow noted that twenty years ago the members of the LRHA were members of City Council. That was changed several years and Council retained two seats on the LRHA. The purpose of today's meeting is to review the City's plan and get feedback and input from the LRHA. Councilmember Perrow noted that Councilmembers are not housing experts and the LRHA, as well as City staff, has spent more time looking at housing and housing initiatives in the City.

Everyone on the LRHA was asked to introduce themselves and Mayor Tweedy acknowledged and thanked the members of the public in attendance.

We are here to follow up on a conversation that we had with Council on July 9, 2019 regarding affordable housing and the findings of research that was done by the City's Livable Lynchburg Collaborative and the Housing Collaborative. Council thought it would be appropriate to have a joint meeting with the LRHA. We are hoping by the end of the work session that we will have a vision statement that staff can craft some implementation and some operationalizing to create affordable housing in the City of Lynchburg (Svrcek).

There was a five-minute video to watch put together by the City's Department of Communications & Marketing, LTV, the Housing Collaborative and the Housing Authority that demonstrated some of the faces of people that are challenged with finding affordable housing.

Ms. Dawn Fagan, the Executive Director of the LRHA, gave a presentation. She explained that the LRHA is a political subdivision of the State of Virginia. LRHA is dedicated to the improvement of the quality of life for all Lynchburg citizens by being a leader in community development, revitalizing neighborhoods and facilitating economic growth and development. This is achieved by seeking and entering into partnerships with organizations and clients to achieve safe, decent and affordable housing with an emphasis on homeownership, maintained in a manner that fosters pride and dignity (Fagan). LRHA owns 328 units (\$1.3 million in operating subsidy). They are the Dearington Apartments, Birchwood Apartments, Langview Apartments and Brookside Apartments. LRHA also administers the Housing Choice Voucher Program (Section 8). They issue 979 vouchers for a total of \$3.9 million in budget

authority. It is a rental assistance program because LRHA pays of the portion of the rent to assure that participants pay 30 percent but no more than 40% of their monthly adjusted income for rent and utilities. There is another program called Permanent Supportive Housing (Housing First Lynchburg) that has \$225,000 in budget authority through a HUD Continuum of Care Grant. It is rental assistance for chronically homeless, disable persons. This also pays a portion of the rent to assure participants pay 30 percent but no more than 40 percent of their monthly adjusted income for rent and utilities.

There is another program called the State Rental Assistance Program (SRAP) with a \$188,000 budget authority. There are 20 vouchers for person with intellectual and developmental disabilities. Participants are referred to LRHA by the Virginia Department of Behavioral Health and Development Services.

Coordinated Homeless Intake Access (CHIA) is funded with CDBG funds and it pays for one full time person to coordinate all initial access to the Central Virginia Continuum of Care Homeless Response System. Persons homeless or at risk of homelessness contact CHIA to access shelters, referral to prevention services or other diversion options.

LRHA has a CDBG Rental Rehabilitation Program. The program encourages owners of substandard properties to make improvements to their rental properties. LRHA will pay 50 percent of the total cost of the improvements. The program has two tiers: Improvements up to \$10,000 will receive \$5,000 and require renting to a low-income family for one year. Improvements over \$10,001 will receive 50 percent of the expense and require renting to a low-income family for three years. The units are monitored for the respective affordability period to assure compliance. If the unit meets the requirement, the funds are not required to be repaid. If the unit does not the requirement, the funds are required to be repaid.

Mr. Kent White, the Director of Community Development outlined some of the programs administered by that department. In the last five years, Lynchburg leveraged over \$2.6 million in CDBG and HOME funds directly for housing investment. Mr. White explained that findings from multiple studies and plans resulted in the formation of the Housing Collaborative, zoning that allows housing "clustering" and expanded availability of federal grant City-wide.

He mentioned that real estate tax incentives can be used to upfit existing and build infill housing in neighborhoods. The real estate rehabilitation program is meant to improve the quality of real estate without increasing tax burden and keeps homes affordable. The qualifications are single-family homes that are at least 50 years old or multi-family housing that is at least 25 years old and the renovation needs to increase the value at least 40 percent for single-family homes or 60 percent for multi-family homes. The abatement of the net increase in value is 10 years for single-family homes and eight years for multi-family housing. Only 37 percent of the 265 real estate rehabilitation projects have occurred in neighborhoods with an average assessed value of \$150,000 or less.

Mr. White explained that every five years the department does a Consolidated Plan that includes housing goals. The purpose of the plan is to guide CDBG and HOME program funds to increase the number of owner-occupied housing units; rehabilitate substandard housing with the emphasis to be placed on programs that require an investment of funds and/or labor on the part of the owner

commensurate with the owner's resources; support initiatives to increase permanent affordable rental and housing ownership opportunities and to promote programs that assist eligible individuals in retaining their homes. Mr. White mentioned that Council will be looking at these goals in June 2020 and hopefully today's conversation will be a good foundation for that discussion.

Mr. White highlighted some of the partnership programs that have been developed recently. There is a partnership between LRHA and the City where owners of vacant buildings must register annually and pay a \$100 registration fee. 392 bills were sent out in 2018. 323 bills were sent out in 2019. Two percent of existing owners have repaired or are currently repairing their properties. 40 percent of the properties that were registered as vacant or were being monitored have changed ownership within the last year.

Ms. Fagan highlighted another partnership program between LRHA and the City called the Vacant Housing Revitalization & Rehabilitation (VHRR) (formerly known as Spot Blight). This is a rebranding of the Spot Blight program to illicit a positive vision by using blighted properties to create affordable housing opportunities by bringing them up to code and restoring habitability resulting in rental or homeownership options for low-income persons. They have worked with the City to identify registered vacant and/or condemned properties to determine potential properties. They then use a "best of the worst" and "worst of the worst" approach to provide results in two timeframes: a short turnaround time for units that can be easily rehabilitated and a longer turnaround time for units that need to be demolished and newly constructed. Ms. Fagan mentioned that they partnered with Habitat for Humanity and built a home at 70 Federal Street, which was sold to a disabled man.

Another partnership is with Rush Homes. LRHA provides seven project based vouchers for the Old Forest Village project completed in November 2018. LRHA and Rush Homes are pursuing a new project to develop 48 units that will serve 13 families with disabilities, five families with developmental disabilities and seven families who are homeless with disabilities and existing homelessness. The remaining 23 units will serve the low-income population. Miriam's House will provide case management services for these families.

Mr. White noted that there have been two housing studies recently, one presented by the Housing Collaborative to City Council in January 2019 and a best practices document was presented to Council in July 2019. Local data will lead us to local solutions. The vision and focus that Council and LRHA gives staff is so important toward pulling together all the resources. They are seeking out nontraditional assistance such as brownfields funding. There are potential planning grants that can be used to upfit properties. We have really incredible housing practitioners sitting in this room with a wealth of knowledge. Marrying that with the nontraditional approaches will help us create real workable solutions. Another key element is sustained communication and outreach.

Years ago when he was working with CDBG funding, the number one goal was home ownership. That has been a goal in the plan since 2004 and has this goal ever been addressed? Can we sell some of the apartments units as condos so we are not just constantly subsidizing rent (Helgeson)? These goals are tracked as we target our CDBG spending. Every year Council reviews and adopts an annual action plan.

The accomplishments are addressed in that plan every year. He can get them that data but there are certainly programs that have been encouraging home ownership (White).

There was a large home ownership that LRHA initiated around 2004. There was a number of home ownership houses that were made available that were financed through LRHA. It spent all its money initially and then it is through a 20-year loan period. There was no money in that program to reinvest until recently (Perrow). There have been three home ownership houses done recently (Fagan). The problem is the people they are targeting do not have the financial history to get a loan even with a payment that is significantly reduced by the HUD grant. (Perrow)

The data does exist and I think we can pull it together. There is a smattering of programs and there is data for all of them. (Keller) Before we do something different, we want to see if we have met the current goal. (Helgeson) If Council would like to see just a consolidation of the home ownership piece, staff can get that to them (Svrcek).

In answer to Councilmember Helgeson's question about making the apartments available for purchase, HUD is actually encouraging housing authorities to get out of the rental housing business. They are giving us several tools and there is an opportunity to do some public housing sales. We have started looking into all the options for doing that and it is a new term called Rental Assistance Demonstration (RAD). HUD will give LRHA back their properties and some could be converted to home ownership. We can continue to rent them and put Section 8 vouchers in them. HUD started with 60,000 units to be converted through the RAD program and they have since increased it to around 455,000 units. The Board has started discussing looking into these options and applying for them but first we have to figure out what works for Lynchburg (Fagan). We do have partners that are working on home ownership. LYNCAAG has a waiting list for its home ownership class. We still need to discuss affordable housing because we have some vulnerable populations in our City that may not be able to become homeowners but still need stable, secure housing choices (Tweedy).

It is going to be a very tough challenge to have residents live in the most suitable neighborhoods, so what can we do to make the neighborhoods where the housing choice vouchers are used the most more suitable (Perrow)? This is 2008 data and we have no reason to believe it is all that different than the study done in 2011. What we know through HUD's housing index is that access to the key support services (child care, recreational facilities, transportation and medical services) that go beyond housing is what makes home ownership and affordability successful for our community. One of the recommendations from the white paper was to see how these services break out across neighborhoods and which ones have access coupled with the programs that we have in place (White).

I had the distinct opportunity to lead the group that wrote the white paper for additional options for housing policy. City staff spent about four months earlier this year learning about leading practices in housing policy in cities and counties throughout the United States. There are successful programs in many cities that could potentially be tailored to Lynchburg. The white paper identified ten leading practices for effective housing programs in cities. It takes a prolonged, dedicated, concerted effort that is multi-pronged to ensure that housing affordability concerns are addressed appropriately within a

community. There has to be a dedicated set of champions to push for these issues to be addressed. Staff came up with nine final recommendations specifically for Lynchburg. The reason we are here today is to talk about the first two recommendations. They are probably the hardest and they are making sure that we have a clear and well-articulated vision for housing policy issues in our community and how housing is impacted and impacts income concerns, the strength of families and other community wealth building concerns. Staff would like them to get tapped down to a consistent, coherent vision for what housing policy looks like in Lynchburg. We also want to make sure that the right people are at the table, such as private lending institutions, market rate developers and our anchor institutions with our existing partners, to help us identify a path forward in our community. The larger group was divided into smaller groups to review a draft vision statement that was written by the housing collaborative. They would like input to see if it is hitting the goals they would have for housing policy. The groups were provided with some prompts to help them begin their discussion (Wodicka).

Habitat is a glaring omission from the white paper when partnerships are outlined starting on page 30 (Cary). He and Mr. White had noticed that just prior to the meeting and it was not intentional (Wodicka). Wanted to be sure they were recognized for their tremendous contribution (Cary).

The groups consisted of: Helgeson, Keller, Ploch and Tweedy
Cary, Wright, Nelson and Wilder
Dolan, Farnandez, Perrow and Spencer

After breaking into groups for approximately thirty minutes, the participants returned for a discussion. When you look at affordable, the problem is you are suppressing the value of real estate, which is totally the opposite of what they need to do as a Council. Another way to make it affordable is to have incomes increase through economic gain, development and employment (Helgeson). We talked about that we have vulnerable populations that may never increase their incomes, such as seniors and persons with disabilities and veterans. Maybe we create a tier focus for the most vulnerable and then work on increasing incomes for those that are hopefully in a temporary situation (Tweedy). Hopefully, one would be transitional and the other would be more long term because they have some true needs (Helgeson). Maybe instead of thinking of it as affordable housing, it is housing affordability and we need to think about that structure (Wodicka).

We mentioned creating the intentionality of focusing on populations and then the opportunity to draw down funding from other resources that we have not tapped into before. We need to learn what new programs are out there and what funds are available to help us affect our desired focus areas. If we talk about developing our existing units into mixed income developments, where are the families that are currently living there going to go? (Tweedy). It sounds like they are suggesting expanding opportunities where they exist by doing more innovative, modern things and creating intentionality of focus. Maybe the other part of the vision statement needs to have something about intentionally ensuring a broad audience that we are impacting (Wodicka).

If we look over the last 55 years of the great society, we have never solved anything. Everything has gotten worse. Eventually we have to say what can we do differently that can give people back their dignity recognizing that there are some that have some very difficult issues and we need to help.

Others, how can we help them transition out of there as soon as possible (Helgeson)? I think it is that continuum of service that changes over time depending on your circumstances and maybe a focus on home ownership (Wodicka). With our housing policies, do we do things that are actually the opposite? Ms. Fagan mentioned some five-bedroom units and if there are more than three unrelated people in these units, that is against the City's Zoning Ordinance. Another point is having tax abatement in certain areas to keep the prices down. Council could do that throughout the entire City and keep taxes down (Helgeson).

I suspect that if you look at minorities and women home ownership, it has probably gone up. As a whole, perhaps the trend is bad because we keep offering assistance and we keep having to offer more, but I do think we have reached some populations over the years that were not being reached (Ploch). There were policies and practices that were put in places and neighborhoods where home ownership was not an opportunity. We are seeing a generational issue in some cases with the areas with the most underserved as far as the housing stock or the development of housing. It takes more to get up to par or up to speed so we have to put an intentional focus on some things that were historically a part of how we got to this place (Tweedy). When a person moves out of the population that needs to be served, that does not necessarily mean home ownership. A person can be out on their own and working and able to afford their own place but they may want to rent. It is important to focus on that group that is able to transition out of the population that needs service (Ploch).

The City will affirmatively take steps to address affordable housing issues after rigorous analysis and community dialogue (Wright). Thinking about getting out into the community and understanding what those needs are and it is probably the City's role to do this work (Wodicka). There need to be a lot of partners in the effort. The City alone does not bear the responsibility (Wright). They tried to outline some actual, tangible things like perhaps reinvigorating the community loan fund and having fewer properties on the vacant property list, increasing the percentage of homes being rehabilitated in the less than \$150,000 range (from the current 37 percent) (Wright). It is important to say that is just one tool, so making sure that we are targeting where we can the programs where they are going to be most effective (Wodicka)? Reduce the VHRR properties (Cary). Increasing the investment in areas where it is likely to be most effective (Wodicka).

We talked about an increase in wraparound services for people that are challenged with affordable housing, even the direct development of more housing units, which has been proposed on Florida Avenue (Wright). Increased turnover in the housing programs (Cary). So the residents and helping people move along (Wodicka). Increase home ownership and make those educational programs like LYN-CAG has available to those developments and educate people (Cary).

We really picked out the words "vibrant neighborhoods and we paraphrased what it meant to them. It means quality housing that residents can afford. They simplified the vision statement and decided the last part of it was all technical. They put a period at the end of "advancement" and inserted the word "sustainable" after the word "vibrant." Partnership and leverage are important but are operational. Mrs. Spencer pointed out that success would be that residents have the ability to meet their monthly expenses and to work toward a home ownership goal, if they had one. How do we measure that

success? Is it median household income? He does not think they have an answer to that question right now but could be a question to the collaborative (Perrow).

We agreed that we have been working well together and have put a lot of things that were plans or programs in motion and we are on a path to success but have not achieved success (Perrow).

We have the opportunity here for students to graduate and go into college or training programs without debt and we could introduce them into the idea of owning a home. It has to be tied back to how people view their incomes and opportunities at an earlier age (Tweedy).

Raising taxes can be very harmful to someone that is living on a fixed income. It needs to be the big picture for Council not to make someone so house poor because they have to pay such high taxes (Helgeson). We need to think about a person's long term ability to stay housed in a sustainable and secure way (Wodicka). Have we looked at any of the national data that is available on young people today who are really not interested in home ownership (Dolan)? It was not a part of our white paper but is certainly an issue (Wodicka). This is an important point because millennials and Generation Xers are projected to do less well economically than the previous generation (Wright). Maybe we can add to the vision statement the continuum of the relationship and also ensuring that we have a variety of interests for a variety of different people (Wodicka).

Do we have all the stakeholders that we should have at the table (Dolan)? We had private developers, realtors, lending institutions, banks and employers that might want to invest in workforce housing, as well as The Salvation Army, Parkview Mission and other organizations that have a pulse on the community (Wright). Let's not expand because we have a waiting list so we think we automatically have to expand. Let's do what we do well and hopefully get more people transition out (Helgeson). We expressed concern about the size of the committee getting unwieldy. He is hesitant to see it growing it with permanent membership to so large that you cannot get anything done. We thought real estate, legal and finance professionals would have helpful skill sets and would actually be pretty key (Perrow). We talked about reducing the regulatory barriers to getting rid of vacant structures because if it is demolished there are certain setback requirements, etc. Reduce those barriers so we can get those areas improved like those downtown and surrounding downtown (Cary). When asked, developers say they want to build apartments because the profit margin is not there to do single-family homes (Wilder)? We are bringing a discussion regarding R-1 development and barriers to single-family development to City Council's December 10th meeting (Svrcek).

We will rewrite the vision statement based on the feedback received today and bring it back to Council (Wodicka). Thank you for your time and improving housing affordability in our City (Tweedy).

In the matter of Roll Call, Councilmember Wilder said he is excited to be a part of Mustaches for Kids. We are touching about four different nonprofits in Lynchburg. He is thankful to the other councilmembers participating and all others in the community willing to support this great effort. Councilmember Wright congratulated the NAACP on a really excellent annual dinner. The former Secretary of Homeland Security spoke and it was really outstanding. Councilmember Perrow said he is

not participating in Mustaches for Kids but will support Councilmember Wilder with a pledge. Councilmember Helgeson wished to acknowledge the veterans and their sacrifice, as yesterday was Veterans Day. Vice Mayor Dolan had no items. Mayor Tweedy had the following items: a. All residents of Lynchburg are encouraged to participate in the Census Count set for April 1, 2020. This effort is crucial to having an accurate representation of Lynchburg's citizens. Also of great importance is the availability of jobs through the census bureau. Primary open positions will be for census takers, but clerical positions and supervisory positions are also available. Visit the census website at 2020census.gov for more information and to apply for jobs or contact Assistant City Manager John Hughes. b. Tomorrow, November 13th at 4:00 will be the unveiling of the first installation of Art on the Fence. The works of five artists have been chosen to bring beauty to construction fences as the Main Street Renewal Project continues. Be one of the first to view this exciting community public art installation. c. The Council meeting for Tuesday, November 26, 2019 is canceled. The meeting was adjourned at 6:00 p.m. until 7:30 p.m.

// A regular meeting of the Council of the City of Lynchburg was held on the 12th day of November, 2019 at 7:30 p.m. in the Council Chamber, City Hall, Treney Tweedy, President, presiding. The following members were present:

Present:	Mary Jane Dolan, Jeff Helgeson, J. Randy Nelson, E. J. Turner Perrow, Sterling Wilder, Beau Wright, Treney Tweedy	7
----------	--	---

Absent:		0
---------	--	---

// Councilmember Wilder gave the Invocation, followed by the Pledge of Allegiance.

// In the matter of Recognitions, the Heritage High School Girls Track and Field State Championship Team was recognized and presented with certificates. Their head coach, Mr. Donald Alexander and assistant coach, Mr. Shawn Webb, were present. Other assistant coaches present were Mr. Ricky Calloway, Mr. Duane Morgan and Reverend Vincent Jones. Other assistant coaches not able to be present are Mr. Theodore McIvor and Ms. Staci Davis. The principal, Mr. Timothy Beatty and the Superintendent of Lynchburg City Schools, Dr. Crystal Edwards, were also present and recognized. The following girls were presented with a certificate: Skyler Anderson, Graysen Arnold, Tya Blake, Whitney Culpepper, Malaysia Davis,. Dekaila Dillard, Kayla Ford, Tayla Ford, Angela Garland, Tishae Garrett, Tatiyana Graham, Solana Hamlett, Alexis Hastings, Jaelynn Hawkins, Kaelynn Hawkins, Makayla James, Victoria Johnson, Makayla Jump, Jersey Kelso, Alexis Lacy, Joann Lindner, Latonia Morris, Lakira Moss, Peyton Naulty, Alaysia Oakes, Reagan Patterson, Alyssa Pinn, Amia Poe, Dezara Seward, Olivia Viar and Jailyn Yuille. Mayor Tweedy thanked the coaches and the parents for their commitment to the girls' athletic and academic accomplishments.

// In the matter of Recognitions, Mayor Tweedy recognized Nurse Practitioners Week to be November 10 – 16, 2019 and read a proclamation declaring it. Ms. Gabrielle Crawford, NP-C for CMG Surgical Specialists, and Ms. Sarah Waddell, NP-C for CMG Neurology Center Lynchburg were present to receive the proclamation.

// In the matter of Recognitions, Mayor Tweedy recognized the graduates of the Fall 2019 CO.STARTERS program. The following graduates were presented with certificates: Ms. Stacey Allen, Ms. Meia Booker, Ms. Kiera Hight, Ms. Chanae Skinner, Ms. Danielle Racke, Ms. Kristen Prosen and Tracey Langseth. Ms. Anna Bentson with

Economic Development noted that they have graduated almost 100 people since the inception of the program. She recognized Ms. Elise Spontarelli, Executive Director of Vector Space, who was the facilitator of this class.

// In the matter of Recognitions, Mayor Tweedy recognized Ms. Lynn Fox with a Distinguished Service Award. She worked for the City of Lynchburg's Parks & Recreation department for 43 years.

// In the matter of Recognitions, Mayor Tweedy recognized two members of the Mayor's Youth Council who are attending the meeting tonight, Annie and Virginia Townsend.

// Copies of the minutes of the October 22, 2019 meeting, Agenda Item #3, having been previously furnished Council, reading was dispensed with, and on motion of Councilmember Wilder, seconded by Councilmember Wright, by the following recorded vote, approved the minutes as presented.

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
-------	---	---

Noes:		0
-------	--	---

// In the matter of Budget, Agenda Item #4, Resolution #R-19-084, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 City/Federal/State Aid Fund Budget was amended and \$65,000 was appropriated for the Lynchburg Adult Drug Treatment Court award with resources from the Supreme Court of Virginia Drug Treatment Court Docket Grant. This grant is administered by the Supreme Court of Virginia.

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
-------	---	---

Noes:		0
-------	--	---

// In the matter of Budget, Agenda Item #5, Resolution #R-19-085, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 General Fund budget was amended and \$9,429 was appropriated with resources from the State Compensation Board, Technology Trust Fund fees to support information technology needs in the Office of the Circuit Court.

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
-------	---	---

Noes:		0
-------	--	---

// In the matter of Budget, Agenda Item #6, Resolution #R-19-086, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 City/Federal/State Aid Fund budget was amended and \$34,930 was appropriated with resources from the 2019 Edward Byrne Memorial Justice Assistance Grant (JAG) to purchase law enforcement equipment for the Lynchburg Police Department, Lynchburg Sheriff's Office and the Office of the Commonwealth's Attorney.

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
-------	---	---

Noes:		0
-------	--	---

// In the matter of Budget, Agenda Item #7, Resolution #R-19-087, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY2020 City/Federal State Aid Fund budget was amended and \$24,517 was appropriated with resources from the 2019 State Homeland Security Program (SHSP) Grant through the Virginia Department of Emergency Management (VDEM) to purchase law enforcement equipment for the Lynchburg Police Department.

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// In the matter of Budget, Agenda Item #8, Resolution #R-19-088, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 City/Federal/State Aid Fund budget was amended and \$42,612 was appropriated with resources of \$21,306 from the Bulletproof Vest Partnership 2019 Grant Program and \$21,306 transferred from the FY 2020 General Fund Police Department (\$18,506) and Sheriff's Office (\$2,800) budgets to purchase replacement bulletproof vests for law enforcement officers.

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// In the matter of Budget, Agenda Item #9, Resolution #R-19-089, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 City/Federal/State Aid Fund budget was amended and \$91,750 was appropriated with resources from the 2019 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS) to fund equipment and training for the Fire Department Technical Rescue Team.

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// In the matter of Budget, Agenda Item #10, Resolution #R-19-090, laid over from the October 22, 2019 meeting, was again presented and read, on motion of Councilmember Wilder and seconded by Councilmember Wright, the FY 2020 City/Federal/State Aid Fund budget was amended and \$76,000 was appropriated with resources from the 2019 State Homeland Security Program (SHSP) grant from U.S. Department of Homeland Security (DHS) to fund water rescue equipment and training for the Fire Department Technical Rescue Team.

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// In the matter of Community Development – Conditional Use Permits, Agenda Item #11, a public hearing was held regarding the Petition of Appalachian Power Company for a Conditional Use Permit at the following locations: 4708 Richmond Highway (zoned B-3, Community Business District), 111 Holcomb Path Road (zoned B-3, Community Business District, and B-3C, Community Business District [Conditional]), 203 Holcomb Path Road (zoned R-2, Low-Medium Density Residential District and R-C, Conservation District), 127 Aultice Lane (zoned R-2, Low-Medium Density Residential District and B-3, Community Business District) and 280 Rockwell Road (zoned B-3, Community Business District). The purpose of the petition is to allow for the relocation of an existing electric transmission line on these properties; the underlying zoning districts will not change as a result of this petition.

Ms. Rachel Frischeisen gave a summary of the report to Council. Mr. Tom Linkous of Appalachian Power was present to represent the petitioner. Their intent was not to move the line, but VDOT's construction methodology basically dictated that the line needed to be moved. There was no one who wished to speak either in favor or in opposition to the petition and Mayor Tweedy closed the public hearing portion of the petition. Councilmember

Perrow made a motion to approve the resolution, which was seconded by Councilmember Nelson. Councilmember Perrow asked staff why a conditional use permit (CUP) is needed for a temporary road that will be removed after construction. Ms. Frischeisen explained the CUP is needed for the relocation of the line not the temporary access road. Major public service utilities require a CUP in every district except for industrial. Councilmember Perrow wondered if this requirement for a CUP needs to remain in the ordinance. City Attorney Walter Erwin explained that we do not have to approve many of these because state code provides that if the electric company gets approval from the State Corporation Commission (SCC), then that satisfies the local zoning ordinance. For many years, our ordinance has had a provision in it that is broad enough to require these types of facilities to get CUPs. This is a project where they did not need to get SCC approval so this request fell within the City's zoning ordinance. Councilmember Perrow noted the SCC would approve new lines but this is an existing line that needs to be relocated. Ms. Frischeisen noted that the zoning ordinance does have a development standards section for overhead electric power and transmission lines and there are several findings such as it needs to not adversely contradict the *Comprehensive Plan* or adversely put health and safety at risk. Councilmember Perrow thought this section may need some review. Health and safety would be paramount in the utility company's consideration and maybe it was not forty years ago. Maybe it is worth an update but Councilmember Perrow did not wish to belabor the point and supports the petition.

Councilmember Helgeson noted he has rarely seen a CUP to move a line and he thanked AEP for moving the line. Councilmember Helgeson asked Ms. Frischeisen if the City has all the easements and she said these are private properties and easements do exist. He asked how far the line is being moved and Mr. Linkous estimated it was approximately 150 feet. He explained they had to acquire new easements. VDOT needs so much radius to put the crane next to the bridge in order to replace it. The radius was within the vicinity of the power line. It was not an option to bury the line. Councilmember Perrow asked if this has anything to do with the 138 upgrade between Gladstone and Joshua Falls. Mr. Linkous indicated it does not and it is not the line that feeds Joshua Falls.

The motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Public Works, Council Report received a report and recommendations from SCS Engineers and City staff on the Solid Waste Collections System Evaluation in preparation for a discussion regarding recommendations for implementation in the FY 2021 Budget. Ms. Svrcek noted this was discussed with Council during last year's budget and was put on a list of major items to bring back to Council for discussion. Ms. Gaynelle Hart commented that in July 2018 she gave Council a presentation regarding the challenges and opportunities with our refuse collection system. Since then, they have contracted with SCS Engineering and they are here to present the findings of and recommendations regarding their evaluation of our collection system. Ms. Hart thinks their recommendations would really move the City forward and make it cleaner.

Ms. Hart reviewed the guiding principles regarding trash and recycling programs and services. They are to be financially sound and self-sustaining and to contribute to the success of economic development and tourism. They would like the system to be easily understood by citizens, not complex and easy to administer. They would like to

create a sense of pride in the appearance of the City. They would like to be efficient and effective and provide education on proper disposal of trash, brush, bulk and recyclable items. Right now, the revenue only covers about a third of the \$3 million budget.

Ms. Hart introduced the staff from SCS Engineers at the meeting tonight: Robert Dick, Vita Quinn and Ryan Duckett. Mr. Dick summarized the City's refuse collection services and stated the City expects to be the refuse collection entity. It does not openly encourage citizens to contract with a third party for refuse collection. There are approximately 21,000 households served. There are six trucks dispatched four days a week. The City also provides curbside bulk and brush service with a separately dispatched vehicle. The City has six unattended dropoff centers and a convenience center on Concord Turnpike. The City is disposing of approximately 18,300 tons annually. The landfill is operated by the Region 2000 Services Authority and is located on Livestock Road in Campbell County.

The themes that he would like to reiterate are that refuse collection is not revenue neutral, the decal and bag system is problematic, the program lacks a rigorous vehicle/equipment program and the City is and should consider operational/capital changes regarding bulk and brush pickup, recycling drop-offs and automated collection.

SCS Engineers did a materials collection evaluation that included weekly curbside collection, bulk and brush collection and recycling. It was noted that the City provides a high level of service despite being under sourced and underfunded. Regarding rules and enforcement, there is a lot of opportunity where the City code and ordinance has sufficient rules but they are not being enforced. There is a lot of excess trash being generated by a customer and this is referred to as "snowconing." This is generally due to decal issues, container size and the billing format.

Through its evaluation, SCC compared and contrasted what the City is doing with other cities, primarily in Virginia. The industry standard is fully automated, and the City is currently semi-automated. A fully automated system would eliminate the need for additional laborers other than the driver of the vehicle. It improves safety, reduces injury and increases efficiency. The engineers also recommend a route optimization study.

The bulk and brush collection is a huge drain on the system and has a lot of inefficiencies. There are challenges with the set out size, the frequency and the mix of brush and bulk. Mr. Dick said all cities in Virginia seem to struggle with this issue. The engineers recommend a transition to scheduled collections and then to move to a mandatory request for pickup.

Regarding recycling, approximately 1,300 tons a year are diverted from the landfill. The primary challenges or issues are inadequate signage, lack of supervision at the recycling sites and a dramatic increase in the hauling costs. The recycling centers are not located on City owned properties so leases are involved and illegal dumping of non-recyclable materials because there is unlimited access to the sites. There are also requests from customers for the City to offer curbside recycling. Lynchburg is one of the few Virginia First Cities that does not offer curbside collection of recyclables. They recommend considering it at a future date when there is more stability and certainty from a market standpoint but do caution that it is as costly to manage a ton of recycling as it is to manage a ton of solid waste.

The takeaway from comparing Lynchburg to other localities is that Lynchburg lacks a cost recovery of the services that are being delivered. The City's revenues are certainly in the very lowest tier.

Ms. Vita Quinn came forward to discuss the financial aspects of the study and the City's financial health regarding refuse collection. The collection system is very problematic because the City does not have a customer database or an accurate of billing or tracking the customers. The general fund funds the deficit every year but the City should be looking at this service as a utility and working toward it being revenue neutral.

They recommend the City transition to a monthly billing system. This assumes that the City moves to 96-gallon containers. It is the first step to financial sustainability. It would increase the customer base by over 50 percent. The current existing customers are estimated at 14,000 and the additional customers are estimated to be approximately 7,200. It eliminates the abuse of the decal system. It would be a monthly fee that eliminates a larger annual fee and is easier for resident to budget.

Councilmember Helgeson asked for clarification because Mr. Dick had said that the City has 21,000 customers. Ms. Quinn said the City is serving 21,000 customers but only billing and collecting from around 14,000 customers. That is because the City has a policy that if there is waste left at the curb it gets picked up. Enforcement is always chasing those people that are not paying. Councilmember Helgeson asked if they were given the charge to make this revenue neutral because people pay taxes for things they do not use necessarily like the school system but everyone throws away trash. Ms. Quinn said the same argument could be made for water and wastewater. We all use those services but it is a utility. The general fund is supposed to be for the general good and there are customers in the City that pay someone to haul away their trash like commercial and multi-family housing. It is harder to allocate the cost of police and fire department services to individual residents. Trash removal is much easier to quantify for the individual user. Councilmember Helgeson thinks trash removal is different from using water because the trash has to be placed in the public view. Councilmember Helgeson suggested the service could be outsourced. Ms. Quinn said they can certainly consider privatization but your revenue might best be recovered through a direct means from those customers that are benefiting from the service.

Ms. Quinn indicated they were trying to get the City to a financially sustainable place in about ten years. By 2030, the idea is that it would be treated more like an enterprise fund. She provided slides showing what the fund balance would look like if they keep the current decal system, if they do monthly billing with no additional capital funding and if they do monthly billing with \$300,000 of additional annual capital funding.

Councilmember Perrow was not a fan of the rate increases. Once we hit \$20 a month, the City is effectively doubling the amount that a customer is paying currently. He suggested they start billing at \$10 a month and get a better start at it. Ms. Quinn explained this is a plan to make this utility act more like an enterprise fund over time rather than saying we need a 115 percent rate increase this year. As far as the graph, Ms. Quinn suggested they need to focus on FY2021 and beyond because the City already implemented the rate increase for FY2020.

Mayor Tweedy asked if the implementation of this plan would reduce staff. Ms. Quinn said this plan would fully fund the operations as they are and there will probably be a lag in realizing the revenue difference or a cost savings from that. Maybe the City would develop some efficiency and the rate adjustments in the out years might not need to be as high. It accounts for necessary hiring, necessary vehicle replacements and necessary additional vehicles to fund your fleet.

Councilmember Wright noted that the taxpayer is picking up the tab no matter how they pay because the deficit is coming out of the general fund. Councilmember Wright pointed out that this is a plan to get the people that are using the service to pay for it as opposed to people that are paying for the service and not using it. Councilmember Helgeson pointed out that if a person has nothing in their 96-gallon can, they are still paying for it. Councilmember Helgeson does not think an almost 30 percent increase for a number of years is a good thing to put on our citizens. Ms. Quinn pointed out the citizens are paying for it now with their taxes and the way it is being allocated to them is not being fairly allocated. She pointed out that they are under collecting and the general fund is footing the bill.

Councilmember Helgeson noted that the tax rate should be lowered then commensurate with what was being subsidized and Ms. Quinn said the City could definitely do that or it could be used to cover some of the additional budget costs they are facing in the upcoming years. The idea is to make your tax be representative of public good and have people that are using the trash service pay for it.

Councilmember Nelson agrees that having a utility billing to each property address in the City is a lot simpler and a lot more accurate. He wondered who gets billed, the owner or the tenant? Ms. Quinn said they could bill parcels or they could put it on the utility bill which goes to the tenant. She said it is easier to do the monthly utility bill method. Councilmember Nelson noted that every property does not have separate water meters for tenant units and he thinks what she is suggesting will create a huge problem. She said the owner can divide it among the tenants if they are master metered.

Councilmember Nelson thinks he does not see as many red stickers on their cans as he used to see. Ms. Hart said they are still doing enforcement and have issued 38,000 violations in the past four years. They have seen a significant improvement in the way people are putting out their trash and purchasing the decal. She explained that after three violations, you get a \$25 fine. They sometimes suspend trash service, but if they leave trash in a neighborhood, that is always going to be problematic.

Councilmember Perrow was having trouble understanding how much we spend versus how much we collect. Ms. Quinn said in 2019, they had a \$2.1 million deficit. Councilmember Perrow noted he would have like to see the control number on the graph. Ms. Quinn noted that she understands that these rate increases seem drastic; however, the service is currently being funded by the residents and maybe they just look at how it could be funded differently. She also pointed out that staff is dealing with burdensome administration of the rates and how they are collected and this system could make them more efficient and free up some of their time for other tasks.

Ms. Quinn also pointed out that these rate increases seem drastic because the City had none for a number of years and they have not kept up with inflation.

Mr. Dick summarized the presentation and turned it over to Ms. Hart for the next steps. The recommendations are to revise refuse ordinance to establish limits to setout size, frequency and nature of brush and bulk setouts, establish clear procedures for proper residential refuse collection setout, enhance enforcement to incentivize customer compliance and review and approve at a future City Council meeting. They would suggest they proceed with a monthly billing process development and have the billing in place by October 1, 2020. They would like to assign a schedule by refuse collection day for brush and bulk collection, close one additional recycling site at Concord Turnpike, complete a refuse routing study and educate citizens on new refuse procedures and regulations.

Short term recommendations for the FY2021 budget submission would include an increase in refuse service fee to move toward revenue sufficiency, add one education and enforcement employee/vehicle, purchase one knuckleboom truck, bring recycling hauling back in-house and refurbish recycle bins and improve signage.

Recommendations for FY2022 and beyond would be to continue to increase refuse service fee to achieve revenue sufficiency by FY2030, implement one size cart (96-gallon) City-wide, add two knuckleboom drivers to assist with consistency in collection and service delivery, adhere to the recommended vehicle replacement program in order to attain a reliable fleet and implement refuse routing study recommendations.

There was some discussion about landlord setouts and Ms. Hart said in the months of August and September they followed the writs of eviction issued by the court system and the landlord setout was not really an issue. Councilmember Helgeson hopes she will be bringing that back to them to consider removing the landlord setout piece from the ordinance. Ms. Hart said they need to come up with some solution to excessive setouts. Ms. Hart noted it was just two months of writs that they followed and they are continuing to watch it. Mayor Tweedy noted that it could also be that the landlords started cleaning up better because there was some focus on that issue.

Councilmember Helgeson was concerned with some of the citizens like seniors being able to get a 96-gallon can down to the curb. Ms. Hart pointed out they offer door service. The citizen just needs to get a note from a doctor, which is normally fairly easy for a person to obtain. The note needs to say it is difficult for the person to move their can. The trash collectors will get their can, empty it and take it back to their door.

Councilmember Wilder thanked them for their presentation and asked for clarification on the monthly bill. Ms. Hart said it would be on their monthly water bill. He asked for clarification about brush and bulk pickup. She said it would be once a month on a designated day. He asked if there would be a penalty if they put out bulk or brush on a different day and she said they would definitely have to look at what should be put in the ordinance regarding a penalty. She clarified for Councilmember Wilder that using one size means that receptacle swapping is no longer necessary and they only need to keep one type of parts making maintenance of the containers much easier. It also gives a citizen more room for trash because they find that most people need more room. She noted that 20 percent of people have two cans so maybe one receptacle might suffice.

Councilmember Nelson noted that what is being suggested regarding bulk and brush pickup is what the City used to do, a designated day or a call in. This topic excites the citizens a great deal and it needs careful consideration by Council. Ms. Hart noted that they are speaking with Communications & Marketing to reach out for public input probably after the budget discussion. Councilmember Nelson would like there to be a fairly defined plan of action that they can internalize, assess and provide their insights.

Councilmember Helgeson would like them to go back to the major goal of making sure Lynchburg is clean. He thinks it will get worse if bulk pickup is only once a month because the trash will sit there for a long time. Councilmember Perrow thinks they could do both. It could be picked up on the appropriate day but if a person leaves bulk trash out on a different day, they could get charged a pretty significant amount for that special pickup.

Councilmember Perrow feels this needs to come back for a work session and Council needs to decide if trash collection is a public service or is it a utility. Is it subsidized with fees or paid fully by appropriate fees. He also noted that he can just hear many of his senior citizen constituents asking why they are getting such a big trash can

that they do not need and that it is government waste. He also thinks the trash decal system and bag system makes people more conscientious about how much trash they are throwing out and the landfill does not fill up as quickly and it would push people to recycle a little bit. Will it increase the loads because people have a bigger container? He is concerned about that and thinks it warrants some additional discussion. He likes the operational suggestions that have been made and likes the idea of going to a monthly billing system. He is not sure if the billing should be on the water bill or part of the real estate tax bill so that someone might be able to include it in their mortgage escrow account.

Mayor Tweedy wondered if more could be done about the illegal dumping because there seem to be specific areas where this is occurring. She would like to know if other localities have strategies to deal with that type of illegal dumping. If it is the same people doing it all the time, then that is a priority for her to put some investment on investigation. Ms. Hart said the enforcement officer does dig through trash when there is mail, for instance, but bulk items are harder for the officer to identify the culprit. Ms. Hart commented that her main focuses are the bulk and brush pickup and going to a monthly billing system. Mayor Tweedy and other councilmembers thanked staff and the consultants for their hard work and the presentation.

// In the matter of Budget, Council considered approving a resolution confirming the City's commitment to fund the City's share of various transportation projects funded in partnership with the Virginia Department of Transportation and authorizing the City Manager to execute agreements on the City's behalf. Mr. Lee Newland explained we get funds from VDOT and with almost every one we have to do a resolution for the City's part of the funds. VDOT has asked Mr. Newland if he could get a blanket resolution for those projects that have already come before Council. This would mean that Mr. Newland does not have to come before them for every "state of good repair" project.

Councilmember Helgeson is not sure they should delegate this function without having specific items on the resolution. Mr. Erwin explained that there are non-delegable duties that Council cannot turn over to someone else, for instance, zoning decisions. He is not aware of anything that would prohibit Council from providing this blanket resolution.

Councilmember Helgeson noted that recently \$6 million got moved from a roundabout on Rivermont Terract to the 501/221 interchange. It is nice to see each project as they come about rather than just broad strokes, especially when there are lots of ones that are in the works.

Councilmember Wright asked if this would remove Council's appropriation authority at the beginning of a project. Mr. Newland said this came about from the "state of good repair" project, which is 100 percent funded. Mr. Newland gave an example that they had to install some cameras and that was an additional \$13,000. Another example was on Candler's Mountain Road when VDOT was putting in the bridge. VDOT asked if they wanted them to pave 250 feet of pavement that was failing while they were there doing other work. The City had money in their paving budget but VDOT said it would need a resolution from Council. Ms. Svrcek said she could assure them she would not sign anything unless the funds were available. Mr. Erwin clarified that appropriation of funds cannot be delegated.

Councilmember Nelson suggested adding the following language to the resolution (and after some wordsmithing from Ms. Svrcek): "provided funds have been previously appropriated by City Council."

Councilmember Nelson moved the resolution with that amendment and the motion was seconded by Councilmember Wright. Councilmember Perrow thinks it is valuable for them to see revenue sharing projects and Smart Scale applications. Is there anything that says this is for operational expenses versus capital expenses? Councilmember Nelson thinks that with the City Manager or designee to identify a source, as long as there is a source of funding then the checklist is on the City Manager. Mr. Newland indicated that revenue sharing projects require a specific resolution stating those projects. Mr. Newland commented that it is a two-month process to get through City Council and the example he gave them with the paving crew on site, that opportunity would be lost. Councilmember Helgeson thought there were circumstances when it could get on the agenda sooner. If they knew about a request on the Tuesday before Council, it could be put on the agenda.

Councilmember Nelson noted the one of the reasons he chooses to endorse this resolution is because of the accusation that was made in the context of the Airport Authority when it was said that Council is not nimble. We are embedded with procedures and bureaucracy and cannot make nimble and flexible decision.

The motion passed by the following vote:

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// In the matter of City Code, Council considered adopting an ordinance to regulate the use of shared mobility devices such as electric power-assisted scooters, skateboards, bicycles, etc. within the City. Mr. Walter Erwin said that share mobility devices are causing some problems for localities and are become more prevalent. They have been placed in the public rights-of-way and there have been confrontations between them and pedestrians and a number of traffic accidents. The companies do not tell the localities that they will be placing the devices in the public rights-of-way. The General Assembly has passed a law that a locality can require the company to get a permit but a locality has to adopt an ordinance by December 31, 2019. The devices are on Liberty University's campus and a company approached the City about putting them in the City's rights-of-way.

Mr. Erwin commented that this is not meant to be the final ordinance. He wants the City to have something on the books by January 1, 2020. When the shared mobility companies do show up in Lynchburg, we can make adjustments to the ordinance that would suit Lynchburg. Mr. Erwin crafted this ordinance similar to the town of Blacksburg. He noted that there is a data sharing piece in the ordinance that he has seen in every other ordinance.

Councilmember Wright asked Mr. Erwin was looking for approval tonight. Mr. Erwin said if it is not adopted tonight, it needs to be adopted at the December 10, 2019 meeting in order to have something in place before the end of the year.

Councilmember Wright thought the section on using them while under the influence or while texting should probably say "prohibit." Mr. Erwin said this is an area where the law has not quite kept up with technology because texting while using these devices or operating them while under the influence is not a violation of state law. The City could be challenged because they would be violating the Dillon Rule. But there is a broad provision in the City's charter that allows them to pass laws that are for the good of public health and safety.

Councilmember Wright is also concerned about the collection of data and would like to hear more about the privacy implications. What kind of insights are we hoping to glean because even though it might be anonymized, it

might still yield conclusions that would particularly intimate for people in the community. Mr. Erwin does not think the reports that would be provided to the City would have that level of detail. The City would receive general information as to how many scooters are being rented and where they are being utilized the most, for instance. Since a person uses an app to rent the device, the police department could get a search warrant for a person's phone records and probably be able to identify a person in a certain area but that information would not come from the reports that are given to the City. Councilmember Wright asked if there is a legal standard for what GPS tracking data means because the ordinance says "every trip route." Mr. Erwin said a lot of these terms are still being defined and fought over, so at this point, there is probably no general term. The City could define those terms when it asks the company for a report.

Councilmember Nelson noted the General Assembly has given localities the opportunity to protect itself and its citizens and to debate this ordinance tonight. If they do not pass something and someone gets hurt on one of these devices, he thinks the person would have a difficult time suing the company. In his opinion, in order to protect the City's interests and those of its citizens, he is in favor of City staff crafting a document that is consistent with the enabling legislation. Mr. Erwin said staff would need guidance because the General Assembly has just said that a locality can adopt an ordinance regulating these devices. When you look at other localities' ordinances, this proposed ordinance is somewhat of a "bare bones" ordinance.

Councilmember Nelson noted Councilmember Wright made some good points and there may be others and they can convey them to the City Attorney between now and the December 10, 2019 meeting. Councilmember Perrow thinks it is important for the City to preserve its right to regulate these devices. He would be in favor of striking section 11 about data gathering. Mr. Erwin said it could be revised in the future. It does not have to be in this version. He would also like to have things like "geofencing" defined. He thinks collaterally, this affects the bike business on the river and he wants to do no harm. He would like to see some things clarified so it does not put an undue business on the existing bike rental business. He thinks a business license requirement is also important.

Councilmember Helgeson asked Mr. Erwin why the City would want to be able to license these businesses. Mr. Erwin gave the example of Richmond where hundreds of them were put out on the City's sidewalks in a haphazard manner. If we do not have an ordinance, a company could just put them out without telling the City or getting permission. Councilmember Helgeson would like the ordinance to be crafted in a way that respects the institutional zoning of Liberty University where these devices are already being used. Mr. Erwin says this ordinance only pertains to those on public property not private property. Right now, the City code prohibits the use of these types of devices on public streets. If they are operating them on the public streets of Liberty's campus, they would be violating the City code. Mr. Erwin also clarified for Councilmember Helgeson that this ordinance only deals with companies that are placing them in the City's rights-of-way. It does not deal with individuals who buy a device. Councilmember Helgeson would like to walk as lightly as possible, especially since they can revise the ordinance later if the need arises.

With regard to whether the City would be liable if a citizen gets hurt and is not wearing a helmet, Mr. Erwin said that is something to be resolved. If a pedestrian gets struck by one of these devices, they might want to try and hold the City responsible because we gave the company a license and allowed them to be operated on the sidewalk. Mr. Erwin noted he has heard Council's comments and will have a revised ordinance for them to review prior to the December 10, 2019 meeting.

// The meeting was adjourned at 10:30 p.m.

Clerk of Council

e time, they are also providing a short left turn lane into the development so that a car can get off into a turn lane and not restrict the flow down towards J Crew. This should help with the seasonal traffic issue that was brought up by Mr. Forest.

The developer Gary Schmincke came forward to speak, in favor of the petition. He explained the first phase of the development will be a fitness center with an indoor turf area. There will also be a multi-use venue space for trade shows and concerts as well as basketball/volleyball courts. They will be able to host travel teams and there is a lot of use locally for this type of facility. Marjette Upshur and Lisa Meriwether seem very excited about this project as it adds another component for athletic events in the City. There is always a need for practice facilities for local sports. The commercial areas and apartments will be built in a second phase. They love the mixed use environment and feel everything complements each other.

Mr. Rick Reed with Coldwell Banker was present to speak in favor of the petition. He said he has been working with Buzzy Coleman on this property since the 1980s. He knows there is concern about rezoning industrial land to commercial but with the development of Enterprise Drive and Wyndhurst the whole complexion of the area has changed dramatically. The value of this property has priced itself beyond industrial to probably four times what your typical industrial site sells for in the City. This property has been on and off the market for eight years and he has only had one industrial prospect but once price was discussed, they were not interested. Everyone that has looked at and been interested has been for commercial uses. He goes up and down Enterprise Drive all day long and has experienced maybe a 15 to 20 minute delay during a shift change. The turning lane should help that situation a lot and the developer has voluntarily agreed to install it.

There was no else that wished to speak in favor or in opposition to the petition. Mayor Tweedy closed the public hearing portion of the petition.

Councilmember Perrow asked Mr. Martin if this widening will help the situation on Dillard Drive during shift changes at J Crew. Mr. Martin said it is adding extra storage capacity at the light which would allow more through movement. The traffic just backs up right now in one lane. Councilmember Perrow had wanted that restated since they are not able to discuss public comments items during the public comment period.

Councilmember Perrow asked Ms. Upshur to address a question. He does not believe in rezoning industrial property because we are landlocked and have limited industrial space. Councilmember Perrow asked Ms. Upshur why she is supportive of this project and to try to convince him why he should support it. He likes the idea but is very concerned about industrial space. Ms. Upshur noted that the land has been for sale for a very long time. She has marketed the land on the state's website and the City's website. She has only had one interested party and that was a church. The cost of the property is prohibitive for an industrial use and the neighborhood has changed drastically with the development of Wyndhurst. She is always concerned about the industrial neighbors and how they feel and a member of Wexco that backs up to this property came to the Planning Commission meeting. He had questions but seemed to have no issues with this site plan. Councilmember Perrow asked her if she thinks this development will detract from any of the industries in the area and she indicated she did not think it would. The fitness center and apartments might benefit the employees that work in the industrial areas. From a tourism standpoint, the gym and the way they are proposing to attract travel teams would mean tax revenue for the City.

Councilmember Perrow noted he hears there are not enough basketball courts in the area and indoor soccer could be played as well. Ms. Upshur said they have just completed a sports tourism strategic plan to try and determine how they leverage the unbelievable assets of Liberty University but they cannot always access those facilities. She noted that Virginia Beach has built a business off of attracting youth sports. The same people developing this project own the Kinetix Gym in Fort Hill. It is so full and this fitness center would be a complement to the area.

Councilmember Perrow asked her if there is still marketable industrial property that can be preserved. Ms. Upshur said the EDA has two sites and the extension of John Capron Road will probably open up two or three additional sites. There are more sites on Odd Fellows Road. For some industrial prospects, a 15 acre site will not even be enough. They just finished a site characterization plan for the state for any sites over 25 acres. There is also

another site of some good size behind Home Depot. Councilmember Perrow if she thinks it will be a detriment to the City if they let this go to commercial. She stated, in her opinion, no.

Councilmember Perrow made a motion to change the *FLUM* from Employment 2 to Mixed Use. The motion was seconded by Councilmember Nelson. Councilmember Wilder said he supports the project. He was concerned with traffic but he thinks the road improvements will ease that issue. He likes the mixed use and he understands the need for more gym space. He knows that there is always a need for places of a size that can facilitate AAU tournaments. This should bring in more tax revenue to the City. Since this site has been for sale for several years and the project is supported by Economic Development, he will support it as well.

Councilmember Nelson noted that Councilmember Perrow covered many of his concerns and points very well. It is hard to find a facility that will have all the amenities that this facility would purportedly have. There is tremendous stress on the school gymnasiums for sports uses. To the extent that it will take some of that stress off the school facilities, this would be a tremendous boon. He likes that the residential use is in the back and it backs up to the Forestdale subdivision and Graves Drive and he feels it makes a good transition from residential to commercial. The elements of the development being able to serve employees of the industrial uses is a plus. This should be complementary to other uses up and down Enterprise Drive. He agrees that they need to preserve their industrial sites and is normally hesitant to downzone industrial to commercial but there are good reasons to do adopt this proposal and he thinks it will be successful.

Councilmember Helgeson noted that they have been talking about the gym but there will be 116 more apartments here. When Wyndhurst was built people felt they built way too many apartments and townhomes there and not bigger grocery stores or more anchor type institutions such as banks and pharmacies. He does not mind going from industrial to commercial because it still provides employment but there are always apartments thrown in with mixed use. He asked Mr. Schmincke to address that topic. Mr. Schmincke said they felt it was a good mix. The president of Wexco had liked the idea that some of his employees might live in them and be able to walk to work. A representative of Azdel came to their office and echoed the same thing. They feel it works in that environment. They have done studies and people see it as a benefit to have residential uses mixed with the other uses they are proposing. The developers like the idea of the apartments tucked in the back for privacy but residents can still walk to the gym, restaurant and venue. They are not trying to build a housing development. They are just trying to bring everything to benefit everyone.

Councilmember Helgeson brought up the Kemper Street apartments that came to them recently. That had started as industrial and went to 20 percent apartments and 80 percent commercial. Council approved a change in a proffer to allow them to have almost 80 percent apartments because the commercial piece was too large. The owner needed more apartments in order to make the project economically feasible. Mr. Schmincke said he agreed with what Councilmember Helgeson is saying about having more anchors in Wyndhurst. He said if they can go more commercial on that side, they have the spirit to do so. Councilmember Helgeson asked him if the apartments will all be built in Phase 2 and Mr. Schmincke indicated that is correct. Mr. Schmincke said it is their desire to do the commercial with a small amount of apartments. Councilmember Helgeson said that allows them to up the ante on the rents. Mr. Schmincke acknowledged that was part of their study. He said it allows them to build a better place

because you can walk across the parking lot and get to a gym and restaurant and get into Wyndhurst. They do want to keep the apartments high end and they have built them for plenty of people and know how to do it.

Councilmember Helgeson thanked him for a compelling presentation.

Vice Mayor Dolan asked him to orient her to where J Crew is located in relation to this project. She asked him how quickly they will build Phase 2 and he said as soon as Phase 1 is finished.

Councilmember Wilder said he hears from people that work at J Crew that it is hard to find an apartment they can afford in that area. He asked what the price point of these apartments will be. Mr. Schmincke said when he says high end he means high end in how they are built, not necessarily in price. Two bedrooms will be \$850 and three bedrooms will be \$950. He does not see them going any higher because of the market and what is already available. When you have amenities and a fair price, people are going to stay. He has seen people try to reach the top end of rent prices and fail.

Mayor Tweedy asked Ms. Upshur to clarify what industrial prospects are looking for because Mayor Tweedy said she has heard in meetings that they are looking for pad ready sites. Ms. Upshur said this site is probably in better shape than most if someone wanted because it is flatter but for all these years they have had no industrial interest. The one interested prospect they had a church. Because of its location and price it is not going to sell for industrial purposes. The owner would have to cut the price significantly and that is not what the market bears out.

Councilmember Helgeson asked Mr. Martin to explain the traffic improvements that will help, especially with additional cars coming in and out of this development. Mr. Martin said the extra lane will come from the intersection of Enterprise Drive down to their entrance. It would allow for a through and a right turn and left turn dedicated movement where now there is only one lane. The main entrance to the development is off Dillard Drive and it will allow right turns and left turns in and right turns out only. Councilmember Helgeson asked Mr. Beasley if the entrance is not too far from the signalized interchange at Dillard and Enterprise Drives. Normally it is said to have limited access to avoid queuing or accidents. He wondered how the site is going to work based on the engineering. Mr. Beasley said they felt that because of the proximity of the entrance to the signal if you have southbound traffic waiting to turn left onto Dillard Drive and they back up beyond that entrance then you are impeding people to take a left out of there anyway. It would be safer just to prohibit a left turn and make people turn right out of it. Cars will be in the left lane to turn in and will not be blocking traffic. Mr. Beasley clarified for Council that there is already a two-way left turn lane on Enterprise Drive into the development and a left turn lane for drivers onto Dillard Drive. Councilmember Helgeson asked for more clarification on the left turn lane into the development from Dillard Drive. Mr. Beasley said that perhaps during the seasonal traffic it could be an issue but he does not think you would want to prohibit lefts into the development. There are 300 plus feet from Dillard Drive to that entrance. The traffic study showed left turn queues less than 300 feet. The study was done during the school year so it did pick up school traffic but did not account for seasonal traffic. Councilmember Helgeson asked Mr. Martin if he thinks 300 feet is long enough to avoid queuing because Mr. Martin had seemed surprised by the left turn in to the development. Mr. Martin said he was surprised by it but he is not a traffic engineer and cannot speak to how well it will help ease queuing. Mr. Beasley said it would take a lot of traffic turning left to cause a backup. You do not see that during typical everyday operations. Councilmember Perrow asked Mr. Martin if staff

could be this is all addressed at site plan review and analyzed and ensure that the warrants are met for the turning movements. Mr. Martin said the Planning Commission minutes say that the City is looking to prohibit left turns into the development. He would prefer to get the City Engineer's opinion and he thinks it can be handled through a traffic study. Councilmember Helgeson thinks the left turn in would actually be helpful because it will not exacerbate the problem on the corner of Enterprise Drive and Dillard Drive. Mr. Beasley said he had many discussions with the former Transportation Engineer about that particular entrance. One of the things he recommended was a modular product that can be placed in the median that will prevent left turns out but not into the development. He does not think that Mr. Martin was a part of those discussions. Mr. Martin said this can be handled at the site plan review process but the concept plan is approved as part of the rezoning, as Councilmember Helgeson has pointed out. This is also a conditional use permit for the apartments and they could add a condition that the left hand turn movement has to be approved by the City Engineer.

Mayor Tweedy called for a vote on the *FLUM* amendment and it passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:	Helgeson	0

Councilmember Perrow made a motion, which was seconded by Commissioner Wright, to rezone approximately fifteen (15) acres from I-2, Light Industrial District (Conditional) to B-3C, Community Business District (Conditional). The motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Budget, Agenda Item #10, a resolution was introduced to amend the FY2019 City/Federal/State Aid Fund budget to appropriate \$21,293 with resources from the Virginia Wireless E-911 Services Board FY2019 Public Safety Answering Point (PSAP) Grant Program, which was used to replace aging computer equipment for 12 Computer Aided Dispatch (CAD). Ms. Melissa Foster explained this was a grant and no matching funds were required. Councilmember Helgeson, on behalf of the Finance Committee explained that the grant was done and the computers were purchased. It is just now a matter of an allocation. Councilmember Helgeson made a motion on behalf of the Finance Committee to approve the resolution. The motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Budget, Agenda Item #11, a resolution was introduced to amend the FY 2020 City/Federal/State Aid budget and appropriate \$103,920 with resources of \$51,960 from the Virginia Office of Emergency Medical Services – Rescue Squad Assistance Fund (RSAF) and \$47,297 from the FY 2020 General Fund Fire Department budget and \$4,663 from the General Fund Fire Equipment Assigned Fund Balance to purchase three LifePak 15 cardiac monitors for the Fire Department. Fire Chief Greg Wormser explained that they apply for this grant twice a year. These are upgrades to monitors that have met their useful life. Councilmember Helgeson, on behalf of the Finance Committee, commended Chief Wormser because originally they had applied to get an 80/20 match and were told they could only get a 50% match. In the past, Chiefs have asked for the match to come from the fund for

contingencies but Chief Wormser found it in his budget. Councilmember Helgeson made a motion on behalf of the Finance Committee to approve the resolution. The motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Budget, Agenda Item #12, a resolution was introduced to amend the FY2020 City/Federal/State Aid Fund budget and appropriate \$15,213 with resources from a grant from the Library of Virginia to preserve Deed Book JJ, 1884, Marriage Bonds A – L, 1835-1840, and Marriage Bonds J – Z, 1825 – 1834 at the Lynchburg Circuit Court Clerk's Office. Mr. Eugene Wingfield said this grant will allow his office to continue to preserve some of the historical documents. Councilmember Helgeson, on behalf on the Finance Committee, commented that it nice to see a lot of our old records being preserved for a long period of time. He is delighted that the grant is 100 percent without a matching requirement. Hopefully, they will keep coming. On behalf of the Finance Committee, Councilmember Helgeson recommended approval of the resolution. It passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// In the matter of Budget, Agenda Item #13, consideration of approving the donation of a surplus vehicle to Central Virginia Community College (CVCC) for use by students in the administration of justice program. Ms. Bonnie Svrcek commented that the President, John Capps, has asked the City to donate a recently surplused Crown Victoria to its administration of justice program. It will be used by students in the defensive driving and officer survival training components of the program. The vehicle will replace one previously donated to CVCC by Campbell County that has reached the end of its useful life. Staff recommends the donation of the vehicle as students from this program become strong candidates for employment in local and regional law enforcement agencies. The City Charter requires five votes to pass this resolution.

Councilmember Perrow made a motion to approve the resolution, which was seconded by Councilmember Wright. Councilmember Perrow said if this can help Chief Zuidema in recruiting he thinks it is a worthwhile investment. Councilmember Helgeson asked Chief Zuidema how this vehicle will be used to help recruit. He said students at CVCC will be sponsored to go through the police academy. The police academy does not provide vehicles. The host agency for that candidate or whoever employs that candidate has to provide a vehicle. If they are sponsored through CVCC, this vehicle will allow a candidate to complete the academy. Obviously, CVCC will let the candidate which agency provided the vehicle. In his opinion, this is a better use for vehicle as opposed to the minimal amount they would receive from auctioning it. The motion passed by the following vote:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
Noes:		0

// On motion of Councilmember Perrow, seconded by Vice Mayor Dolan, by the following recorded vote elected to hold a closed meeting for discussion of plans to protect the safety and security of the members of City Council while they are in City Hall, because discussion in an open meeting would jeopardize such safety and security plans, pursuant to Section 2.2-3711(A.)(19.) of the Code of Virginia:

Ayes:	Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright	7
-------	---	---

Noes:

0

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

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

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// On motion of Councilmember Wilder, seconded by Councilmember Perrow, by the following recorded vote elected to hold a closed meeting for discussion of and consideration of the City Manager's and the City Attorney's performance evaluations, pursuant to Section 2.2-3711(A)(1) of the Code of Virginia.

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

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

// Councilmember 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 Vice Mayor Dolan, and Council by the following recorded vote adopted the motion:

Ayes: Dolan, Helgeson, Nelson, Perrow, Tweedy, Wilder, Wright 7

Noes: 0

// The meeting was adjourned at 9:15 p.m.

Clerk of Council

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **9**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Conditional Use Permit – Athletic and Parking Facilities – 150 Linden Avenue

KEY ELEMENTS:

X Economic Development Excellent Government **X** Natural and Built Environment Safe Community **X** Vibrant Community

RECOMMENDATION: Approval of the Conditional Use Permit to allow the construction of athletic and parking facilities.

SUMMARY: HumanKind is petitioning for a Conditional Use Permit at 150 Linden Avenue to allow for synthetic turf athletic fields, a swimming pool and parking areas.

The subject property is zoned, R-1, Low Density Residential. Recreational uses are permitted in this zoning district upon approval of a Conditional Use Permit (CUP) by City Council.

HumanKind has voluntarily included restrictions to this petition such as no lighting of the athletic fields, increased building setbacks, no illuminated scoreboards, no outdoor bleachers, no amplified sound system, no more than two athletic fields, no new freestanding gymnasium building, no buildings to house an indoor swimming pool, and to construct sports netting. These restrictions are based on concerns expressed by neighbors and City Council during the public hearing for HumanKind's 2018 petition for a rezoning to IN-1, Institutional 1 District.

PRIOR ACTION(S):

November 13, 2019: The Planning Division recommended approval of the Conditional Use Permit.
The Planning Commission recommended approval of the Conditional Use Permit (6-0-1, with one abstention; Light)

FISCAL IMPACT: None. This property is exempt from real estate taxes.

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

ATTACHMENT(S):

- Resolution
- Planning Commission Minutes – November 13, 2019
- Planning Commission Packet – November 13, 2019
 - o Planning Commission Report
 - o Zoning Map with Adjoining Owners
 - o Future Land Use Map
 - o Watershed Map
 - o Planimetric and Topographic Map
 - o Concept Plan
 - o Narrative Letter
 - o Letters from neighbors
 - o Property Photograph
 - o Speaker Sign in Sheet

REVIEWED BY: raw

RESOLUTION:

#R-19-095

A RESOLUTION GRANTING A CONDITIONAL USE PERMIT TO HUMANKIND IN THE R-1, LOW DENSITY RESIDENTIAL DISTRICT, AT 150 LINDEN AVENUE TO ALLOW THE CONSTRUCTION OF ATHLETIC AND PARKING FACILITIES.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG that the petition of HumanKind for a Conditional Use Permit at 150 Linden Avenue to allow the construction of athletic and parking facilities in the R-1, Low Density Residential District is hereby approved subject to the following conditions:

1. The property shall be developed in substantial compliance with the submitted concept plan received November 11, 2019.
2. There shall be no lighting or illumination of the athletic fields.
3. There shall be no buildings or structures shall be located within one hundred (100) feet of the shared property line with Westminster Canterbury.
4. There shall be no more than two (2) synthetic turf athletic fields.
5. There shall be no illuminated electrical scoreboards.
6. There shall be no bleachers or stands associated with the athletic fields.
7. There shall be no public address or amplified sound systems.
8. A new, freestanding gymnasium shall not be constructed.
9. A building to house an indoor swimming pool shall not be constructed.
10. During use, sports netting shall be installed and maintained in order to retain balls within the athletic field area.

Adopted:

Certified: _____
Clerk of Council

157R

MINUTES OF THE NOVEMBER 13, 2019 PLANNING COMMISSION MEETING (MINUTES HAVE NOT BEEN APPROVED):

Petition of HumanKind for a Conditional Use Permit at 150 Linden Avenue to allow the construction of recreational facilities including athletic fields, swimming pool, and parking areas in an R-1, Low-Density Residential District.

Commissioner Light stated that the law firm with which he is associated, Gentry Locke, represents Westminster Canterbury on a regular basis. While he has not personally done any work on this matter, to avoid the appearance of a conflict of interest, he is recusing himself from consideration of the petition and leaving the room while it is under consideration.

Ms. Rachel Frischeisen, Planner II provided the following summary to the Commission. HumanKind is petitioning for a Conditional Use Permit to allow for the construction of synthetic turf athletic fields, a swimming pool, and parking areas. The parcel is zoned R-1, Low Density Residential District. Recreational uses are permitted upon approval of a Conditional Use Permit (CUP) by City Council in the R-1 District. The City's Comprehensive Plan 2013-2030 recommends an "Institutional" use for the area. The City's institutions include religious, educational and other nonprofit entities in the City. In 2018, HumanKind submitted a petition to rezone the property from R-1, Low Density Residential District, to IN-1, Institutional 1 District. This would have been in keeping with the recommendations of the Comprehensive Plan 2013-2030 and the adjacent zoning of Westminster Canterbury. Planning Commission recommended approval of that rezoning, but HumanKind ultimately withdrew the request after neighbors expressed concern and indicated that a CUP may be more appropriate. In June 2019, the petitioner submitted a site plan which indicated a new access road to serve the property. The new entry road would access the property directly from VES Road. The proposed access road is currently in staff review. While not directly tied to this CUP request or subject to Council approval, the new access road should address the concern with traffic accessing the property via Linden Avenue through the neighborhood to the west or from Linden Avenue past Westminster Canterbury. City staff has received a letter from Westminster Canterbury stating they have no opposition to the requested CUP or the proposed access road. HumanKind has voluntarily included restrictions to this petition such as no lighting of the athletic fields, building setbacks, no illuminated electrical scoreboards, no outdoor bleachers or stands, no public address or amplified sound system, limiting to two athletic fields, no new freestanding gymnasium building, no buildings to house an indoor swimming pool, and to construct sports netting. The petitioner has indicated the desire to light the parking areas for safety. The Zoning Ordinance regulates outdoor lighting in terms of height of lighting fixtures, shielding, and allowable foot candles at the property line. Staff feels that the standards of the Zoning Ordinance are sufficient to address any concerns with lighting of the proposed parking areas. Staff recommends approval of the petition with the conditions outlined in the report.

Chair Rogers asked who was present to speak on behalf of the petition.

Mr. Bob Dendy, the president of HumanKind, addressed the Commission. He was here roughly a year ago for a rezoning application but is back after responding to feedback from the neighbors, the Planning Commission, and City Council. There was also feedback concerning the perpetual easement through Westminster Canterbury's property. Through cooperation and collaboration with Westminster Canterbury, a mutual agreement has been reached that will allow for a new entrance off of VES Road that will become the main entrance for all uses. The parking seen in the application is associated with the element of the field. The application includes the metes and bounds of the area as part of a request from the neighbors. The smaller parking lot is an area that has been used as parking for years for various purposes but is currently a grass lot. He feels that all feedback has been addressed in this application.

Chair Rogers asked if there was anyone present who wished to speak in favor of the petition.

Mr. Collin Byrne addressed the Commission. He lives in the City and has been involved in youth lacrosse in Lynchburg for the past five (5) years. One of the most significant issues, besides trying to find coaches, is trying to find fields. There are very few spaces in the City for lacrosse fields. His first time coaching, the team had to play over at Camp Kum-Ba-Yah. There have been issues over at Blackwater with flooding. The City should embrace this application. HumanKind has "bent over backwards" to work with neighbors. There is a significant lack of athletic fields in the City and Parks and Rec has acknowledged this in the past. He is not aware of the City planning any additional athletic fields at this time. The City should embrace that a private organization is going to provide athletic fields for use.

Chair Rogers asked if there was anyone else present who wished to speak in favor of the petition. When no one came forward, he asked if there was anyone to speak in opposition of the petition.

Mr. Bob Day addressed the Commission. When he looked at the planning documents for the new road, he saw that it is twenty (20) feet wide. A school bus will have a difficult time with the radius of the turn coming out of the new road onto VES Road. It will be difficult for anyone exiting if anyone is trying to enter the road at the same time; the road is just not wide enough. The end of the road should be bigger and the road should be longer so traffic can enter and exit at the same time. A second concern is traffic waiting to exit onto VES Road. Cars coming down VES Road heading northbound are coming downhill and will have to pause if someone is making that turn. A car behind them will have about five (5) seconds to hit the brakes. It is very difficult to drive thirty (30) miles per hour going down that hill without riding the brakes. Going around the curve, there is about five (5) seconds before the new entrance to HumanKind. There needs to be a center turn lane put into VES Road so that cars waiting to turn into HumanKind can wait in the center turn lane and other cars coming down the hill can safely pass on the right hand side. Both widening the exit and creating a center turn lane, should make the new exit a safe place. On VES Road there is a prep school and a growing retirement community that have generated traffic and now athletic fields that will generate traffic are being added. VES Road is a two lane country road; it is hilly and has curves. The Planning Commission worries about the land on either side of the road but someone in the City needs to think strategically about the future of VES Road. The neighbors would like to solicit the help of the Commission in talking to the City about the future of VES Road as a thoroughfare and being able to handle all of the uses being added.

Chair Rogers asked if the new road will come to a public hearing.

Ms. Frischeisen responded that the access road is not something that needs City Council approval so it will not have a public hearing. The road can be discussed in further detail after the public hearing.

Commissioner Marion stated that she had not heard about the access road prior to this meeting and questioned if the Commission should even be discussing the road.

Ms. Frischeisen responded that information about the road was included specifically for the meeting as background information. It was to show that HumanKind responded to previous concerns about accessing the property. The road is not up for debate.

Mr. Casey Barker addressed the Commission. He lives in the last house on the right before crossing the bridge to go into the HumanKind property. Both VES Road and Linden Avenue are windy, hilly, narrow roads that lead into a recreational business. He is concerned that his property value will go down due to the development of a business behind his house and from the noise of kids playing outside and athletic games. The traffic is another concern. He doesn't want to see Linden Avenue or VES Road widened to accommodate this business. It is a quiet neighborhood and this will destroy that aspect of Linden Avenue. The people living at Westminster Canterbury and living on VES Road will have similar problems. Besides the noise pollution, hundreds, if not thousands, more vehicles will be using this property on a daily basis. Automobiles and buses will be coming to the property. He is opposed to all of the possible traffic and noise destroying the neighborhood.

Mr. John Bruce addressed the Commission. The lighting for the parking areas should be downlit so they don't project outward. It sounds like the City code addresses that though. Additional traffic on VES Road is also concerning. He has a blind driveway on VES Road and has to roll his window down to listen for oncoming traffic. Traffic does not abide by the speed limit. VES seems like it should be able to handle the traffic but there are a lot of blind driveways. Something needs to be done to address how to slow the traffic down on VES Road. The new access road is great but it should be considered jointly with the CUP petition. If the road is not approved, the CUP should not be approved.

Chair Rogers asked if there was anyone else present who wished to speak in opposition of the petition. When no one came forward, he invited Mr. Dendy to come forward and address the comments.

Mr. Dendy addressed the Commission. The lighting will follow City code and will be shielded. A traffic study was conducted and is in possession of the City. The entrance will be located on a flat spot on VES Road. A wide opening is part of the plan for the new entrance. It will be grand and very visible in both directions. It will be a driveway constructed to the standards of a City street and will be capable of handling vehicles including school buses, which currently come onto campus and have for the past seventy-five (75) years. The traffic from this development will be less traffic than if the area were developed into a neighborhood in an R-1, Low Density Residential District. There will be more voices of children playing and a few whistles from referees but it will be relatively quiet. The athletic fields are not lit so once the sun goes down, the activity will stop. The lack of lighting might be disappointing in the colder months but in summer there will be plenty of full days to be able to play.

Mr. Barker asked Mr. Dendy if the address of HumanKind will change to an address on VES Road and if so will the bridge on Linden Avenue close.

Mr. Dendy responded that the address will become a VES Road address. The bridge on Linden Avenue will not close but putting a gate on it to make it accessible only to employees or those with a passcode has been considered.

Chair Rogers closed the public hearing for discussion amongst the Commission.

Commissioner Marion asked if the fields were for practice only.

Mr. Dendy responded that the fields are for practice and games, as well as other activities.

Commissioner Marion asked for clarification that there are no bleachers and people will stand around to watch.

Mr. Dendy responded that there will be no bleachers, which is very common.

Commissioner Marion asked how many cars there might be daily.

Mr. Dendy responded that there are traffic estimates in the engineering plans. There are seventy (70) parking spaces associated with the field. There are two (2) fields with two (2) teams on each field for a total of four (4) teams. If the game is football, there are ten (10) people on each team. Other sports have similar numbers of players. There are already children who are there every single day for the swimming pool so that number will not change in volume. Often, those children arrive in school buses since they are coming from camp settings. Many children are likely to carpool as well.

Commissioner Marion asked if the number will be thousands of cars a day.

Mr. Dendy responded that will not be the case.

Commissioner Johnson stated that the cross country meets that take place on the campus already bring in school buses and a number of cars. She then asked if traffic for other sports would be any different.

Mr. Dendy responded that the cross country class invitational has been held at HumanKind before. That involves as many as twenty-five (25) or thirty (30) cross country teams at a time from across the state. Those teams tend to come in buses and set up tents across the campus. There are also one hundred (100) maybe one hundred thirty (130) vehicles that will be parked there that day. The parking between the two proposed lots will accommodate the parking that has been in the grass in the past. It is more appropriate to have a stormwater managed parking area than to park in the grass though. HumanKind has to do a good job of scheduling to make sure there are not too many events happening at once. Overall, there is no sports event on the field that would have a similar magnitude to the cross country class invitational. Most of the traffic would be from after school practices and playing starting at a very young age. With the history of the Shoeless Wonders, HumanKind hopes to get kids outside playing in the summertime and fall and to expose them to sports if they haven't had access in the past.

Commissioner Bowden asked if the use of the fields would be primarily in the summer.

Mr. Dendy responded that the late fall and winter months would be pretty quiet in terms of use unless there was an "Indian summer day" and then there might be people outside enjoying it. Formalized reservation of the fields or use of the fields would typically fall between April and October.

Commissioner Bowden noted that usage would not conflict with the football games at Virginia Episcopal School.

Commissioner Perault asked if the parking lot lights would be on only during events.

Mr. Dendy responded that the parking lot lights would be lit, in theory, when needed only unless the City prefers the lots be lit more frequently for safety purposes.

Commissioner Johnson stated that the turning lane, brought up by Mr. Day, sounded advantageous. She then asked if it was a proffer or how the creation of that would transpire.

Ms. Frischeisen responded that there is no turn lane being considered at the moment. That is something that Mr. Day brought up. It is not being proffered and it is not something the City Engineer thought was appropriate. As the Commissioners have brought up, the uses of the athletic facilities are very similar to what already occurs on campus. Because of this, the City Engineer did not feel that it was going to generate an excessive amount of additional traffic. A turn lane has not been discussed with HumanKind. Another of Mr. Day's concerns was the width of the road. Mr. Day was looking at the initial concept plan from May. That initial plan showed a road width of twenty (20) feet with an entrance width of thirty-one (31) feet, which means there'd be a turning radius of thirty (30) feet for a bus. The City Engineer did make similar comments about the road and entrance needing to be wider to accommodate buses. As a result, the road has been widened to twenty-two (22) feet with a thirty-eight (38) foot entrance, which means a turning radius of thirty-five (35) feet. For a bus, the inside rear turning radius is twenty-nine and a half (29.5) feet minimum and they will have thirty-five (35). The outside front radius is forty-two (42) feet and they will have forty-seven (47) feet. The width provided will accommodate the larger vehicles expected to transport teams.

Commissioner Marion asked if that would accommodate the bus and another vehicle.

Ms. Frischeisen responded that she did not discuss that specifically with the City Engineer but it is unlikely he would allow the bus to take up the entire width especially when that situation is likely to occur.

Chair Rogers noted that there were concerns from the previous rezoning about bleachers, lights on the field, and a public address (PA) system. There were also concerns brought up in this hearing about noise affecting property value. He then asked what kind of noise will be generated outside of kids playing and if there will be a PA system.

Mr. Dendy responded that all of that is included in the proffers that were voluntary and were part of the agreement with Westminster Canterbury. There are currently events on campus that sometimes include the use of a PA system. At homecoming there is a band on the front porch. When there are cross country meets, a gun is fired to start the meet and sometimes there will be radio stations that bring trucks out and provide music. The amount of noise will not increase, other than the sound of a referee's whistle, from what already takes place on campus and it is well within the decibel level of that community. In addition, eighty (80) evergreen trees were planted that will eventually be eighty (80) feet tall and create a full green barrier between HumanKind and Westminster Canterbury to assist with the early complaint of not being interested in seeing the athletic facilities and those who use them. The trees have been in the ground for about three (3) years now and are already over seven (7) or eight (8) feet tall and will continue to rapidly grow.

Commissioner Bowden asked if the access road width has been finalized.

Ms. Frischeisen responded that the comments were initially made on the first site plan review and HumanKind revised the plans to meet the standard that the Engineer wanted. The access road is still currently under staff review but it is progressing.

Commissioner Bowden stated that VES Road has been straightened out a lot. The points previously made about having another access at that particular juncture should be recognized moving forward. He noted that there may not be a better location on VES Road, but he is concerned about the visibility issues. Mr. Day's comments about VES Road being a country road are not far off.

Mr. Dendy responded that the entrance is on one fairly long, straight stretch and Pine is the next closest entrance.

Commissioner Bowden recommended adding a few more feet to the entrance.

Mr. Dendy responded that there is a sidewalk on that side of the street as well, which adds visibility even before arriving at the street.

Ms. Frischeisen stated that this section of VES Road is a thirty-five (35) mile per hour zone, though it is easy to go faster there. At thirty-five (35) miles per hour, the stopping sight distance required is about two hundred fifty (250) feet. The distance from the proposed entrance to Pine Drive is about three hundred sixty (360) feet, which is the same stopping distance needed for forty-five (45) miles per hour. People are unlikely to be traversing the curve at forty-five (45) miles per hour so the standard stopping distance is met.

Commissioner Perault stated that speeding is an issue with or without this road and is a separate consideration that residents can take up with the City. The idea of left turn lanes should be revisited for this location and for Westminster Canterbury. Both locations would benefit from having one. That is separate from this discussion though. Signage is another thing that can be done to alleviate the issues on VES Road. Gating Linden Avenue is also a good idea and may address concerns heard at the last public hearing for the rezoning. It could possibly benefit HumanKind from a safety standpoint. It would be nice

if the parking lot lights were only used as needed, and it is hard to imagine the City would require they be on every night. In the previous petition to rezone, a big concern was the opposition from Westminster Canterbury. The fact that both parties have worked out their differences drives home the point that this project is doable and a lot of the concerns have been met. Issues with VES Road can be addressed down the road.

Mr. Dendy stated that the proposed access road will be located where the barns are and the lower end of the current driveway will be terminated. There will be plantings and the asphalt will be torn up creating a border to the property of Westminster Canterbury and giving them control of that area. Traffic will not be able to come and go from Westminster Canterbury's current parking lots.

Chair Rogers shared agreement for gating Linden Avenue. Many of the property value issues probably relate to the constant traffic from that more than anything else.

Ms. Frischeisen noted that Mr. Dendy had worked with Google Maps to try to change the routing so that people weren't being directed to come into the campus through the Linden Avenue entrance. She then asked if that has helped.

Mr. Dendy responded that it is nearly impossible to get the route changed until the physical address is changed. Until there is a VES Road address, the algorithm will not change the route.

Chair Rogers asked what the schedule for the access road on VES Road is.

Mr. Dendy responded that they have a potential contractor and are working out the final negotiations. The work will begin in April or May and should be completed, depending on weather, by September or October of next year.

Commissioner Perault asked if the fields will be open to the public when not officially in use.

Mr. Dendy responded that the fields will be available by reservation but there is no fence or gate around the property. Because of that, it is possible that security will need to be in place to make sure that they're not being damaged or used after hours by people that are unauthorized. It is not unusual for there to be students and others walking around the campus at night. There are also many neighbors who walk their dogs. The fields would not be available for reservation outside of HumanKind's purview but that doesn't mean kids won't come run around on it from time to time.

Commissioner Perault noted the unofficial access to the campus potentially increases the property value of surrounding properties.

Mr. Dendy shared agreement.

Commissioner Johnson stated that she grew up near the campus and used it frequently. She visited it with her own children and still walks the campus with her dogs. It is very open and welcoming.

Mr. Dendy responded that is a sentiment they hear from lots of neighbors and they have tried to be very accommodating. They have put up some requests relative to how people manage their dogs like keeping them on a leash and cleaning up behind them. The campus offers the opportunity for children to explore and has been a great resource. There is a professor from Randolph College who has identified some very unique biodiversity on the campus and walking trails will be created to identify it. The greenspace will continue to be preserved and recreation space will also be offered.

Commissioner Lowe asked if the CUP petition is approved, will the athletic fields be in use before the access road is completed.

Mr. Dendy responded that the fields will not be completed before the access road is completed. The first thing HumanKind has committed to doing is the access road. Construction of the fields will not begin before next September or October when the road is complete. The next phase will be fundraising for the pool. The existing pool is seventy (70) years old and in need of significant repair or replacement. A number of foundations have been identified both locally and across the state that have made verbal commitments to help with that. The earliest the pool would begin would be over the winter of next year to be prepared for the summer of 2021. At that point, HumanKind would be in the early stages of a much larger capital campaign to fund the fields and parking. All of this could take some time but HumanKind would work with the City to make sure all restrictions relative to that are understood. The same has been done with Westminster Canterbury. The funds will be in place before ground is broken relative to the parking and turf fields.

Commissioner Lowe stated that he visited the site twice in the past week, once during the day and once at night. He visited at night because he saw the memo about the parking lot lights and questioned that people were concerned about downward facing lights in the parking lots when all of the current street lights are so bright.

Mr. Dendy responded that he would love to put covers on those lights and does not like that they create light pollution.

Commissioner Lowe stated that with everything that has been changed he feels there is no reason not to support the petition. There is no longer a question about the easement with the creation of the access road. If a gate that allows walkers to enter is installed on Linden Avenue it might benefit the students and the nearby shopping center. He supports the petition as presented though.

Mr. Dendy responded that the parking lot at the intersection is lit all night but HumanKind would welcome the opportunity to light their parking lots only on an as needed basis. The advice of the City will be followed though.

Commissioner Lowe made the following motion, seconded by Commissioner Johnson, and passed by the following vote:

“Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the Conditional Use Permit petition of HumanKind to allow the construction of athletic fields, a swimming pool and associated parking subject to the following conditions:

- 1. The property shall be developed in substantial compliance with the submitted concept plan received November 11, 2019.**
- 2. There shall be no lighting or illumination of the athletic fields.**
- 3. There shall be no buildings or structures shall be located within one hundred (100) feet of the shared property line with Westminster Canterbury.**
- 4. There shall be no more than two (2) synthetic turf athletic fields.**
- 5. There shall be no illuminated electrical scoreboards.**
- 6. There shall be no bleachers or stands associated with the athletic fields.**
- 7. There shall be no public address or amplified sound systems.**
- 8. A new, freestanding gymnasium shall not be constructed.**

9. A building to house an indoor swimming pool shall not be constructed.

10. During use, sports netting shall be installed and maintained in order to retain balls within the athletic field area.”

AYES:	Bowden, Johnson, Lowe, Marion, Perault, and Rogers	6
NOES:		0
ABSTENTIONS:	Light	1
ABSENT:		0

The Department of Community Development

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

To: Planning Commission
From: Planning Division
Date: November 13, 2019
Re: **Conditional Use Permit (CUP) – HumanKind Athletic and Parking Facilities – 150 Linden Avenue**

I. PETITIONER

HumanKind, 150 Linden Avenue, Lynchburg, Virginia 24503

Representative: Mr. Tim Davey, Timmons, 101 Boulders Parkway #300, Richmond, Virginia 23225

Property Owner: Presbyterian Orphans Home (HumanKind) 150 Linden Avenue, Lynchburg, Virginia 24503

II. LOCATION

The areas proposed for development contain approximately sixteen (16) acres located on the eastern portion of the one hundred sixty-seven (167) acre campus located at 150 Linden Avenue.

III. PURPOSE

The purpose of the petition is to allow the construction of synthetic turf athletic fields, a swimming pool and parking areas.

IV. SUMMARY

- The City's *Comprehensive Plan 2013-2030* recommends an Institutional Use for the area.
- The subject property is zoned, R-1, Low Density Residential. Recreational uses are permitted upon approval of a Conditional Use Permit (CUP) by City Council in the R-1 District. Approval of the CUP would not change the underlying R-1, Low Density Residential zoning.
- Humankind has voluntarily included restrictions to this petition such as no lighting of the athletic fields, increased building setbacks, no illuminated scoreboards, no outdoor bleachers, no amplified sound system, no more than two athletic fields, no new freestanding gymnasium building, no buildings to house an indoor swimming pool, and to construct sports netting. These restrictions are based on concerns expressed by neighbors and City Council during the public hearing for Humankind's 2018 petition for a rezoning to IN-1, Institutional 1 District.
- The petitioner has worked diligently in order to address concerns of surrounding property owners.

The Planning Division recommends approval of the CUP petition.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Comprehensive Plan 2013-2030* recommends an "Institutional" use for the area. The City's institutions include the religious, educational and other nonprofit entities in the City. Examples include churches, cemeteries, private schools and universities,

private nonprofit hospitals, service clubs and organizations, and other nonprofit institutions.
(p.76)

2. **Zoning.** The subject property was annexed into the City in 1926. The existing R-1, Low Density Residential District zoning was established in 1978.
3. **Board of Zoning Appeals (BZA).** The Zoning Administrator has determined that no variances are needed for the development of the property as proposed.
4. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:
 - On June 10, 1980, City Council approved the CUP request of Virginia Episcopal School for a master plan at 400 VES Road.
 - On October 8, 1985, City Council approved the CUP request of Virginia Episcopal School to allow the construction of a gymnasium addition at 400 VES Road.
 - On December 10, 1985, City Council approved the CUP petition of Virginia Episcopal School to allow the construction of an athletic field at 340 VES Road.
 - On May 5, 1986, City Council approved the CUP petition of Virginia Episcopal School to allow the construction of a dormitory at 400 VES Road.
 - On April 10, 1990, City Council approved the CUP petition of Virginia Episcopal School to allow the construction of a maintenance building and driveway improvements at 400 VES Road.
 - On June 12, 1990, City Council approved the CUP petition of Westminster Canterbury to allow building and parking additions at 501 VES Road.
 - On September 25, 1990, City Council approved the CUP petition of Presbyterian Home and Family Services to allow the construction of a group home at 150 Linden Avenue.
 - On October 9, 1990, City Council approved the CUP petition of Virginia Episcopal School to allow revisions to the Master Plan at 400 VES Road.
 - On November 14, 1995, City Council approved the CUP petition of Westminster Canterbury to allow the addition of a cottage program at 501 VES Road.
 - On August 11, 1998, City Council approved the CUP petition of Presbyterian Homes and Family Services to allow the construction of a student activity center and parking area at 150 Linden Avenue.
 - On July 13, 1990, City Council approved the CUP petition of Westminster Canterbury to allow the construction of a wellness center and swimming pool at 501 VES Road.
 - On January 9, 2001, City Council approved the CUP petition of Westminster Canterbury to allow building and parking additions at 501 VES Road.

- On May 9, 2010, City Council approved the CUP petition of Cole Brothers Circus to allow a temporary Circus at 150 Linden Avenue.
 - On July 8, 2014, City Council approved the CUP request of Virginia Episcopal School to allow the construction for a parking area at 400 VES Road.
 - On September 13, 2016, City Council approved the request of Westminster Canterbury of Lynchburg to rezone 501 VES Road from R-4, High Density Residential to IN-1, Institutional District 1.
5. **Site Description.** The area proposed for development as athletic facilities and parking is approximately sixteen (16) acres located on the eastern portion of the one hundred sixty-seven (167) acre campus located at 150 Linden Avenue. The area is primarily an open field with a slope towards the northeast.
6. **Proposed Use of Property.** If the petition is approved the area would be developed as two (2) synthetic turf athletic fields, an outdoor swimming pool and associated parking areas.
7. **Traffic, Parking and Public Transit.** The City Engineer did not require a traffic study for the proposed use. The proposed facilities are not expected to generate additional traffic beyond normal events that have been historically held on the property.
- The property is served by Greater Lynchburg Transit Company Route 3A; however, bus stops are not currently convenient to serve the site.
8. **Stormwater Management.** A stormwater management / water quality plan will be required prior to final site plan approval. The submitted concept plan indicates three (3) stormwater management measures distributed through the development.
9. **Emergency Services:** The City's Fire Marshal noted the requirements of the 2015 International Fire Code. The City's Police Department made general comments related to Crime Prevention Through Environmental Design (CPTED) principals.
10. **Impact.** The proposed athletic fields, swimming pool and associated parking areas should have little to no significant impact on the surrounding area. The petitioner has voluntarily stated and restricted items that are typically associated with athletic fields in an attempt to address neighborhood concerns. These restrictions include:
- The property shall be developed in substantial compliance with the submitted concept plan received November 11, 2019.
 - There shall be no lighting or illumination of the athletic fields.
 - There shall be no buildings or structures shall be located within one hundred (100) feet of the shared property line with Westminster Canterbury.
 - There shall be no more than two (2) synthetic turf athletic fields.
 - There shall be no illuminated electrical scoreboards.
 - There shall be no bleachers or stands associated with the athletic fields.
 - There shall be no public address or amplified sound systems.

- A new, freestanding gymnasium shall not be constructed.
- A building to house an indoor swimming pool shall not be constructed.
- During use, sports netting shall be installed and maintained in order to retain balls within the athletic field area.

In 2018, HumanKind submitted a rezoning request to rezone the property from R-1, Low Density Residential District to IN-1, Institutional 1 District. This would have been in keeping with the recommendations of the Comprehensive Plan 2013-2030 and the adjacent zoning of Westminster Canterbury. HumanKind ultimately withdrew the request after neighbors expressed concern and indicated that a Conditional Use Permit may be a more appropriate way for City Council to have additional input on the future development of the property.

On June 4, 2019, the petitioner submitted a site plan which indicated a new access road to serve the property. The new entry road would access the property in the vicinity of Pine Drive. The proposed access road is currently in staff review. While not directly tied to this CUP request or subject to Council approval the new access road should address the concern with traffic accessing the property via Linden Avenue through the neighborhood to the west or from Linden Avenue past Westminster Canterbury.

City staff has received a letter from Westminster Canterbury stating they have no opposition to the requested CUP or the proposed access road.

City staff has received one inquiry concerning lighting of the parking areas. The petitioner has indicated the desire to light the parking areas for safety. *Zoning Ordinance* Section 35.2-65 regulates outdoor lighting in terms of height of lighting fixtures, shielding and allowable foot candles at the property line. The standards of the Zoning Ordinance are sufficient to address any concerns with lighting of the proposed parking areas.

11. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the petition on October 22, 2019. Comments will be addressed prior to final site plan approval.

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the Conditional Use Permit petition of HumanKind to allow the construction of athletic fields, a swimming pool and associated parking subject to the following conditions:

1. The property shall be developed in substantial compliance with the submitted concept plan received November 11, 2019.
2. There shall be no lighting or illumination of the athletic fields.
3. There shall be no buildings or structures shall be located within one hundred (100) feet of the shared property line with Westminster Canterbury.
4. There shall be no more than two (2) synthetic turf athletic fields.

5. **There shall be no illuminated electrical scoreboards.**
6. **There shall be no bleachers or stands associated with the athletic fields.**
7. **There shall be no public address or amplified sound systems.**
8. **A new, freestanding gymnasium shall not be constructed.**
9. **A building to house an indoor swimming pool shall not be constructed.**
10. **During use, sports netting shall be installed and maintained in order to retain balls within the athletic field area.**

This matter is respectfully offered for your consideration.

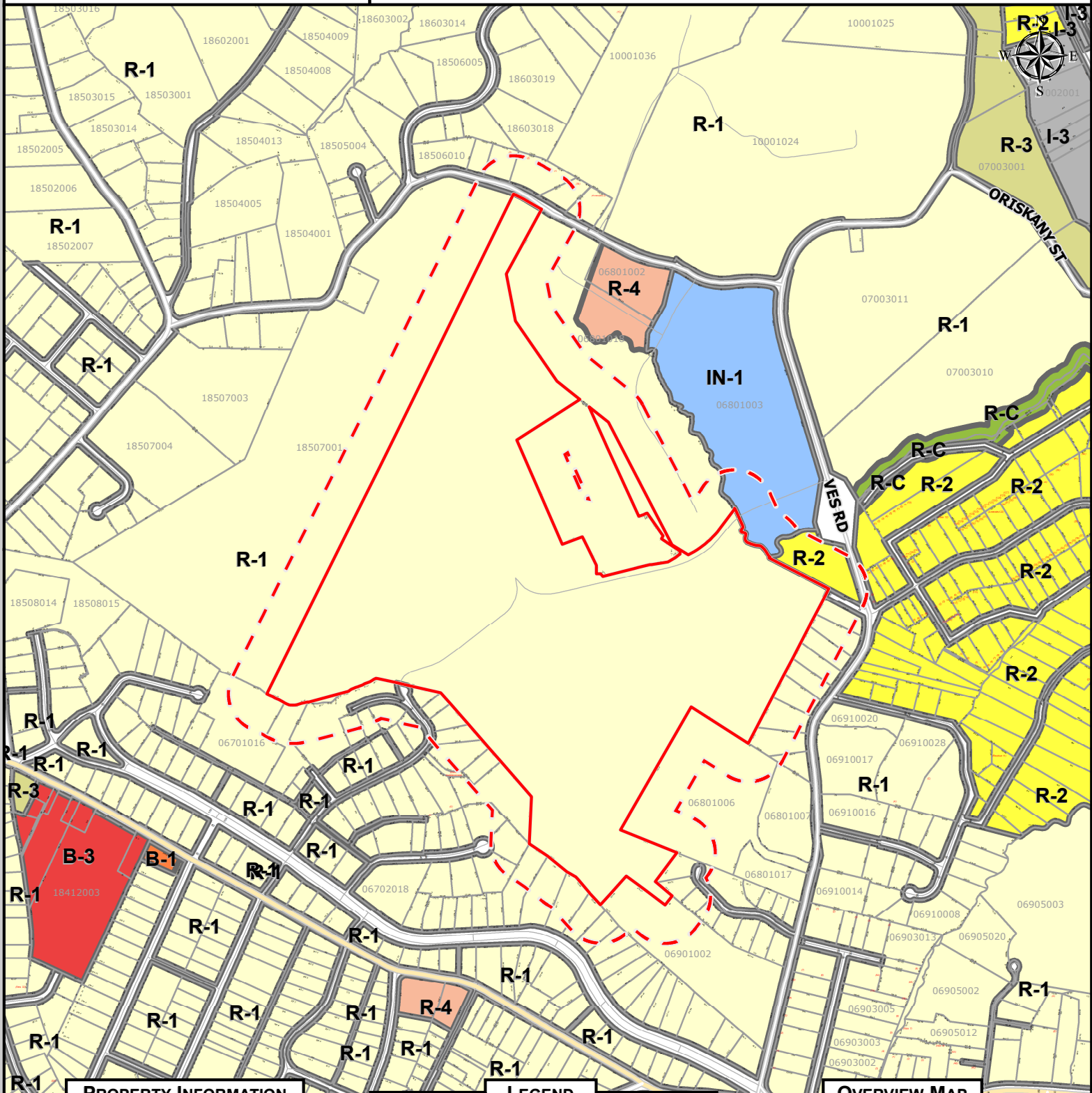


William T. Martin, AICP
City Planner

pc: Ms. Bonnie M. Svrcek, City Manager
Mr. Reid Wodicka, 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. Doug Saunders, Building Official
Mr. Kevin Henry, Zoning Administrator
Mr. Scott Bob Dendy, Petitioner
Mr. Tim Davey, Representative

VII. ATTACHMENTS

1. **Zoning Map with Adjoining Property Owners**
2. **Future Land Use Map**
3. **Watershed Map**
4. **Planimetric and Topographic Map**
5. **Concept Plan**
6. **HumanKind Letter – October 10, 2019**
7. **HumanKind Letter – October 11, 2019**
8. **Westminster Canterbury Letter – October 18, 2019**
9. **Property Photograph**



PROPERTY INFORMATION

PARCEL ID

ADDRESS

06801005 150 LINDEN AVE

LEGEND

Subject Property

215' Buffer

B-1	I-1	R-1
B-3	I-2	R-2
B-4	I-3	R-3
B-5	IN-1	R-4
R-C	IN-2	

OVERVIEW MAP

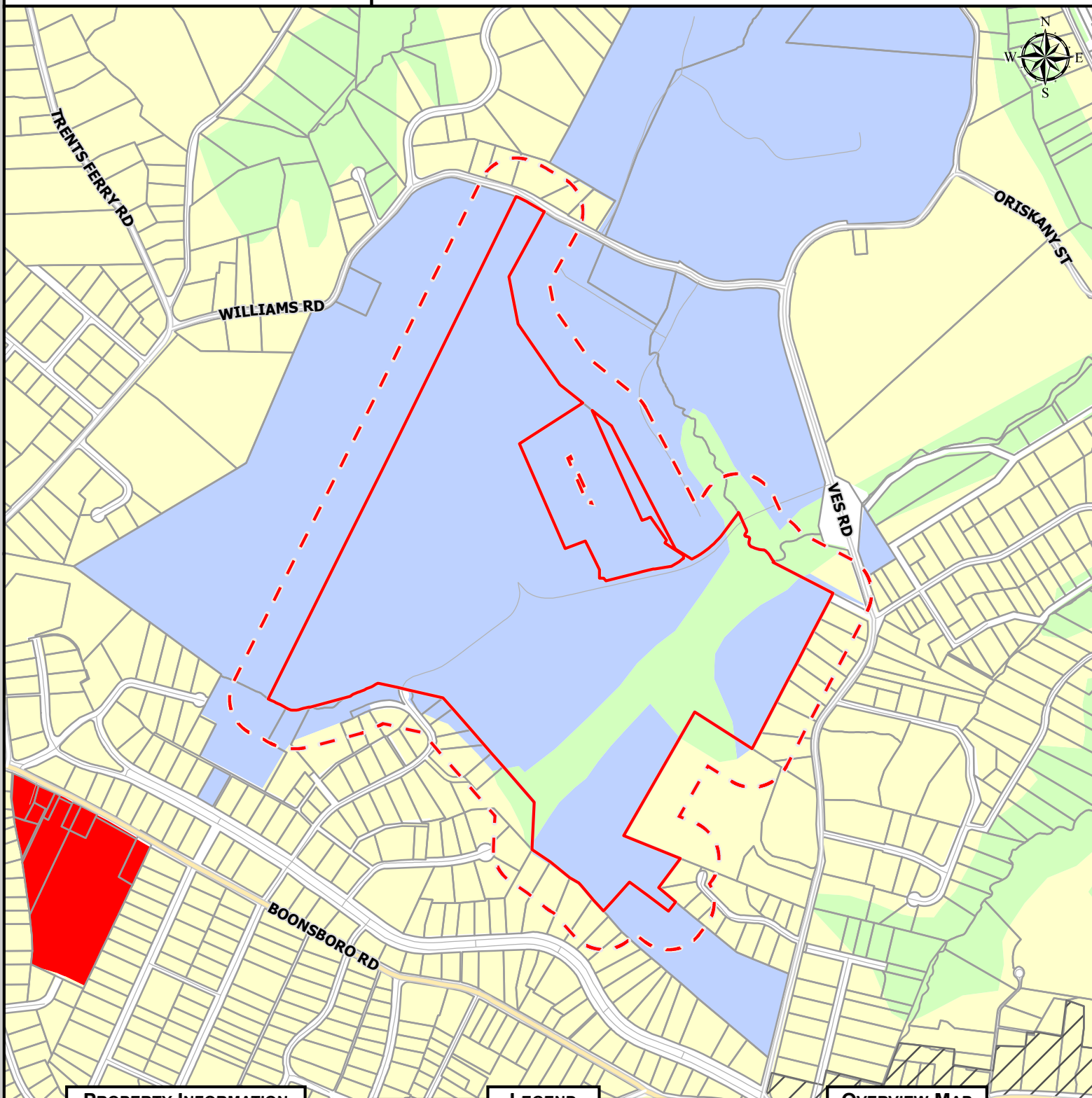


MAP SCALE: 1" to 750' DATE PRINTED: 10/8/2019

150 Linden Avenue

Parcel ID	Address	Owner
06701001	109 LINDEN AVE	MCGUINN, J WILLIAM III & ESTER S
06701002	137 LINDEN AVE	PRESBYTERIAN ORPHANS HOME
06701003	117 LINDEN AVE	LIPPARD, MARGARET K TRS
06701004	133 LINDEN AVE	ELLEGALA, DILANTHA B & CATHARINA J
06701005	129 LINDEN AVE	ELLEGALA, CHITRA
06701007	125 LINDEN AVE	JORDAN, DONNA R & JORDAN, DARLENE R
06701016	4018 PEAKLAND PL	PEAKLAND BAPTIST CHURCH TRS
06701023	4006 PEAKLAND PL	PEAKLAND BAPTIST CHURCH TRS
06702001	3860 PEAKLAND PL	LANGSETH, STEPHEN C & KAREN M
06702002	130 LINDEN AVE	APPALACHIAN ELECTRIC POWER
06702003	3856 PEAKLAND PL	DAY, ROBERT W & CAROL ANN
06702004	3852 PEAKLAND PL	GILES, FRANCES J TRS
06702005	3848 PEAKLAND PL	PERROW, MOSBY G III & HOLLY W
06702006	3844 PEAKLAND PL	LESLIE, ROBERT M & SARAH E
06702024	127 BRIARWOOD ST	SIMPSON, MARGARET H
06702025	132 LINDEN AVE	MORRISON, KERSTEN C
06702026	136 LINDEN AVE	JENNINGS, WILLIAM R JR & CYNTHIA A
06702027	140 LINDEN AVE	KERR, DAVID A JR & SARAH L
06702028	144 LINDEN AVE	BARKER, STEPHEN C & CREAMER, SARAH E
06702029	148 LINDEN AVE	BARKER, S CASEY & CREAMER, SARAH E
06702033	123 BRIARWOOD ST	SIMPSON, MARGARET H
06702034	128 BRIARWOOD ST	SIMPSON, MARGARET H
06702035	124 BRIARWOOD ST	WALKER, GEORGE C JR & LYNNE R FLLLP
06702045	3864 PEAKLAND PL	CITY OF LYNCHBURG
06801003	501 VES RD	WESTMINSTER CANTERBURY OF LYNCHBURG
06801004	715 VES RD	PRESBYTERIAN HOMES & FAMILY SERVICES
06801005	150 LINDEN AVE	PRESBYTERIAN HOME
06801006	1111 VES RD	BRUCE, JOHN T & MARGARET H
06801007	1105 VES RD	LYNN, CATHERINE W CO-TRS &
06801008	1005 VES RD	CATEL, JAMES M & LOIS I
06801009	1001 VES RD	BRYANT, PAMELA LORRAINE TRS
06801010	909 VES RD	MILLER, ELLIOT R & JOCELYN M
06801011	905 VES RD	BOYD, GERALD L & DONNA M
06801012	901 VES RD	DEACON, THOMAS T
06801013	837 VES RD	VIRGINIA EPISCOPAL SCHOOL
06801014	833 VES RD	HAGSTROM, JAMES B & MONA C
06801015	829 VES RD	HAGSTROM, JAMES B & MONA C
06801016	825 VES RD	HAGSTROM, JAMES B & MONA C
06801018	3801 WILLIAMS RD	WESTMINSTER CANTERBURY OF LYNCHBURG
06801800	150 LINDEN AVE	PRESBYTERIAN ORPHANS HOME ACCT DEPT
06901002	1215 VES RD	FIRST PRESBYTERIAN CHURCH OF
06901003	3823 SHERINGHAM PL	CARTER, BEATRICE J ESTATE
06901004	3827 SHERINGHAM PL	CARTER, BEATRICE J ESTATE
06901014	3820 SHERINGHAM PL	JOHNSON, STEPHEN M & SUZANNE G
06901023	3819 SHERINGHAM PL	ATAMAN, VEDAT T
06901027	3821 SHERINGHAM PL	BATT, LEWIS T III & VIRGINIA M

07009040	615 PINE DR	THOMPSON, JAMES W
07009044	700 VES RD	VIRGINIA EPISCOPAL SCHOOL
10001038	4112 WILLIAMS RD	JUDD, CHARLES & WANDA
10001039	4116 WILLIAMS RD	BURNS, TANNER J & REBECCA B
10001040	4120 WILLIAMS RD	QUINN, MICHAEL J & AMY F
18506012	4130 WILLIAMS RD	SUMMERS, LAWRENCE C
18507001	4301 WILLIAMS RD	PRESBYTERIAN ORPHANS HOME
18603023	4128 WILLIAMS RD	TURNBOW, TYLER JAY SR



PROPERTY INFORMATION

PARCEL ID

ADDRESS

06801005

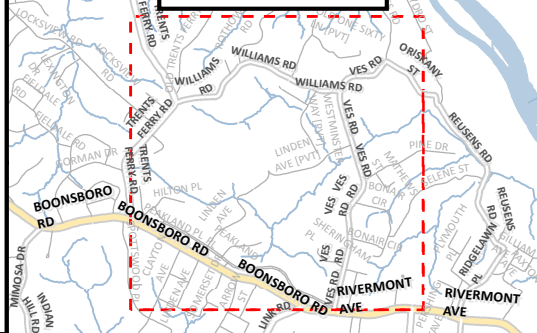
150 LINDEN AVE

LEGEND

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

MAP SCALE: 1" to 750' DATE PRINTED: 10/8/2019

OVERVIEW MAP





PROPERTY INFORMATION

PARCEL ID

ADDRESS

06801005

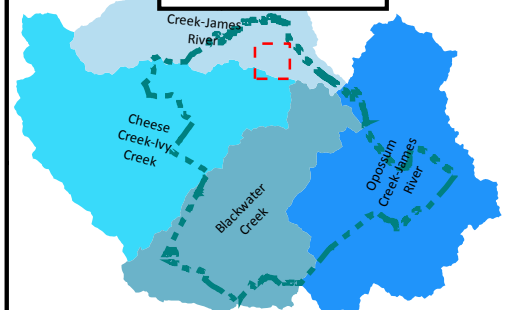
150 LINDEN AVE

LEGEND

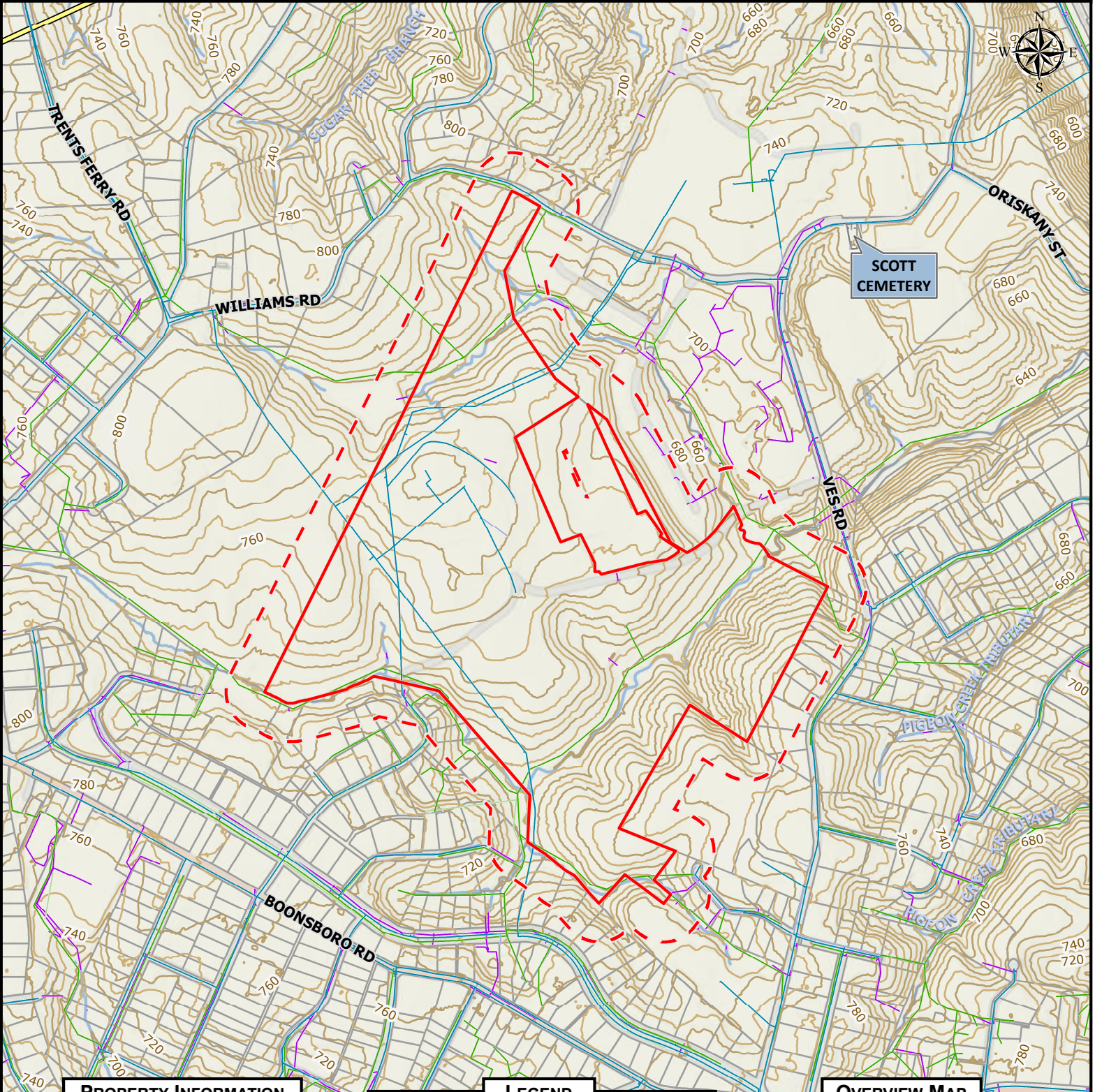
-  Subject Property
-  Base Flood Elevation
-  Floodway
-  Floodzone
-  River / Lake / Stream

MAP SCALE: 1" to 750' DATE PRINTED: 10/8/2019

OVERVIEW MAP



Judith Creek-James River



SCOTT CEMETERY

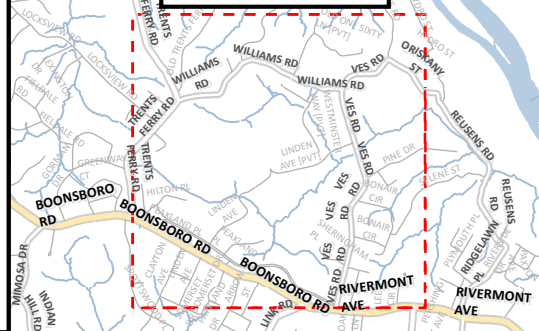
PROPERTY INFORMATION

PARCEL ID	ADDRESS
06801005	150 LINDEN AVE

LEGEND

	Active	Proposed	Abandoned
Utilities	Water (blue solid line)	Sanitary (green dashed line)	Storm (purple dashed line)
Structure	100' (brown solid line)		
Roadway	50' (brown solid line)		
Parking	20' (brown solid line)		
Sidewalk	10' (brown solid line)		
Driveway	5' (brown solid line)		
	1' (brown solid line)		
Towers & Trans. Lines	Elec. Trans (yellow solid line)	Trans. Tower (blue square)	Comm. Tower (red circle)
		Other (blue square)	Pole Cemetery (black dot)

OVERVIEW MAP



MAP SCALE: 1" to 750' DATE PRINTED: 10/8/2019



Enlarged Rezoning Site Concept Plan

YOUR VISION ACHIEVED THROUGH OURS.

THIS DRAWING PREPARED AT THE
CORPORATE OFFICE
1001 Boulders Parkway, Suite 300 | Richmond, VA 23225
TEL 804.200.6500 FAX 804.560.1016 www.timmons.com

HumanKind

November 20, 2019

VIA Electronic Filing

Rachel Frischeisen
City Planner II
Department of Community Development
City Hall, 900 Church Street
Lynchburg, Virginia 24504

Re: Supplement and Modify October 10, 2019 Letter to Tom Martin

Dear Ms. Frischeisen:

This letter is intended to summarize the “supplements” included in our October 10 letter to Tom Martin (the “Request for Voluntary Conditions”, by which we submitted certain voluntary conditions to be included as part of the issuance of the conditional use permit that we requested by application for CUP dated October 7, 2019), as well as the letter of October 11 regarding the parking area and new feedback from the Planning Department and Planning Commission regarding storm water management and parking requirements.

Voluntary Proffers

HumanKind asks that the CUP be issued subject to the following negative and affirmative conditions (collectively, the “Greenspace Conditions”) concerning the portion of HumanKind's campus consisting of 15.022 acres, which is the larger of two areas shown outlined on the Concept Plan filed as part of its application (the “Greenspace Area”).

- a. Negative Conditions. As a condition of the CUP, HumanKind agrees that it will not construct or install on the Greenspace Area, any of the following:
 - i. Light poles and related equipment for sports lighting or the illumination of athletic fields;
 - ii. Buildings or structures within one-hundred (100) feet of the shared property boundary line of the Greenspace Area with the lands of Westminster Canterbury of Lynchburg, Inc.;

- iii. Synthetic athletic fields in excess of two (2) synthetic athletic fields within the area of the large rectangle depicted by dashed lines, designated as "SYNTHETIC TURF ATHLETIC FIELDS," as shown on the Concept Plan;
 - iv. An outdoor illuminated electrical scoreboard;
 - v. Outdoor bleachers or stands;
 - vi. An outdoor public address or amplified sound system; vii. A new, freestanding gymnasium building; or ix. A building to house an indoor swimming pool.
- b. Affirmative Conditions. As a condition of the CUP, HumanKind agrees that it must install and maintain on the Greenspace Area sports netting (*to be constructed as will be depicted in a detail of such sports netting to be provided as a supplement to the Concept Plan*) to retain balls within the Greenspace Area during periods of practice or games.

Greenspace Conditions to Apply to the Parking Areas

Please note that, in addition to the 15.022 acres Greenspace Area, our CUP application also includes the 1.048 acres Parking Area shown on the Concept Plan. We have not requested CUP approval for any uses for the Parking Area other than parking-related uses. Nevertheless, we ask that our Request for Voluntary Conditions be modified by this supplemental request such that the Greenspace Conditions have application to both the Greenspace Area (as originally requested) and also the Parking Area (as hereby requested). This supplemental request neither broadens the scope of Greenspace Conditions "a.ii." or "b.", which by their terms apply only to a specific part of the Greenspace Area (namely, with respect to the shared boundary line, in the case of Greenspace Negative Condition "a.ii.", and with respect to the sports netting, in the case of Greenspace Affirmative Condition "b"), nor expands our requested use of the Parking Area, which requested use remains limited to the originally requested parking related uses.

Storm Water Management

We propose three storm water management facilities that will be designed and constructed completely on property currently owned by Humankind. These three stormwater management facilities are shown conceptually on the attached concept plan. We propose to design these facilities to meet the water quality and water quantity requirements of the City of Lynchburg. Planning

Parking Requirements

We understand that parking requirements are 1 space for 10 square feet of spectator space and will incorporate that requirement into our site plan when designed.

Thank you for your attention to this supplemental request.

Sincerely,

PRESBYTERIAN HOMES & FAMILY SERVICES, INC.
d/b/a HumanKind



Robert S. Dendy, Jr., President

Also send to: tom.martin@lynchburgva.gov

501 V.E.S. Road
Lynchburg, VA 24503
(434) 386-3500
1 (800) 962-3520
www.wclynchburg.org

RECEIVED

OCT 21 2019

COMMUNITY
DEVELOPMENT



October 18, 2019

Mr. Tom Martin
City Planner
City of Lynchburg
City Hall
900 Church Street
Lynchburg, Virginia 24504

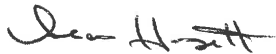
*Re: Presbyterian Homes & Family Services (Human Kind) CUP 1910-003
and Related New Access Road and Entrance*

Dear Mr. Martin:

The purpose of this letter is to inform the City of Lynchburg that Westminster Canterbury of Lynchburg, Inc. has no opposition to the referenced CUP or the uses and improvements requested in the CUP application on file as of the date of this letter and no opposition to the new access road and new entrance, which the City has assigned site plan review number 1905-0006.

I would appreciate being contacted if the CUP is amended in any way.

Very truly yours,


Sean Huyett
CEO



Mr. Tom Martin
City Planner
900 Church Street
Lynchburg VA 24504

8 November 2019

Concerning: Humankind CUP application for recreation fields

Dear Mr. Martin,

I am writing to address the topic we discussed earlier this week. While the Humankind application specifically agreed not to have lights on their playing fields, they did not address lighting in the parking areas.

The campus currently puts off a large amount of light, given the topography of the campus as well as the age of the lights, which project out as well as down. Any new lighting for parking or other reasons, if needed, should produce the minimum amount necessary and not project outward.

This seems to be a reasonable request as a condition for the project to be approved.

Thank you.

John Bruce
1111 VES Road
Lynchburg VA 24503

Mr. Tom Martin
City Planner
900 Church Street
Lynchburg VA 24504

8 November 20129

Subj: Humankind CUP 1910-0003
Humankind SPR 1905-0008

Dear Mr. Martin,

I have one concern with the proposals and that is the intersection of VES Road and the future Linden Road extension. If built as currently proposed, the ingress and egress will work well if there is no other traffic. However, a northbound approach on VES is downhill, around a left-hand curve, at a 35mph speed limit. If a car is stopped on VES waiting to get into the Linden extension, there will be a screech of brakes to avoid a rear end collision. The Linden Road extension is 20ft wide at the intersection and a school bus exiting Linden will take up all of that 20 feet. There are 2 planning changes that can mitigate this safety hazard.

First, the Linden Road extension at the VES intersection should be widened so that a school bus can be waiting on Linden (to enter VES) while another vehicle turns safely onto Linden. If Linden is filled by that school bus, then neither northbound or southbound VES traffic will be able to turn onto Linden.

Second, VES Road needs to widen and a center turn lane built to accommodate northbound traffic waiting to enter the Linden Road extension. This would allow downhill traffic to pass safely to the right. If this is not done, downhill traffic will have to stop waiting for a vehicle to execute its turn.

As you know, not all traffic on VES travels at the 35mph speed limit, especially downhill. When the turn into Humankind was at the bottom of the hill, vehicles had visibility and time to adjust to waiting traffic. That will not be possible with the current plan.

Thank you.

A handwritten signature in black ink that reads "Robert W. Day". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Robert Day
3856 Peakland Place
Lynchburg VA 24503



November 13, 2019

PLEASE PRINT CLEARLY

[illegible]

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **10**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Conditional Use Permit – Memory Care Facility – 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road

KEY ELEMENTS:

X Economic Development Excellent Government **X** Natural and Built Environment Safe Community **X** Vibrant Community

RECOMMENDATION: Approval of the Conditional Use Permit to allow the construction of a memory care and assisted living facility.

SUMMARY: Millside Development Center is petitioning for a Conditional Use Permit at 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road to allow the construction of a memory care and assisted living facility.

The purpose of the petition is to amend the Cluster Commercial Development (CCD) previously approved by Council on January 11, 2005 which indicated a six thousand thirty (6,030) square foot office building in this location. The proposed amendment would allow the construction of a twenty-two thousand three hundred (22,300) square foot building to be used for memory care and assisted living.

PRIOR ACTION(S):

November 13, 2019: The Planning Division recommended approval of the Conditional Use Permit.
 The Planning Commission recommended approval of the Conditional Use Permit (7-0)

FISCAL IMPACT: Increased real estate valuation will be determined after construction.

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

ATTACHMENT(S):

- Resolution
- Planning Commission Minutes – November 13, 2019
- Planning Commission Packet – November 13, 2019
 - o Planning Commission Report
 - o Zoning Map with Adjoining Owners
 - o Future Land Use Map
 - o Watershed Map
 - o Planimetric and Topographic Map
 - o Concept Plan
 - o Property Photograph
 - o Speaker Sign in Sheet

REVIEWED BY: raw

RESOLUTION:

A RESOLUTION GRANTING A CONDITIONAL USE PERMIT TO MILLSIDE DEVELOPMENT CENTER IN THE B-1, LIMITED BUSINESS DISTRICT AT 1602, 1604, 1606, 1608, 1610, 1612, 1614 AND 1620 GRAVES MILL ROAD TO ALLOW THE CONSTRUCTION OF A MEMORY CARE AND ASSISTED LIVING FACILITY.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG that the petition of Millside Development Center for a Conditional Use Permit at 1602, 1604, 1606, 1608, 1610, 1612, 1614 and 1620 Graves Mill Road to allow the construction of a memory care and assisted living facility in the B-1, Limited Business District is hereby approved subject to the following conditions:

1. The property shall be developed in substantial compliance with the submitted concept plan received October 31, 2019.
2. All other conditions of Resolution #R-05-004 for the Millside Cluster Commercial Development approved by Council on January 11, 2005 shall remain in effect.

Adopted:

Certified: _____
Clerk of Council

158R

MINUTES OF THE NOVEMBER 13, 2019 PLANNING COMMISSION MEETING (MINUTES HAVE NOT BEEN APPROVED):

Petition of Millside Development Center (Scott Zechini) to amend the previously approved Conditional Use Permit for a Cluster Commercial Development at 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road to allow the construction of a twenty-two thousand three hundred (22,300) square foot assisted living facility in a B-1, Limited Business District.

Ms. Rachel Frischeisen, Planner II provided the following summary to the Commission. The purpose of the petition is to amend the Cluster Commercial Development (CCD) previously approved by City Council on January 11, 2005, which indicated an approximately six thousand (6,000) square foot office building in this location. The proposed amendment would allow for the construction of a roughly twenty-two thousand (22,000) square foot building to be used for memory care and assisted living. The City's Comprehensive Plan 2013-2030 recommends "Mixed Use" for the area. The subject property is zoned B-1, Limited Business District, which permits Cluster Commercial Developments upon approval of a Conditional Use Permit (CUP) by City Council. The amendment of the Cluster Commercial Development (CCD) to allow the construction of the assisted living facility should have little impact on the area. The City's Technical Review Committee reviewed the petition on October 8, 2019, and had no major concerns. Staff recommends approval of the petition.

Chair Rogers asked who was present to speak on behalf of the petition.

Mr. Trent Warner of Hurt & Proffitt addressed the Commission. He is representing the owner of the property and the customer who is going to move in to the facility. He was part of the group who worked on the initial layout of this Cluster Commercial Development (CCD) in 2004 and this parcel is the last parcel in the master plan. The development followed the master plan pretty closely except in this case. This building will be approximately twenty-two thousand (22,000) square feet but the original planned footprint of the building was only six thousand (6,000) square feet. The required parking has decreased from what was originally drawn. The net increase, even with the reduction in parking, was seven thousand (7,000) square feet. The Planning Division recommended the change go through the review process to have the Conditional Use Permit (CUP) amended. The existing stormwater pond can contain the increased runoff. These changes will also go through the site planning process.

Chair Rogers asked if there was anyone present who wished to speak in favor or opposition of the petition. When no one came forward, Chair Rogers closed the public hearing for discussion amongst the Commission.

Chair Rogers asked if the stormwater pond currently exists.

Mr. Warner responded that it does currently exist. It was built early on in the development but needs maintenance now.

Commissioner Light asked for clarification that the building originally had a footprint of six thousand (6,000) square feet but has now been expanded to twenty-two thousand (22,000) square feet. He then asked if this change was to meet perceived demand.

Mr. Warner responded that was correct.

Commissioner Perault stated that the stormwater pond is in a good location. There is an extremely steep ravine just southeast of the site. He then asked how visible the stormwater pond is.

Mr. Warner responded that the pond is in a wooded section.

Chair Rogers noted that from the photograph of the property, it looks like there is some water already in the pond.

Mr. Warner responded that there is an actual stream that runs through the stormwater pond. There is two hundred ninety-nine (299) feet of pipe that carries the stream through the pond.

Commissioner Perault asked if the building would be to the northwest of the pond.

Mr. Warner responded that was correct. The stormwater piping is already installed and was part of the original master grading plan. It is unlikely that any of the piping would need to be rerouted but some biofilter modifications may be needed from the original concept.

Commissioner Perault stated that this application is pretty straightforward. It isn't a rezoning request; it's just altering a previously approved request. Traffic is always a concern but this will result in less traffic than an office building because there won't be as many people coming and going throughout the day. Graves Mill Road has a terrible level of service ranking when it comes to traffic and it is predicted to get worse.

Ms. Frischeisen stated that the Graves Mill Road corridor improvement study has been adopted.

Commissioner Perault stated that this might reduce traffic.

Commissioner Johnson stated that she has no issue with this application. The plan looks fine and there is demand for this service.

Commissioner Marion shared agreement and stated that this is something the City needs.

Commissioner Bowden made the following motion, seconded by Commissioner Light:

“Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the Conditional Use Permit petition of Millside Development Center to amend the previously approved Cluster Commercial Development by allowing the construction of a twenty-two thousand three hundred (22,300) square foot memory care and assisted living facility within the Millside Cluster Commercial Development subject to the following conditions:

- 1. The property shall be developed in substantial compliance with the submitted concept plan received October 31, 2019.**
- 2. All other conditions of Resolution #R-05-004 for the Millside Cluster Commercial Development approved by Council on January 11, 2005 shall remain in effect.”**

Commissioner Perault noted that he saw a sign advertising for this addition, which might be “putting the cart before the horse” since it has not officially been approved by City Council.

Mr. Warner responded that he was not aware there was a sign up.

Ms. Frischeisen asked if the sign was located next to the public hearing sign.

Commissioner Perault responded it was not and noted that the Commission “does not rubber stamp” applications.

Mr. Warner apologized and stated he would follow up on the sign.

(It was clarified after the meeting that the sign in question was up for the existing independent living facility, Bentley Commons, and not for the memory care facility to be approved.)

The motion passed by the following vote:

AYES:	Bowden, Johnson, Light, Lowe, Marion, Perault, and Rogers	7
NOES:		0
ABSTENTIONS:		0
ABSENT:		0

The Department of Community Development
City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission
From: Planning Division
Date: November 13, 2019
Re: **Conditional Use Permit (CUP) – Amend previously approved Cluster Commercial Development (CCD) - 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road**

I. PETITIONER

Millside Development Center, Scott Zechini, 3717 Old Forest Road, Lynchburg, Virginia 24501
Representative: Mr. Trent Warner, Hurt & Proffit, Inc., 2524 Langhorne Road, Lynchburg, Virginia 24501

Property Owners:

- 1602 Graves Mill Road – Millside Development Center, 3717 Old Forest Road, Lynchburg, Virginia 24501
- 1604 Graves Mill Road – Forest Dental Center, LLC, 4757 John Scott Drive, Lynchburg, Virginia 24503
- 1606 Graves Mill Road - Millside Development Center, 3717 Old Forest Road, Lynchburg, Virginia 24501
- 1608 Graves Mill Road – DSZ Properties, 3717 Old Forest Road, Lynchburg, Virginia 24501
- 1610 Graves Mill Road - DSZ Properties, 3717 Old Forest Road, Lynchburg, Virginia 24501
- 1612 Graves Mill Road – Magid Enterprises LLC, 1612 Graves Mill Road, Lynchburg, Virginia 24502
- 1614 Graves Mill Road – 1604 Graves Mill Road, LLC, 1614 Graves Mill Road, Lynchburg, Virginia 24502
- 1620 Graves Mill Road - DSZ Properties, 3717 Old Forest Road, Lynchburg, Virginia 24501

II. LOCATION

The subject properties contained within the Cluster Commercial Development (CCD) are located at 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road. The proposed assisted living facility would be constructed on a portion of 1602 Graves Mill Road and on 1606 Graves Mill Road and comprise approximately one and nine tenths (1.9) acres.

III. PURPOSE

The purpose of the petition is to amend the Cluster Commercial Development (CCD) previously approved by Council on January 11, 2005 which indicated a six thousand thirty (6,030) square foot building in this location. The proposed amendment would allow the construction of a twenty-two thousand three hundred (22,300) square foot building to be used for memory care and assisted living.

IV. SUMMARY

- The City's *Comprehensive Plan 2013-2030* recommends "Mixed Use" for the area.
- The subject property is zoned B-1, Limited Business District which permits Cluster Commercial Developments upon approval of a Conditional Use Permit by City Council.
- Cluster Commercial Developments provide for flexibility in the development of certain tracts of land through the modification of setbacks and use restrictions while maintaining a unified clustering of development served by common parking areas with a common means of ingress / egress.
- A Cluster Commercial Development (CCD) for the property was approved by City Council on January 11, 2005. The proposal would amend the approved CCD by allowing the construction of a memory care and assisted living facility in lieu of an office building.
- The approval of the memory care and assisted living facility should have little negative impact on the area.

The Planning Division recommends approval of the CUP petition.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Comprehensive Plan 2013-2030* recommends a "Mixed Use" for the area. Mixed Use areas do not fit into any single land 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. (p.76)
2. **Zoning.** The subject property was annexed into the City in 1976. The existing B-1, Limited Business District zoning was established on October 13, 1992 as part of the Graves Mill Road / US 221 Area Land Use Study.
3. **Board of Zoning Appeals (BZA).** The Zoning Administrator has determined that no variances are needed for the development of the property as proposed.
4. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:
 - On April 14, 1981, City Council approved the rezoning petition of Iseman to rezone approximately 8.0 acres of property at the end of Omega Street from R-1, Single Family Residential District, to R-2, Single Family Residential District (Conditional).
 - On August 12, 1986, City Council approved a Conditional Use Permit (CUP) for Dreaming Creek Properties to construct a Cluster Commercial Development at the intersection of Old Graves Mill Road and Graves Mill Road.
 - On December 8, 1987, City Council approved the rezoning petition of Hutter Associates, Inc. to rezone approximately 63 acres in the Creekside area, from R-1, Single-Family Residential District, to B-5, General Business District (Conditional), and R-4, Multi-family Residential District, to allow speculative development of commercial and multifamily uses.

- On October 13, 1992, City Council approved the Graves Mill Road / US 221 Area Land Use Study.
- On January 12, 1999, City Council approved the rezoning petition of Petrie, Dierman, and Kughn to rezone several parcels in the Creekside area from B-5, General Business District (Conditional) to B-5, General Business District (Conditional), to allow construction of a retail development. At the same time, Council approved a Conditional Use Permit (CUP) from the same petitioner to permit filling in the floodplain.
- On September 12, 1999, City Council approved a Conditional Use Permit (CUP) for First Assembly of God to construct a church and parking area at 1208 Graves Mill Road.
- On December 12, 2000, City Council approved a Conditional Use Permit (CUP) for Lowe's Home Centers, Inc. to allow the petitioner to fill in the floodplain at Creekside Drive and Graves Mill Road.
- On August 13, 2002, City Council approved a Conditional Use Permit (CUP) for Miller-Motte Technical College to allow the petitioner to establish a technical college for up to 250 students at 1011 Creekside Drive.
- On July 13, 2004, City Council approved a Conditional Use Permit (CUP) for Home Depot to allow the petitioner to fill in the floodplain at 1200 Graves Mill Road.
- 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, City Council approved the petition of Rosedale Farm, LLC to rezone the property at 1220 and 1600 Graves Mill Road from R-1, Low Density Residential and B-5C, General Business District (Conditional) to B-3C, Community Business District (Conditional) and for a conditional use permit to allow a Cluster Commercial Development.
- On March 10, 2015, City Council approved the petition of Rosedale Farm, LLC to amend the Cluster Commercial Development at 1220 and 1600 Graves Mill Road to allow Phases III & IV and to add a 2nd Roundabout.
- On October 11, 2016, City Council approved the petition of Maddox & Son Construction, Inc. to amend the Future Land Use Map from Medium Density Residential to High Density Residential and to rezone 1125 Old Graves Mill Road from R-2, Low-Medium Density Residential to R-4C, High Density Residential (Conditional).

5. **Site Description.** The property proposed for development is a portion of 1602 Graves Mill Road and on 1606 Graves Mill Road and comprise approximately one and nine tenths (1.9) acres. The area proposed for development is currently vacant. The larger Millside Cluster Commercial Development contains offices and an assisted living facility.
6. **Proposed Use of Property.** If the petition is approved, a new twenty-two thousand three hundred (22,300) square foot building for use as a memory care and assisted living facility would be constructed. The facility would contain thirty-two (32) beds.
7. **Traffic, Parking and Public Transit.** The City Engineer did not require a traffic study for the proposed use.

The property is served by Greater Lynchburg Transit Company Route 6/7X with a bus stop located at the entrance to the Millside Cluster Commercial Development.

8. **Stormwater Management.** A stormwater management and water quality plan will be required prior to final site plan approval. Information submitted by the petitioner indicates that the development would result in an overall increase of seven thousand five hundred (7,500) square feet of additional impervious area beyond that which was proposed when the original CCD was approved by Council. The existing regional stormwater facility to the east of the site has been determined to be adequate to handle the additional stormwater from the proposed development. Water quality would be addressed by the modification on an existing best management practice on site and the purchase of off-site nutrient credits.
9. **Emergency Services:** The City's Fire Marshal noted the requirements of the 2015 International Fire Code. The City's Police Department had no comments of concern with the proposed use.
10. **Impact.** The amendment of the Cluster Commercial Development (CCD) to allow the construction of a thirty-two (32) bed memory care and assisted living Facility should have little impact on the area. There is an existing Assisted Living Facility in the Millside Development and the proposed use and existing office uses should complement one another.
11. **Technical Review Committee.** The Technical Review Committee (TRC) reviewed the petition on October 8, 2019. Comments will be addressed prior to final site plan approval.

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of the Conditional Use Permit petition of Millside Development Center to amend the previously approved Cluster Commercial Development by allowing the construction of a twenty-two thousand three hundred (22,300) square foot memory care and assisted living facility within the Millside Cluster Commercial Development subject to the following conditions:

1. **The property shall be developed in substantial compliance with the submitted concept plan received October 31, 2019.**

2. All other conditions of Resolution #R-05-004 for the Millside Cluster Commercial Development approved by Council on January 11, 2005 shall remain in effect.

This matter is respectfully offered for your consideration.



William T. Martin, AICP
City Planner

pc: Ms. Bonnie M. Svrcek, City Manager
Mr. Reid Wodicka, 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. Doug Saunders, Building Official
Mr. Kevin Henry, Zoning Administrator
Mr. Scott Zechini, Petitioner
Mr. Trent Warner, P.E., Representative

VII. ATTACHMENTS

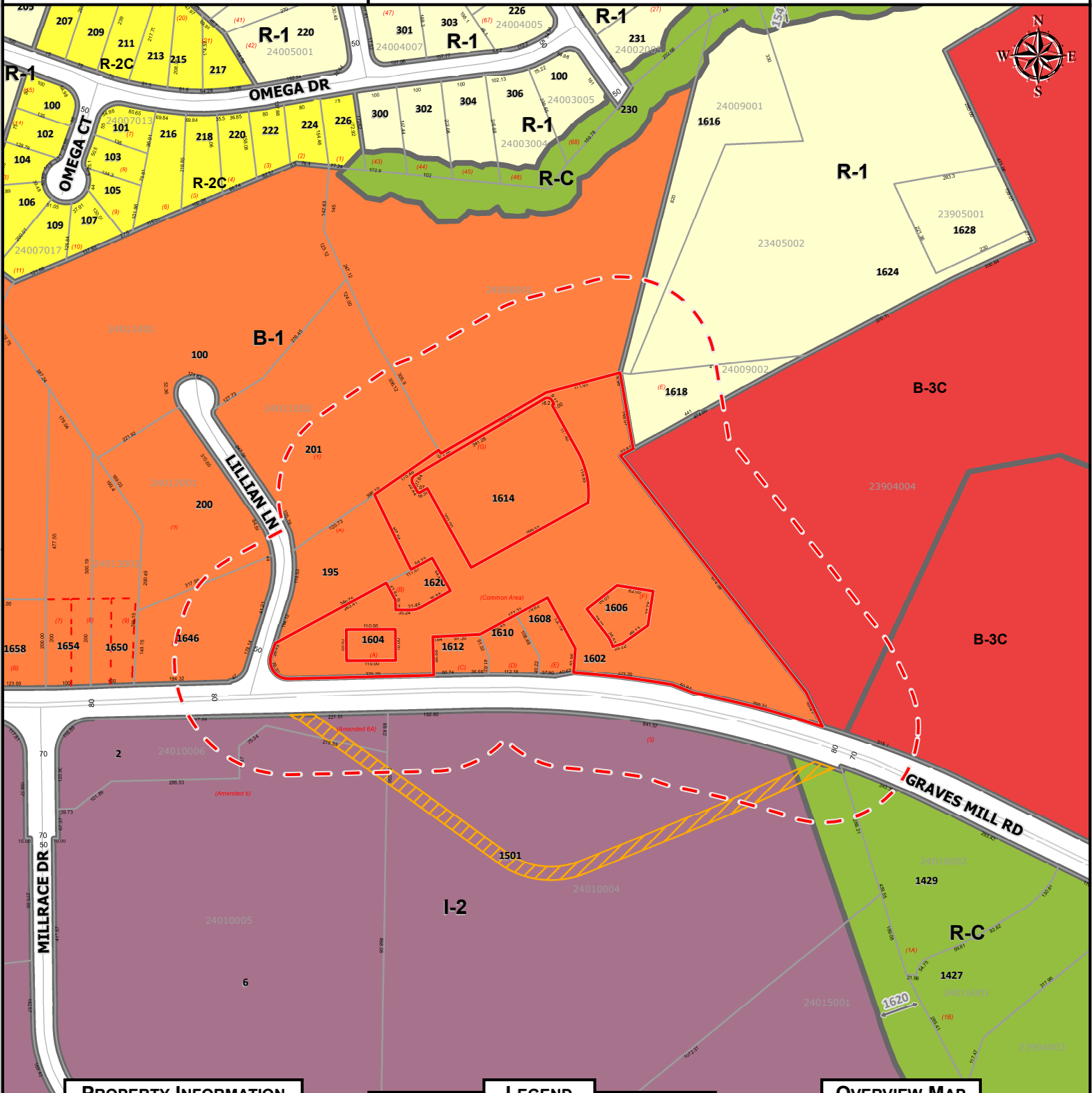
- 1. Zoning Map with Adjoining Property Owners**
- 2. Future Land Use Map**
- 3. Watershed Map**
- 4. Planimetric and Topographic Map**
- 5. Concept Plan**
- 6. Property Photograph**

Zoning-TRC Map

1602 & 1606 GRAVES MILL ROAD

TRC

Hurt & Proffitt



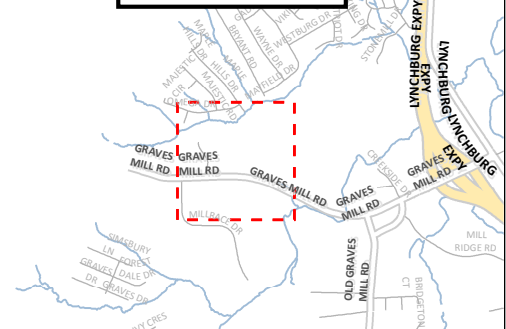
PROPERTY INFORMATION

PARCEL ID	ADDRESS
24010002	1602 GRAVES MILL RD
24010013	1606 GRAVES MILL RD

LEGEND

 	Subject Property
 	215' Buffer
	B-1
	B-3
	B-4
	B-5
	R-C
	I-1
	I-2
	I-3
	IN-1
	IN-2
	R-1
	R-2
	R-3
	R-4

OVERVIEW MAP



MAP SCALE: 1" to 300' DATE PRINTED: 10/8/2019

DISCLAIMER: THIS MAP IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS SUCH. THE INFORMATION DISPLAYED IS A COMPILATION OF RECORDS, INFORMATION, AND DATA OBTAINED FROM VARIOUS SOURCES. THE CITY OF LYNCHBURG IS NOT RESPONSIBLE FOR ITS ACCURACY OR HOW CURRENT IT MAY BE.

1602 and 1606 Graves Mill Road

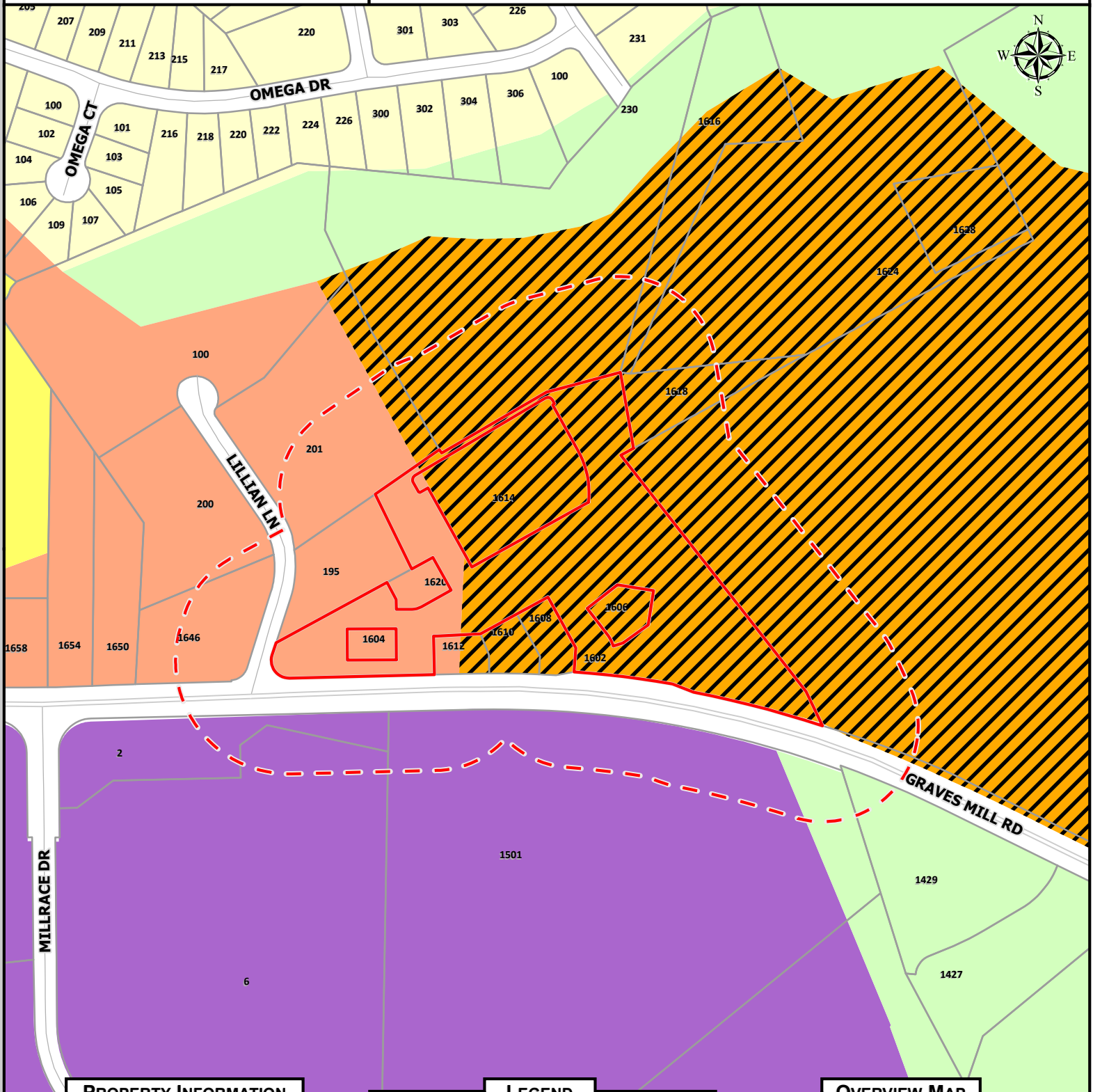
Parcel ID	Address	Owner
24009001	1616 GRAVES MILL RD	GOFF, DARRIN E
24010012	1608 GRAVES MILL RD	DSZ PROPERTIES LC
24010001	195 LILLIAN LN	T S D PROPERTIES
24012001	200 LILLIAN LN	200 LILLIAN LANE LLC
24016002	1429 GRAVES MILL RD	GRAVES, KATHY S & EDWARD S II
24010008	1614 GRAVES MILL RD	1604 GRAVES MILL ROAD LLC
24010004	1501 GRAVES MILL RD	BAUSCH & LOMB INCORPORATED
24011002	201 LILLIAN LN	200 LILLIAN LANE LLC
24010006	2 MILLRACE DR	ECONOMIC DEVELOPMENT AUTHORITY
23904004	1600 GRAVES MILL RD	GOLDEN MILE LLC
24010007	1604 GRAVES MILL RD	FOREST DENTAL CENTER LLC
23405002	1624 GRAVES MILL RD	HUTCHINSON, CAROLYN S &
24010002	1602 GRAVES MILL RD	MILLSIDE DEVELOPMENT CENTER
24008001	230 MAPLE HILLS DR	JAMERSON REAL ESTATE INC
24010013	1606 GRAVES MILL RD	MILLSIDE DEVELOPMENT CENTER
24010009	1620 GRAVES MILL RD	DSZ PROPERTIES LC
24009002	1618 GRAVES MILL RD	STANBERY, FRED W JR
24010005	6 MILLRACE DR	AUTOMATED CONVEYOR SYSTEMS INC
24013001	1646 GRAVES MILL RD	AMERICAN NATIONAL BANK AND TRUST CO
24010011	1610 GRAVES MILL RD	DSZ PROPERTIES LC
24010010	1612 GRAVES MILL RD	MAGID ENTERPRISES LLC

FLUM Map

1602 & 1606 GRAVES MILL ROAD

TRC

Hurt & Proffitt



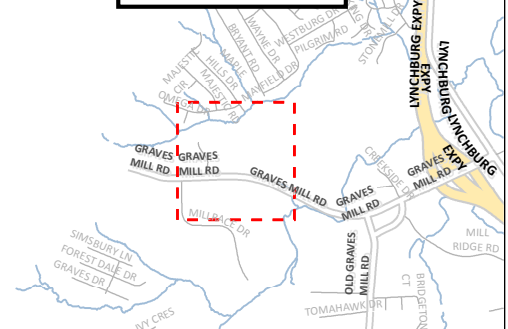
PROPERTY INFORMATION

PARCEL ID	ADDRESS
24010002	1602 GRAVES MILL RD
24010013	1606 GRAVES MILL RD

LEGEND

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

OVERVIEW MAP



MAP SCALE: 1" to 300' DATE PRINTED: 10/8/2019

DISCLAIMER: THIS MAP IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS SUCH. THE INFORMATION DISPLAYED IS A COMPILATION OF RECORDS, INFORMATION, AND DATA OBTAINED FROM VARIOUS SOURCES. THE CITY OF LYNCHBURG IS NOT RESPONSIBLE FOR ITS ACCURACY OR HOW CURRENT IT MAY BE.

Watershed Map

TRC

1602 & 1606 GRAVES MILL ROAD

Hurt & Proffitt



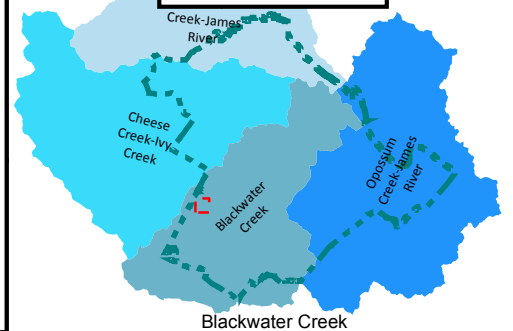
PROPERTY INFORMATION

PARCEL ID	ADDRESS
24010002	1602 GRAVES MILL RD
24010013	1606 GRAVES MILL RD

LEGEND

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

OVERVIEW MAP



MAP SCALE: 1" to 300' DATE PRINTED: 10/8/2019

DISCLAIMER: THIS MAP IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS SUCH. THE INFORMATION DISPLAYED IS A COMPILATION OF RECORDS, INFORMATION, AND DATA OBTAINED FROM VARIOUS SOURCES. THE CITY OF LYNCHBURG IS NOT RESPONSIBLE FOR ITS ACCURACY OR HOW CURRENT IT MAY BE.



DISCLAIMER: THIS MAP IS NEITHER A LEGALLY RECORDED MAP NOR A SURVEY AND IS NOT INTENDED TO BE USED AS SUCH. THE INFORMATION DISPLAYED IS A COMPILATION OF RECORDS, INFORMATION, AND DATA OBTAINED FROM VARIOUS SOURCES. THE CITY OF LYNCHBURG IS NOT RESPONSIBLE FOR ITS ACCURACY OR HOW CURRENT IT MAY BE.

PROJECT NARRATIVE:

THIS PROJECT IS FOR THE CONSTRUCTION OF A NEW ASSISTED LIVING/MEMORY CARE FACILITY WITHIN THE MILLSIDE CENTER OFF GRAVES MILL ROAD. THIS FACILITY WILL BE PLACED ON THE LAST VACANT PARCEL WITHIN THE BUSINESS PARK. THE CUP REQUEST IS NEEDED BECAUSE THE PROPOSED BUILDING FOOTPRINT HAS INCREASED FROM WHAT WAS APPROVED UNDER THE ORIGINAL CUP. THE PROJECT'S WATER CONNECTION WILL BE THROUGH THE EXISTING SITE/MASTER METER WHERE THE MILLSIDE CENTER IS SERVED. PUBLIC WATER AND PUBLIC SEWER ARE SERVED BY THE CITY'S DEPARTMENT OF WATER RESOURCES. A FORMAL SITE PLAN WILL BE SUBMITTED TO THE CITY FOR REVIEW.

STORMWATER NARRATIVE:

OVERALL THIS PROJECT WILL RESULT WITH AN INCREASE OF APPROXIMATELY 7,500 SF IN IMPERVIOUS AREA FROM THE ORIGINAL PLANS FOR THE MILLSIDE CENTER. FOR STORMWATER QUANTITY THE REGIONAL STORMWATER MANAGEMENT POND LOCATED TO THE EAST OF THE DEVELOPMENT HAS BEEN DETERMINED TO BE ADEQUATE FOR THE INCREASES IN IMPERVIOUS AREA. STORMWATER QUALITY WILL BE HANDLED BY MODIFYING ONE OF THE EXISTING FACILITY'S BIO-FILTERS IN ADDITION TO THE OWNER PROCURING STORMWATER CREDITS.

SITE INFORMATION

PARCEL ID: 24010002 & 24010013
OWNER: MILLSIDE DEVELOPMENT
ADDRESS: 1602 & 1606 GRAVES MILL ROAD
APPLICANT/PETITIONER: KAPLAN DEVELOPMENT GROUP, LLC
EXISTING USE: VACANT - COMMERCIAL
PROPOSED USE: MEMORY CARE & ASSISTED LIVING
EXISTING ZONING: B1
PROPOSED ZONING: B1



LINE TABLE		
LINE	LENGTH	BEARING
L1	3.04'	S42°39'36"E
L2	33.03'	S61°27'13"W
L3	50.82'	N68°20'09"W
L4	40.67'	S79°29'57"W
L5	28.42'	N17°57'42"E
L6	18.50'	S60°55'53"W
L7	22.44'	N29°04'07"W
L8	9.17'	S29°04'07"E
L9	5.00'	S60°55'53"W
L10	8.64'	N89°32'59"E
L11	23.22'	S72°32'09"W

CURVE TABLE					
CURVE #	DELTA	RADIUS	LENGTH	CHORD	CHD. BEARING
C1	223°17'	320.92'	299.27'	299.06'	N75°22'17"W
C2	5°29'17"	2330.92'	223.20'	223.11'	N83°02'15"W
C3	4°36'22"	2520.92'	186.64'	186.59'	N89°03'20"W
C4	70°19'15"	40.00'	76.32'	65.26'	N36°41'54"W
C5	90°01'36"	4.30'	7.40'	6.37'	S74°04'54"E
C6	84°15'43"	12.00'	17.65'	7.640'	S13°02'40"W
C7	86°36'53"	12.00'	18.21'	16.51'	N79°42'44"W
C8	25°18'34"	194.50'	119.85'	117.96'	S11°24'58"E
C9	16°34'07"	86.50'	25.52'	25.42'	N25°54'43"W

PARKING CALCULATIONS:

1 SPACE PER 3 BEDS (32 BEDS / 3) = 11 SPACES REQUIRED
1 SPACE PER 3 STAFF (15 STAFF / 3) = 5 SPACES REQUIRED
1 SPACE PER DOCTOR (0 DOCTORS) = 0 SPACES REQUIRED

TOTAL PARKING REQUIRED: 16 (+NUMBER OF DOCTORS) SPACES REQUIRED

TOTAL PARKING PROVIDED: PROPOSED - 34 TOTAL SPACES (33 REGULAR, 1 HANDICAP)

HURT & PROFFITT
INSPIRED / RESPONSIVE / TRUSTED



ENGINEERING • SURVEYING • LAND DEVELOPMENT • ENVIRONMENTAL
GEOTECHNICAL • CONSTRUCTION TESTING & INSPECTION • CULTURAL RESOURCES

2524 LANGHORNE ROAD
LYNCHBURG VA 24501
434.847.7796 | HANDP.COM

CONCEPTUAL LAYOUT
FOR
MEMORY CARE FACILITY
LYNCHBURG, VIRGINIA

PROJECT NO.	20191288
LAT.	37.377442°
LONG.	-79.235389°
DATE:	10/07/2019
DRAWN BY:	LHT
CHECKED BY:	TJW

NOT FOR
CONSTRUCTION

SHEET NO.
1 OF 1



**Memory Care Facility at Millside
Conditional Use Permit
November 13, 2019**

PLEASE PRINT CLEARLY

[illegible]

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **11**

CONSENT:
ACTION: **X**

REGULAR: X
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Appropriation of Fund Balance from FY 2019 Unexpended Schools Operating Fund

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☒ Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2020 General Fund budget and appropriate \$2,652,092 with resources from unexpended FY 2019 Schools Operating Fund for transfer to the FY 2020 Schools Operating Fund (\$990,178) and to the Schools Capital Fund (\$1,661,914) to fund needs as approved by the School Board.

Also, amend the FY 2020 General Fund budget and appropriate \$33,075 to the Council/Manager Offices budget with resources from unexpended FY 2019 Schools Operating Fund for expenses associated with the work of the Task Force on the Future of PreK-12 Education and Beyond.

Also, amend the FY 2020 General Fund budget and authorize \$2,322,972 with resources from unexpended FY 2019 Schools Operating Fund to increase the Schools Textbook Reserve (\$1,122,972) and establish a Reserve for Implementing Recommendations from the Task Force on the Future of PreK-12 Education and Beyond (\$1,200,000).

SUMMARY: The Lynchburg City School Board requested the appropriation of the entire \$5,008,139 in FY 2019 Operating Fund Balance as noted on Attachment A. City staff recommends a reduction of this request by \$1,233,075 with \$1,200,000 allocated to a Reserve for Implementing Recommendations from the Task Force on the Future of PreK-12 Education and Beyond, and \$33,075 for expenses associated with the work of the Task Force. Funding is needed for a demographic study to be performed by the Weldon Cooper Center Demographics Research Group as well as other to be determined costs which may include outside consultants.

The reduction proposed by staff comes from a deferral of Elementary Gym #4 (\$800,000) until the Task Force completes its work and the request to increase the Health Insurance Reserve by \$433,075. The current balance in the Health Insurance Reserve is \$2,066,925.

This action is requested in accordance with an agreement signed by the Lynchburg City Council and the Lynchburg City School Board dated December 14, 1993. This agreement provides for the creation and maintenance of a Schools Operating Fund fund balance for "the purpose of underwriting any occasional shortfalls from the various budgetary categories of direct State funding support as well as other applications, all based upon the required expenditure approval of the School Board."

PRIOR ACTION(S): Agreement with Schools regarding the Return of Fund Balance, December 14, 1993. FY 2019 Operating and Capital Budget Adopted by Council, May 22, 2018

FISCAL IMPACT: \$1,122,972 increase to the General Fund for the Textbook Reserve; \$1,200,000 increase to the General Fund for the Reserve for Implementing Recommendations from the Task Force on the Future of PreK-12 Education and Beyond; \$33,075 increase to the General Fund Council/Manager Offices budget; \$990,178 increase to the Schools Operating Fund; \$1,661,914 increase to the Schools Capital Fund.

CONTACT(S):

Bonnie Svrcek, City Manager, 455-3990
Donna S. Witt, Chief Financial Officer, 455-3968
Dr. Crystal M. Edwards, Superintendent, Lynchburg City Schools, 515-5070
Kimberly Lukanich, Chief Financial Officer, Lynchburg City Schools, 515-5010

ATTACHMENT(S):

- Resolution
- Attachment A: Request from Dr. Crystal M. Edwards, Superintendent, dated November 15, 2019
- Letter of Agreement between Lynchburg City Council and Lynchburg Board of School Trustees, dated December 20, 1993

REVIEWED BY: bms

159R

RESOLUTION:

#R-19-097

BE IT RESOLVED that the FY 2020 General Fund budget is amended and \$2,652,092 is appropriated with resources from unexpended FY 2019 Schools Operating Fund for transfer to the FY 2020 Schools Operating Fund (\$990,178) and to the Schools Capital Fund (\$1,661,914) to fund needs as approved by the School Board.

Also, the FY 2020 General Fund budget is amended and \$33,075 is appropriated to the Council/Manager Offices budget with resources from unexpended FY 2019 Schools Operating Fund for expenses associated with the work of the Task Force on the Future of PreK-12 Education and Beyond.

Also, the FY 2020 General Fund budget is amended and \$2,322,972 is authorized with resources from unexpended FY 2019 Schools Operating Fund to increase the Schools Textbook Reserve (\$1,122,972) and establish a Reserve for Implementing Recommendations from the Task Force on the Future of PreK-12 Education and Beyond (\$1,200,000).

Introduced:

Adopted:

Certified:

Clerk of Council

159R



November 15, 2019

Mrs. Bonnie Svrcek
City Manager
900 Church Street
Lynchburg, Virginia 24504

Dear Mrs. Svrcek:

During the November 6, 2019 school board meeting, the Lynchburg City School Board approved the attached fund balance request in the amount of \$5,008,139. Also included in this correspondence is a detailed outline of each request.

Please note, we are proposing that \$2,086,914 be allocated to existing school-related capital improvement projects (CIP) such as the practice field at E.C. Glass and various building projects at Dunbar; and one new CIP, an elementary school gym. We believe that by allocating funds to existing and one new school-related CIP, both Lynchburg City Schools and the City benefit as this will help the City by reducing the amount the City contributes to these projects.

Additionally, \$1,556,047 is proposed for reserve accounts: textbooks and health insurance. We are currently reviewing state-approved textbooks for adoptions for English and Language Arts in grades K-12, World Language in grades 8-12, and Social Studies in grades 1-5. The cost for these three multi-grade textbook adoptions is estimated to around \$1 million.

All of the budget allocation requests are aligned with the LCS 5-Year Comprehensive Strategic Plan which also references goals/objectives from The Lynchburg Plan: A work plan focused on City Council's priorities. We feel strongly that our priorities are closely aligned and that the City will support our requests.

Finally and in an effort to ensure positive communications and be fully transparent about our stewardship of public funds, during the school board meeting the Board was provided with a summary of some major factors that contributed to the fund balance. Some of those factors include:



-
- Health Insurance Claims – Our anticipated medical claims came in under budget. For example, after paying all claims for the prior year there was approximately \$1.3 million in allocated funds remaining.
 - Unfilled Positions (but needed) & Salary Lapses – We allocated funds for positions that were hard to fill, went unfilled the entire year, and/or incurred a lapse between refilling positions. For example, in the prior year we were unable to fill all of our bus driver positions, had a salary lapse in filling the Director of Curriculum and Instruction position, and incurred lower costs by hiring substitute teachers in cases where there was a shortage of qualified licensed full-time teachers/staff. This contributed approximately \$1.1 million to the fund balance.
 - Purchase Services & Materials – We allocated resources for projected purchased services materials and repairs. For example, we projected budget allocations for materials, repairs and/or purchased services needed for vehicles, additional building services, and instructional student support were not completed expended during the prior year. This contributed to over \$1.3 million to the fund balance.
 - Additional Revenue – We received approximately \$600,000 in revenue beyond what was anticipated for Medicaid, bus transportation, and indirect costs.
 - Prior Year Correction – We adjusted fund amounts by approximately \$117,000 due to a correction in the 2017-18 budget.

We welcome the opportunity to discuss our request in more detail with you and the City's Finance Committee. Please don't hesitate to contact me should you have any questions.

Sincerely,

Crystal M. Edwards, Ed.D
Superintendent

encl: School Board Agenda Number J-6: Fund Balance Recommendation
School Board Agenda Attachment: Fund Balance Request

cc: Members, Lynchburg City School Board
Kim Lukanich, Chief Financial Officer

Agenda Report

Date: 11/06/19

Agenda Number: J-6

Attachments: Yes

From: Dr. Crystal Edwards, Superintendent
Kimberly Lukanich, Chief Financial Officer

Subject: Fund Balance Recommendations: 2019-20

Summary/Description:

The fund balance for the 2018-19 school year is \$5,008,139. The school administration has discussed possible uses for those funds at the Finance Committee Meeting on October 8, 2019 and at the School Board Retreat on October 11, 2019. The administration recommends the following:

CIP Projects	\$ 2,086,914
Textbook/Textbook Reserve	\$ 1,122,972
Health Insurance Reserve	\$ 433,075
School Revitalization Projects	\$ 499,400
Elevator Controller Upgrade Kits	\$ 86,000
Board Room Technology Upgrades	\$ 25,000
Sonitrol Upgrade to Digital	\$ 68,000
Siemens Desigo Control Upgrade	\$ 65,000
Classroom and Admin Desktop Computers	\$ 416,000
Smartboard and Projector Replacement	\$ 73,000
Classlink Software	\$ 31,000
Demographic Enrollment Software	\$ 33,800
Board Doc Software	\$ 12,600
2 Bus Engine Rebuilds	\$ 50,000
School Security Equipment Grant Local Match	\$ 5,378
	\$ 5,008,139

A detailed listing appears as an attachment to the agenda report.

Disposition: ☒ **Action**
☐ **Information**

Recommendation:

The superintendent recommends that the school board approve the fund balance request.

Fund Balance Request					
	Project	Cost	Strategic Plan Goal	Total by Goal	Notes
1	Elementary Gym #4	\$ 800,000.00	3.3.1 (CIP Projects)		Board discussion
2	ECG Practice Field	\$ 650,000.00	3.3.1 (CIP Projects)		Design and partial construction
3	Funding for CIP Plan Projects	\$ 636,914.00	3.3.1 (CIP Projects)	\$ 2,086,914.00	
4	Textbook Reserve	\$ 110,972.00	3.1.2 (Budget Management)		FY1819 restricted textbook funds
5	Textbooks				
	New adoption	\$ 1,000,000.00	3.1.2 (Budget Management)		ELA (K-12), World Language (8-12), Social Studies (1-5)
	Alt Ed	\$ 12,000.00	3.1.2 (Budget Management)	\$ 1,122,972.00	
6	Health Insurance Reserve	\$ 433,075.00	3.1.4 (Healthcare)	\$ 433,075.00	Will bring balance to \$2.5 million
	School Revitalization Projects				
	ECG V/JV Boys Lockers	\$ 55,000.00	3.3.5 (Routine Maintenance/Upgrades)		lockers are unserviceable
	Board Clerk & Personnel Conf Room Furniture	\$ 4,400.00	3.3.5 (Routine Maintenance/Upgrades)		unplanned expense
7	First Grade Classroom Rugs (35)	\$ 15,000.00	3.3.5 (Routine Maintenance/Upgrades)		
	Blinds in multiple schools	\$ 150,000.00	3.3.5 (Routine Maintenance/Upgrades)		Perrymont, Bedford Hills, Dearington
	Intercom Replacement	\$ 150,000.00	3.3.5 (Routine Maintenance/Upgrades)		Bedford Hills, TC Miller, & TBD
	Replace all MS aluminum bleachers to meet	\$ 75,000.00	3.3.5 (Routine Maintenance/Upgrades)		
	Student Collaboration Desks	\$ 50,000.00	3.3.5 (Routine Maintenance/Upgrades)		Need additional student desks at ECG, LMS, SMS & DMS
8	Seven elevator controller upgrade kits	\$ 86,000.00	3.3.5 (Routine Maintenance/Upgrades)		
9	Board Room Technology Upgrade	\$ 25,000.00	3.3.5 (Routine Maintenance/Upgrades)		Eliminate the need for camera operators and modernize the audio/electronics
10	Sonitrol upgrade to digital controls	\$ 68,000.00	3.3.5 (Routine Maintenance/Upgrades)		All ES, MS & ECG
11	Upgrade for Siemens Desigo control	\$ 65,000.00	3.3.5 (Routine Maintenance/Upgrades)	\$ 743,400.00	
12	Classroom & Admin Desktop computers	\$ 416,000.00	3.4.2 (Tech Long Range Plan)		Replace older devices
13	Smartboard & projector replacement	\$ 73,000.00	3.4.2 (Tech Long Range Plan)		Replace older devices
14	Classlink (single sign on/acct setup/roster maint. enterprise software)	\$ 31,000.00	3.4.2 (Tech Long Range Plan)	\$ 520,000.00	Links multiple software programs for access
15	Demographic Enrollment Software	\$ 33,800.00	3.2.1 (Enrollment)	\$ 33,800.00	Mapping and zoning software
16	Board Docs	\$ 12,600.00	2.5.1 (High Performing Board)	\$ 12,600.00	Help with board communication and community access to information
17	2 Bus Engine Rebuilds	\$ 50,000.00	3.5.2 (Bus Replacement Cycle)	\$ 50,000.00	excessive engine wear due to new emission standards.
18	School Security Equipment Grant Local	\$ 5,378.00	3.3.4 (School Security)	\$ 5,378.00	Local match is \$30,377.50 - we had budgeted \$25,000
	TOTAL	\$ 5,008,139.00		\$ 5,008,139.00	
			Fund Balance	\$4,891,499.00	\$116,640.00
			By Year	FY2018-19	additional funds from 2017-18 correction

LETTER OF AGREEMENT

BETWEEN LYNCHBURG CITY COUNCIL

AND LYNCHBURG BOARD OF SCHOOL TRUSTEES

In accordance with the attached, duly-adopted Resolution, the Lynchburg City Council and the Lynchburg Board of School Trustees hereby agree that the creation and maintenance of a School Operating Fund Balance is desirable to the long-range financial interests of both entities and, even more importantly, to the citizens and the community which both bodies represent. Accordingly, the City Council supports such approach by indicating its willingness to reappropriate to such Fund Balance any duly-budgeted, non-debt service local funding which the Schools manage to avoid spending by the close of each fiscal year. Similarly, the School Board expresses its intention of continuing to exercise cautiousness in the expenditure of all budgeted, appropriated local funding to the Schools, and further understands that any such unexpended, non-debt service monies would become part of a Schools Operating Fund Balance.

The separate, above-mentioned Fund Balance would be maintained in the accounting records of the Lynchburg City Schools for the purpose of underwriting any occasional shortfalls from any of the various budgetary categories of direct State funding support as well as other applications, all based upon the required expenditure approval of the School Board. For informational purposes, the Lynchburg City School Board would advise City Council annually as to amount of funding in such School Operating Fund Balance as of July 1 of each fiscal year; and such information would be reflected in the overall financial information of the City of Lynchburg along with other customary fiscal data for the Lynchburg City Schools.

Based upon this understanding, the creation of the above-referenced Fund Balance would occur promptly and would include any unexpended, duly-budgeted, non-debt service local funding at the close of the current 1992-1993 fiscal year. It is understood that such practice would remain active in the years thereafter.

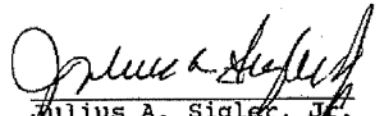
Lynchburg City Council

Lynchburg City School Board

By:


Julian R. Adams
Mayor

By:


Julius A. Sigler, Jr.
Chairman

Date:

12/14/93

Date:

December 20, 1993

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM NO.: **12**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

**ITEM TITLE: THE ISSUANCE OF NOT TO EXCEED THIRTY-TWO MILLION DOLLARS (\$32,000,000)
AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS**

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☐ Vibrant Community

RECOMMENDATION: After a public hearing, authorize the issuance of up to \$32,000,000 of General Obligation Public Improvement Bonds for the purpose of providing funds to pay the cost of the acquisition, construction, reconstruction, improvement, extension, enlargement and equipping of various public improvement projects by taking the following actions:

1. Adopt a resolution authorizing the issuance of General Obligation Public Improvement Bonds not to exceed \$32,000,000 in principal to finance the costs of various public improvement projects. The proceeds of the sale of the General Obligation Public Improvement Bonds shall be applied to finance and refinance the cost of public improvement projects of and for the City consisting of the Lakeside Drive bridge project, transportation projects, school improvement projects, sewer improvement projects, water improvement projects, building projects, parks and recreation projects, economic development projects and stormwater improvement projects, all as set forth in the City's Capital Improvement Plan, and to finance the acquisition of fleet vehicles. The resolution authorizes the City Manager or Director of Financial Services to make the final decision to either a negotiated bond sale with a group of investment banking firms or to hold a competitive sale where all investment banking firms are allowed to competitively bid on the City's bonds. At this time the municipal bond market is stable and as a result, the City's Financial Advisor, Davenport & Company LLC, is recommending a competitive sale. With this method of sale the investment banking firm's fee (underwriter's discount) to sell the bonds is built into their bid and will not be known until the day of the sale. Thus, a conservative estimate for this fee has been used when estimating the maximum bond size amount for the authorizing resolution. The resolution also sets the maximum interest rate that the City Manager can accept as five percent (5%).
2. Adopt a resolution amending the FY 2020 General, Water, Sewer, and Stormwater Funds' Operating Budgets to provide appropriations totaling \$350,000 with resources from the General Obligation Public Improvement Bonds, Series 2020 for costs associated with the issuance of \$32,000,000 General Obligation Public Improvement Bonds.

SUMMARY: In accordance with Section 15.2-2606.A of the *Code of Virginia, 1950*, to authorize the issuance of \$32,000,000 General Obligation Public Improvement Bond of the City, a public hearing is required. The plan for the proceeds of these bonds is to fund the Lakeside Drive Bridge, however, the resolution allows for the proceeds to fund other projects in the FY 2020 Capital Improvement Plan should the Lakeside Drive Bridge project be delayed or come in under the estimated budget.

The permanent financing of the Line of Credit was included in the original resolution to establish the Line of Credit so a new resolution is not required.

The following is a summary of the estimated cost of issuance for both the new bonds and the permanent financing of the Line of Credit:

Issuance Cost Components	FY 2020 Estimates
Bond Counsel	\$55,000
Bond Ratings	99,000
Financial Advisor	155,673
Official Statement Preparation, CUSIPs	2,000
Copying, Postage, Overnight Mailing, etc	2,500
Miscellaneous	35,827
Total	\$350,000

PRIOR ACTION(S): Adopted FY 2020 Operating Budget and Appropriated FY 2020 Capital Improvement Program

FISCAL IMPACT: New long-term debt issued and issuance costs funded by bond proceeds.

CONTACT(S): Donna S. Witt, Chief Financial Officer, 455-3968

ATTACHMENT(S):
Resolutions (2)

REVIEWED BY: bms

RESOLUTION:

#R-19-099

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED THIRTY-TWO MILLION DOLLARS (\$32,000,000) AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE CITY OF LYNCHBURG, VIRGINIA, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COST OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, IMPROVEMENT, EXTENSION, ENLARGEMENT AND EQUIPPING OF VARIOUS PUBLIC IMPROVEMENT PROJECTS OF AND FOR THE CITY; AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A LIKE PRINCIPAL AMOUNT OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LYNCHBURG, VIRGINIA, AS FOLLOWS:

SECTION 1. The Council of the City of Lynchburg, Virginia (the "City"), hereby finds and determines as follows:

(a) The Council desires to authorize the issuance and sale of (i) General Obligation Public Improvement Bonds to provide funds to pay the costs of the acquisition, construction, reconstruction, improvement, extension, enlargement and equipping of various public improvement projects of and for the City as set forth in Section 8 hereof (hereinafter defined as the "Projects"), and (ii) a like principal amount of General Obligation Public Improvement Bond Anticipation Notes in anticipation of the issuance of such Bonds.

(b) In the judgment of this Council, it is necessary and expedient to authorize the issuance and sale of not to exceed Thirty-Two Million Dollars (\$32,000,000) aggregate principal amount of General Obligation Public Improvement Bonds of the City (the "Bonds") and to authorize the issuance and sale of a like principal amount of General Obligation Public Improvement Bond Anticipation Notes of the City (the "Notes") in anticipation of the issuance of such Bonds, in each case for the purpose of providing funds to finance and refinance the costs of the Projects and to pay costs of issuance of such Bonds and such Notes.

SECTION 2. (a) Pursuant to the Public Finance Act of 1991, there are authorized to be issued not to exceed Thirty-Two Million Dollars (\$32,000,000) aggregate principal amount of the Bonds of the City for the purpose of providing funds to finance and refinance the costs of the Projects as described in Section 8 hereof and to pay certain costs related to the issuance of such Bonds.

(b) The Bonds shall be issued and sold in their entirety at one time in one or more series, or from time to time in part in series, as shall be determined by the Director of Financial Services or the City Manager. The Bonds may be sold at the same time as other general obligation bonds are sold by the City. The Bonds shall be issued in fully registered form and shall be in the denomination of \$5,000 or any integral multiple thereof, except as otherwise provided pursuant to Section 13 hereof. The Bonds of each series shall be numbered from R-1

upwards in order of issuance and shall have such other series designation as shall be determined by the Director of Financial Services or the City Manager; shall mature annually, commencing in such year and on such date in each year and in such amount in each year as shall be determined by the Director of Financial Services or the City Manager; and shall bear interest at such rate or rates per annum as shall be determined by the Director of Financial Services of the City Manager pursuant to the provisions of Section 9 hereof, such interest being payable on the day which is not more than one (1) year from the date of the Bonds of such series and semiannually thereafter (except as otherwise provided pursuant to Section 13 hereof) and, unless otherwise provided herein or in the proceedings authorizing the issuance of the Bonds of any such series, such interest shall be computed on the basis of a three hundred and sixty (360) day year comprised of twelve (12) thirty (30) day months. The Director of Financial Services or the City Manager is authorized to determine, in accordance with and subject to the provisions of this Resolution: the date or dates of the Bonds; the interest payment dates thereof; the maturity dates thereof (*provided* that the final maturity of the Bonds of any series shall be not later than forty (40) years from the date of issuance of such Bonds); the amount of principal maturing on each maturity date; the place or places of payment thereof and the paying agent or paying agents therefor; the place or places of registration, exchange or transfer thereof and the registrar therefor; and whether or not the Bonds shall be subject to redemption prior to their stated maturity or maturities and if subject to such redemption, the premiums, if any, payable upon such redemption and the respective periods in which such premiums are payable.

(c) In the event the Bonds of any series shall be dated as of a date other than the first day of a calendar month or the dates on which interest is payable on such series are other than the first days of calendar months, the provisions of Section 3 hereof with regard to the authentication of such Bonds and of Section 11 with regard to the forms of such Bonds shall be modified as the Director of Financial Services shall determine to be necessary or appropriate.

(d) (i) If the Bonds of a given series are subject to redemption and if any Bonds of such series (or portions thereof in installments of \$5,000 or any integral multiple thereof) are to be redeemed, notice of such redemption specifying the date, numbers and maturity or maturities of the Bond or Bonds to be redeemed, the date and place or places fixed for their redemption, and if less than the entire principal amount of a Bond called for redemption is to be redeemed, that such Bond must be surrendered in exchange for payment of the principal amount thereof to be redeemed and the issuance of a new Bond or Bonds equalling in principal amount that portion of the principal amount of such Bond not to be redeemed, shall, except as otherwise provided pursuant to Section 13 hereof, be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the registered owner of each such Bond at the address of such registered owner as it appears on the books of registry kept by Director of Financial Services of the City, who is hereby appointed as the Registrar and Paying Agent for the Bonds (the "Registrar and Paying Agent" or the "Registrar" or the "Paying Agent"), as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If any Bonds shall have been called for redemption and notice thereof shall have been given as hereinabove set forth, and payment of the principal amount of such Bonds (or of the principal amount thereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest on such Bonds shall cease to accrue from and after the date so specified for their redemption.

(ii) Any notice of the optional redemption of the Bonds may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent for the Bonds or other agent designated by the City, on the date fixed for the redemption thereof an amount of money sufficient to pay the redemption price of such Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of such Bonds, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of any Bonds does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent for the Bonds or other agent designated by the City, a sufficient amount of money to pay the redemption price of such Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, the corresponding notice of redemption shall be deemed to be revoked.

(iii) So long as the Bonds are in book-entry only form, any notice of redemption shall be given only to The Depository Trust Company, New York, New York ("DTC"), or to its nominee, Cede & Co., or to such other nominee of DTC as may be requested by an authorized representative of DTC, and any notice of redemption otherwise required by this resolution to be given by first class mail, postage prepaid, may be given electronically in lieu of being given by first class mail, postage prepaid, if and to the extent delivery of notices of redemption electronically is acceptable to DTC. The City shall not be responsible for providing any beneficial owner of the Bonds registered to DTC or its nominee any notice of redemption.

(e) (i) The Bonds of each series shall be issued only in book-entry only form. One Bond representing each maturity of the Bonds of each series will be issued to and registered in the name of Cede & Co., as nominee of DTC, or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, as registered owner of the Bonds, and each such Bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds, except as otherwise provided pursuant to Section 13 hereof. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased.

(ii) Except as otherwise provided pursuant to Section 13 hereof, principal and interest payments on the Bonds will be made by the Registrar and Paying Agent for the Bonds to DTC or its nominee, Cede & Co., or to such other nominee of DTC as may be requested by an authorized representative of DTC, as registered owner of the Bonds, which will in turn remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds. Transfers of principal and interest payments to DTC participants will be the responsibility of DTC. Transfers of such payments to beneficial owners of the Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC participants who act on behalf of the indirect participants of DTC and the beneficial owners of the Bonds.

(iii) The City will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to,

communicating with, notifying or otherwise dealing with any beneficial owner of the Bonds. So long as the Bonds are in book-entry only form, the Director of Financial Services will serve as Registrar and Paying Agent for the Bonds. The City reserves the right to designate a successor Registrar and Paying Agent for the Bonds and any such successor Registrar and Paying Agent shall be appointed by the City Manager or the Director of Financial Services.

SECTION 3. (a) The Bonds shall be executed, for and on behalf of the City, by the manual or facsimile signature of the Mayor of the City and shall have an impression of the corporate seal of the City or a facsimile thereof embossed or imprinted thereon, attested by the manual or facsimile signature of the Clerk of Council of the City.

(b) The Director of Financial Services or the City Manager shall direct the Registrar and Paying Agent for the Bonds of a given series to authenticate such Bonds and no such Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on each Bond shall have been manually executed by an authorized signator of the Registrar and Paying Agent. Upon the authentication of any Bonds, the Registrar and Paying Agent shall insert in the certificate of authentication the date as of which such Bonds are authenticated as follows: (i) if the Bond is authenticated prior to the first interest payment date, the certificate shall be dated as of the date of the initial issuance and delivery of the Bonds of the issue of which such Bond is one, (ii) if the Bond is authenticated upon an interest payment date, the certificate shall be dated as of such interest payment date, (iii) if the Bond is authenticated after the fifteenth (15th) day of the calendar month next preceding an interest payment date and prior to such following interest payment date, the certificate shall be dated as of such following interest payment date, and (iv) in all other instances the certificate shall be dated as of the actual date upon which the Bond is authenticated by the Registrar and Paying Agent.

(c) The execution of the Bonds in the manner above set forth is adopted as a due and sufficient authentication of the Bonds.

SECTION 4. (a) The principal of and interest on the Bonds shall be payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts.

(b) Principal of the Bonds of a given series shall be payable upon presentation and surrender thereof at the office of the Registrar and Paying Agent.

(c) Except as otherwise provided pursuant to Section 13 hereof, interest on the Bonds shall be payable by check mailed by the Registrar and Paying Agent to the registered owners of such Bonds at their respective addresses as such addresses appear on the books of registry kept pursuant to the provisions of this Section 4; provided, however, that so long as the Bonds are in book-entry form and registered in the name of Cede & Co., as nominee of DTC, or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, interest on the Bonds shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer.

(d) At all times during which any Bond of any series remains outstanding and unpaid, the Registrar and Paying Agent shall keep or cause to be kept, at its office, books of registry for the registration, exchange and transfer of Bonds of such series. Upon presentation of a Bond or Bonds at the office of the Registrar and Paying Agent, the Registrar and Paying Agent, under such reasonable regulations as the Registrar and Paying Agent may prescribe, shall register, exchange or transfer, or cause to be registered, exchanged or transferred, such Bond or Bonds on the books of registry as hereinbefore set forth.

(e) The books of registry shall at all times be open for inspection by the City or any duly authorized officer thereof.

(f) Any Bond may be exchanged at the office of the Registrar and Paying Agent for a like aggregate principal amount of such Bonds in other authorized principal sums and of the same series, interest rate and maturity.

(g) Any Bond of any series may, in accordance with its terms, be transferred upon the books of registry by the registered owner in whose name it is registered, in person or by the duly authorized agent of such registered owner, upon surrender of such Bond to the Registrar and Paying Agent for cancellation, accompanied by a written instrument of transfer duly executed by the registered owner or the duly authorized agent of such registered owner, in form satisfactory to the Registrar and Paying Agent.

(h) All transfers or exchanges pursuant to this Section 4 shall be made without expense to the registered owner of such Bond or Bonds, except as otherwise herein provided, and except that the Registrar and Paying Agent shall require the payment by the registered owner of such Bond or Bonds requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. All Bonds surrendered for transfer or exchange pursuant to this Section 4 shall be cancelled.

SECTION 5. The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due. In each year while the Bonds, or any of them, are outstanding and unpaid, the Council shall be authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

SECTION 6. CUSIP identification numbers may be printed on the Bonds, but no such number shall constitute a part of the contract evidenced by the particular Bond upon which it is printed and no liability shall attach to the City or any officer or agent thereof (including any paying agent for the Bonds) by reason of such numbers or any use made thereof (including any use thereof made by the City, any such officer or any such agent) or by reason of any inaccuracy, error or omission with respect thereto or in such use. All expenses in relation to the printing of such numbers on the Bonds shall be paid by the City; *provided, however*, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchasers of the Bonds.

SECTION 7. To the extent it shall be contemplated at the time of their issuance that the interest on any Bonds issued hereunder shall be excludable from gross income for purposes of federal income taxation, the City covenants and agrees that it shall comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "1986 Code") and the applicable Treasury Regulations promulgated under such Sections 103 and 141-150 so long as any such Bonds are outstanding.

SECTION 8. The proceeds of the sale of the General Obligation Public Improvement Bonds shall be applied to finance and refinance the cost of public improvement projects of and for the City consisting of the Lakeside Drive bridge project, transportation projects, school improvement projects, sewer improvement projects, water improvement projects, building projects, parks and recreation projects, economic development projects and stormwater improvement projects, all as set forth in the City's Capital Improvement Plan, and to finance the acquisition of fleet vehicles (collectively, the "Projects").

SECTION 9. (a) Except as otherwise provided pursuant to Section 13 hereof, the Bonds shall be sold in one or more series in accordance with the provisions of Section 2 at competitive or negotiated sale at not less than ninety-eight percent (98%) of the principal amount thereof (less any original issue discount) and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto.

(b) If the Bonds are sold at competitive sale, they may be sold contemporaneously with other bonds of the City under a combined Official Notice of Sale. If the Bonds are sold at competitive sale, the Director of Financial Services or the City Manager are each hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Bonds in such form and containing such terms and conditions as the may deem advisable, subject to the provisions hereof.

(c) Upon the determination by the Director of Financial Services or the City manager to sell the Bonds at competitive or negotiated sale, the Director of Financial Services of the City Manager are each hereby authorized, without further notice to or action by the Council, to determine the rates of interest the Bonds shall bear; *provided* that:

(i) in no event shall the true interest cost for the Bonds exceed five percent (5%);

(ii) in no event shall the premium payable by the City upon the redemption of the Bonds exceed two percent (2%) of the principal amount thereof; and

(d) If the Bonds are sold at negotiated sale, the Director of Financial Services or the City Manager is hereby authorized to, without further notice to or action by the Council, to select the underwriters for the Bonds (the "Underwriters") and to execute and deliver to the Underwriters a Purchase Contract or Bond Purchase Agreement relating to the Bonds.

(e) The Director of Financial Services or the City Manager are each hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) a

Preliminary Official Statement and a final Official Statement relating to the Bonds. Either or both of the City Manager and the Director of Financial Services is hereby further authorized to certify that the Preliminary Official Statement for the Bonds of each series authorized hereunder is "deemed final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 ("Rule 15c2-12"). The Mayor or the City Manager are each hereby authorized to execute and deliver the final Official Statement for the Bonds of each series authorized hereunder, and the City Manager, the Director of Financial Services and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Bonds of each series certificates in the forms provided for in the Official Statement for the Bonds of such series.

SECTION 10. The City Manager or the Director of Financial Services are each hereby authorized to execute and deliver to the purchasers of the Bonds of each series authorized hereunder, as applicable, a Continuing Disclosure Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of such Rule 15c2-12 to the extent applicable to the Bonds, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager or the Director of Financial Services upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of such Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager or the Director of Financial Services.

SECTION 11. The Bonds, the certificate of authentication of the Registrar and Paying Agent and the assignment endorsed on the Bonds, shall be in substantially the form set forth in Exhibit A, together with such changes in format as may be appropriate to conform with the provisions hereof, including the provisions of Section 13 hereof, and with customs and practices applicable to comparable securities.

SECTION 12. Pursuant to the Public Finance Act of 1991, there are hereby authorized to be issued and sold, in anticipation of the Bonds authorized for issuance herein, the Notes. Such Notes shall be sold at competitive or negotiated sale, or by direct purchase as set forth in Section 13 hereof, at such price or prices and on such other terms and conditions as shall be determined by the City Manager and the Director of Financial Services. The City Manager or the Director of Financial Services (i) are hereby authorized to determine the dated date of the Notes of each series, the dates the Notes of each series shall mature (not later than 5 years after the date of issuance of such Notes), the dates on which interest on the Notes shall be payable, the aggregate principal amount of the Notes of each series and the principal amount of the Notes of each series maturing in each year and (ii) are hereby further authorized to receive bids for the purchase of the Notes of each series if sold at competitive sale or proposals for the purchase of the Notes of each series if sold at negotiated sale and, without further action of the Council, to accept the bid or proposal offering to purchase the Notes of each series at the lowest true interest cost to the City; provided, however, except as otherwise provided pursuant to Section 13 hereof, in no event shall the true interest cost to the City with respect to the Notes of any series exceed five percent (5.00%). The City Manager or the Director of Financial Services are each further authorized to fix the rates of interest to be borne by the Notes of each maturity of each series as specified in the bid or proposal accepted by them in accordance with the immediately preceding sentence. The City Manager or the Director of Financial Services are each hereby authorized to

determine the provisions relating to the redemption of the Notes upon the advice of the City's financial advisor; provided, however, except as otherwise provided pursuant to Section 13 hereof, in no event shall any redemption premium payable by the City exceed two percent (2.00%). If such Notes are offered for competitive sale, an Official Notice of Sale of such Notes shall be prepared, published and distributed in accordance with the requirements of Section 9. If such Notes are publicly offered, there may also be prepared and distributed a Preliminary Official Statement and a final Official Statement relating to such Notes in such form as shall be approved by the Director of Financial Services. The issuance and details of such Notes shall be governed by the provisions of Section 15.2-2628 of Title 15.2, Chapter 26, Article 2 of the Code of Virginia, 1950, as amended. The provisions of Sections 5 and 7 shall apply to such Notes to the same extent the same apply to the Bonds except, in the case of the provisions of Section 5, only to the extent such Notes are not paid from the proceeds of the Bonds or from any other available funds. Bonds in anticipation of which such Notes are issued pursuant to this Section 12 may be issued and sold in accordance with the provisions of this Resolution at any time within five (5) years of the date of issuance of the first Notes issued in anticipation of such Bonds.

SECTION 13. (a) In addition to the authorization for a competitive or negotiated sale of the Bonds and the Notes as set forth in Sections 9 and 12 hereof, the Council hereby authorizes the issuance and sale of the Bonds and the Notes to one or more lenders to evidence one or more loans made to the City by one or more lenders in accordance with any proposal made by such lender(s) to the City pursuant to any Request for Proposal issued by the City for any such loan (hereinafter any such Request for Proposal of the City and any proposal from any lender(s) submitted in response thereto shall be collectively referred to as a "Financing Proposal"). There is hereby delegated to the City Manager or the Director of Financial Services, without further action by the Council, the authority to issue and deliver the Bonds and the Notes pursuant to this Section 13 at such price(s) and rate(s), and on such other terms and conditions, as shall be provided in any Financing Proposal, which Financing Proposal shall be in such form and containing such terms and conditions as the City Manager or the Director of Financial Services deem acceptable, acting with the advice of the City's financial advisor and legal counsel (including the City Attorney and the City's Bond Counsel), subject to the provisions and parameters set forth herein. Any such loan authorized hereby to be evidenced by any Bonds or Notes of the City authorized and issued pursuant to this Resolution may be in the form of a non-revolving drawdown loan in an aggregate principal amount not to exceed \$32,000,000.

(b) Notwithstanding anything in this Resolution to the contrary, Bonds or Notes issued and sold pursuant to a Financing Proposal as provided in this Section 13 may bear interest at such fixed rates or variable rates of interest (which variable rates of interest shall be determined in accordance with any variable rate formula as shall be set forth in any Financing Proposal) as shall be determined by the City Manager or the Director of Financial Services, acting with the advice of the City's financial advisor; provided, however, that the true interest cost of any fixed rate(s), or the initial variable rate(s) of interest, shall not exceed 5.000%; and provided further that the fixed rate(s) or variable rate(s) determined for such Bonds or Notes may be further subject to adjustment upon the occurrence of certain events or conditions as may be set forth in any Financing Proposal, including, without limitation, adjustments to the stated interest rate or interest rate formula upon the occurrence of any event of taxability with respect to the Bonds or Notes, any default in payment with respect to the Bonds, and any change in the

marginal corporate tax rate of corporations under federal law. Notwithstanding anything in this Resolution to the contrary, any Bonds or Notes issued and sold pursuant to a Financing Proposal as provided in this Section 13 may be prepayable at a prepayment price or redemption price that includes any make-whole amount, yield maintenance fee, penalty fee or break-funding amount calculated in accordance with any formula acceptable to the City Manager or the Director of Financial Services, acting with the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel) as may be set forth in any Financing Proposal or in the Bonds, and in such case, such prepayment price or redemption price may exceed the 2% redemption premium limitation set forth in Sections 9 and 12 above.

(c) Any one of the City Manager or the Director of Financial Services is hereby authorized to execute and deliver any Financing Agreement, purchase agreement or any other document, agreement or instrument necessary to provide for the issuance and delivery of the Bonds or the Notes (hereinafter collectively referred to as the "Financing Documents"), which Financing Documents shall be in such form and substance as shall be acceptable to the City Manager or the Director of Financial Services, as evidenced by his or her signature thereon, acting with the advice of legal counsel (including the City Attorney and Bond Counsel). Any one of the City Manager or the Director of Financial Services is hereby further authorized to determine, or to modify the form of and terms of the Bonds or the Notes with respect to the dated date of the Bonds or the Notes, the authorized denominations of the Bonds or the Notes, the assignment of CUSIP Numbers, if any, to the Bonds or the Notes, and the principal and interest payment dates of the Bonds or the Notes. Notwithstanding anything in this Resolution to the contrary, any of the Bonds or Bond Anticipation Notes may be issued directly to the purchaser thereof, as registered owner or holder thereof.

SECTION 14. The Council hereby authorizes the City to make expenditures for the purpose for which the Bonds and the Notes are to be issued in advance of the issuance and receipt of the proceeds of the Bonds and the Notes and to reimburse such expenditures from the proceeds of the Bonds or the Notes. The adoption of this resolution shall be considered as an "official intent" within the meaning of Treasury Regulation Section 1.150-2 promulgated under the Internal Revenue Code of 1986.

SECTION 15. All actions and proceedings heretofore taken by this Council, the City Manager, the Deputy City Manager, the Director of Financial Services and the other officers, employees, agents and attorneys of the City in connection with the authorization, issuance and sale of the Bonds and the Notes, including, without limitation, the preparation and distribution of any Request for Proposals relating to the issuance of the Notes, and the review and negotiation of any Financing Proposals, are hereby ratified, confirmed and approved.

SECTION 16. The City Attorney of the City is directed to file a copy of this Resolution, certified by the Clerk of Council of the City to be a true and correct copy hereof, with the Circuit Court of the City in accordance with Section 15.2-2607 of the Code of Virginia, 1950.

SECTION 17. All ordinances, resolutions and other proceedings in conflict herewith are, to the extent of such conflict, repealed.

SECTION 18. This Resolution shall take effect upon its adoption.

EXHIBIT A

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF LYNCHBURG
GENERAL OBLIGATION PUBLIC IMPROVEMENT
BOND, SERIES [2020]**

REGISTERED

REGISTERED

NO. [R-2020__]

\$_____

**INTEREST
RATE:**

**MATURITY
DATE:**

DATE OF BOND:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

DOLLARS

The City of Lynchburg, a municipal corporation of the Commonwealth of Virginia (the "City"), for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner (named above), or registered assigns, on the Maturity Date (specified above), unless this Bond shall have been duly called for previous redemption and payment of the redemption price duly made or provided for, the Principal Sum (specified above) and to pay interest on such Principal Sum until the payment of such Principal Sum in full, at the Interest Rate (specified above) per annum, on _____, ____ and semiannually on each _____ and _____ thereafter (each such date is hereinafter referred to as an "interest payment date"), from the date hereof or from the interest payment date next preceding the date of authentication hereof to which interest shall have been paid, unless such date of authentication is an interest payment date if interest shall have been paid to that date, in which case from such interest payment date, or unless such date of authentication is within the period from the sixteenth (16th) day to the last day of the calendar month next preceding the following interest payment date, in which case from such following interest payment date. *[To be substituted if the interest payment date is the 15th day of the month: or unless such date of authentication is within the period from the first (1st) day to the fourteenth (14th) day of the calendar month in which the following interest payment date shall occur, in which event from such following interest payment date].* Such interest shall be computed on the basis of a three hundred and sixty (360) day year comprised of twelve (12) thirty (30) day months. Such interest is payable on each interest payment date by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof at his address as it appears on such books of registry kept by the Registrar and Paying Agent, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date *[To be substituted if the interest payment date is the 15th day of the month: Such interest is payable on each interest payment date by check mailed by the Registrar and Paying*

Agent hereinafter mentioned to the Registered Owner hereof at his address as it appears on the books of registry kept by the Registrar, as of the close of business on the last day (whether or not a business day) of the calendar month next preceding each interest payment date]; *provided, however,* that so long as this Bond is in book-entry only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, interest on this Bond shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer.

The principal of this Bond is payable on presentation and surrender hereof at the office of the **Director of Financial Services of the City**, as Registrar and Paying Agent, in the City of Lynchburg, Virginia. The principal of and interest on this Bond are payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts.

This Bond is one of an issue of Bonds aggregating _____ Dollars (\$_____) in principal amount issued for the purpose of providing funds to finance the costs of the Lakeside Drive bridge project and the the acquisition, construction, reconstruction, improvement, extension, enlargement and equipping of various other public improvement projects of and for the City under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991) and resolutions and other proceedings of the Council of the City duly adopted and taken under the Public Finance Act of 1991.

The Bonds of the issue of which this Bond is one (or portions of the principal amount thereof in installments of \$5,000 or any integral multiple thereof) maturing on and after _____, _____ are subject to redemption at the option of the City prior to their stated maturities, on or after _____, _____, in whole or in part on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds of such maturity or portions thereof in installments of \$5,000 to be redeemed shall be selected by lot), upon payment of a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

If this Bond is redeemable and this Bond (or any portion of the principal amount hereof) shall be called for redemption, notice of the redemption hereof, specifying the date, number and maturity of this Bond, the date and place or places fixed for its redemption, and if less than the entire principal amount of this Bond is to be redeemed, that this Bond must be surrendered in exchange for the principal amount hereof to be redeemed and a new Bond or Bonds issued equalling in principal amount that portion of the principal amount hereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner hereof at his address as it appears on the books of registry kept by the Registrar and Paying Agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of this Bond shall have been given as aforesaid, and payment of the principal amount of this Bond (or of the portion of the principal amount hereof to be redeemed) and of the accrued

interest payable upon such redemption shall have been duly made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof.

Any notice of the optional redemption of this Bond may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent for the Bonds or other agent designated by the City, on the date fixed for the redemption hereof an amount of money sufficient to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of this Bond, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of this Bond does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent for the Bonds or other agent designated by the City, a sufficient amount of money to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, the corresponding notice of redemption shall be deemed to be revoked.

So long as the Bonds of the series of which this Bond is one are in book-entry only form, any notice of redemption of this Bond shall be given only to Cede & Co., as nominee of The Depository Trust Company ("DTC"), and any notice of redemption otherwise required by the resolution pursuant to which this Bond and the Bonds of the series of which this Bond are issued to be given by first class mail, postage prepaid, may be given electronically in lieu of being given by first class mail, postage prepaid, if and to the extent delivery of notices of redemption electronically is acceptable to DTC.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the issue of which this Bond is one, this Bond may be exchanged at the office of the Registrar and Paying Agent for a like aggregate principal amount of Bonds of other authorized principal amounts and of the same issue, interest rate and maturity. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, on the books of registry kept by the Registrar and Paying Agent for such purpose at the office of the Registrar and Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the issue of which this Bond is one, and upon the surrender hereof for cancellation. Upon such transfer a new Bond or Bonds of authorized denominations and of the same aggregate principal amount, issue, interest rate and maturity as the Bond surrendered will be issued to the transferee in exchange herefor.

The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due. In each year while this Bond is outstanding and unpaid, the Council of the City is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on this Bond to the extent other funds of the City are not lawfully available and appropriated for such purpose.

This Bond shall not be valid or obligatory unless the certificate of authentication hereon shall have been manually signed by or on behalf of the Registrar and Paying Agent.

It is certified, recited and declared that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limitation of indebtedness prescribed by the Constitution or statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of its Mayor; a facsimile of the corporate seal of the City to be imprinted hereon, attested by the manual or facsimile signature of the Clerk of Council of the City, and this Bond to be dated the date first above written.

CITY OF LYNCHBURG, VIRGINIA

[SEAL]

Mayor

Attest:

Clerk of Council

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within-mentioned proceedings.

By: _____
Director of Financial Services,
as Registrar and Paying Agent

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto _____

(Please print or typewrite name and address, including zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within-mentioned Bond and hereby irrevocably constitutes and appoints _____, agent, to transfer the same on the books of registry in the office of registrar with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange Inc. or a commercial bank or trust company.

(Signature of Registered Owner)
NOTICE: The signature to this assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration, enlargement or any change whatsoever.

RESOLUTION:

#R-19-098

BE IT RESOLVED THAT the FY 2020 General, Water, Sewer, and Stormwater Funds' Operating Budgets are amended for funding of \$259,803, \$32,900, \$52,326 and \$4,971 respectively, with resources from the General Obligation Public Improvement Bonds, Series 2020 for costs associated with the issuance. City Administration is authorized to realign appropriations for issuance costs among the Funds as necessary because of any bond premium that occurs. City Administration also is authorized to record appropriations associated with the underwriter's discounts and expenses as determined with the bond sale and funded with bond proceeds.

Introduced:

Adopted:

Certified:

Clerk of Council

181R

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **13**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Commercial Property Assessed Clean Energy (C-PACE) Financing Program

KEY ELEMENTS:

☒ Economic Development ☐ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☐ Vibrant Community

RECOMMENDATION: Hold a public hearing and approve adding Section 36-178 to the Code of the City of Lynchburg relating to the establishment of a Commercial Property Assessed Clean Energy (C-PACE) Financing Program. No second reading is required.

SUMMARY: Section 15.2-958.3 of the Code of Virginia authorizes localities to enact an ordinance authorizing a C-PACE program, enabling C-PACE loans for the initial acquisition and installation of eligible clean energy, resiliency, and/or stormwater management improvements with willing owners of qualifying properties. If approved, this program would represent an additional economic development tool without incurring additional costs or tax burden to the City.

C-PACE is a financing tool, established by local governments, that empowers commercial property owners to finance energy efficiency, water conservation, and renewable energy projects with no upfront costs. Property owners receive long-term, 100% financing from qualified capital providers, and repay that loan through a special real estate assessment. Eligible activities include renovations to existing improvements or new construction. Each C-PACE loan is secured by a voluntary special assessment lien on the property that is the subject of the C-PACE loan. C-PACE loans are repaid in installment payments, due and payable in accordance with the C-PACE program guidelines and financing documents.

Projects are underwritten by a third-party capital provider similar to a normal commercial real estate loan, but include a requirement to meet guidelines established by the City. Should the property go into default, the City enforces the special assessment in the same way it enforces any other property tax lien. C-PACE assessments have an advantage over conventional financing because they are attached to the property, rather than the building owner and are transferrable upon sale.

In addition to the proposed ordinance, City staff has provided a recommended standard financing agreement, which includes a number of highlighted items that will be completed when an agreement is reached for a project.

PRIOR ACTION(S): None

FISCAL IMPACT: The proposed ordinance clarifies that the City will not accept any liability and that borrowers and creditors enter into this agreement with full understanding that the City will be held harmless in all financial matters arising from this arrangement. Only the owner of the tax parcel is ever liable for the repayment. If the property goes into default, the City enforces the special assessment in the same manner as any other property tax lien.

CONTACT(S): Anna Bentson, Assistant Director of Economic Development and Tourism – 455-4493
Jeff Bandy, City Assessor – 455-3821

ATTACHMENT(S): C-PACE Ordinance and Assessment and Financing Agreement

REVIEWED BY: raw

AN ORDINANCE AMENDING THE CODE OF THE CITY OF LYNCHBURG, 1981, AS AMENDED, BY ADDING THERETO NEW SECTIONS NUMBERED 36-178, 36-178.1, 36-178.2, 36-178.3, 36-178.4, 36-178.5, 36-178.6, AND 36-178.7, RELATING TO THE ESTABLISHMENT OF A COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) FINANCING PROGRAM.

WHEREAS, pursuant to Section 15.2-958.3, Code of Virginia (1950), as amended, localities may adopt an ordinance “to provide loans for the initial acquisition and installation of clean energy improvements” for existing properties and new construction within the locality, and that private lending institutions may participate in such program;

WHEREAS, the purpose of this program is to promote and encourage the renovation and construction of commercial, non-profit, and multifamily buildings and structures with the incorporation of renewable energy production and distribution facilities, energy usage efficiency improvements, or water usage efficiency improvement through this program;

WHEREAS, the establishment of a program for financing clean energy programs pursuant to Section 15.2-958.3 of the Code of Virginia (1950), as amended, supports and enhances the goals and objectives of the City of Lynchburg’s sustainability programs through the renovation, retrofit, or rehabilitation of existing buildings with qualifying clean energy improvements or the development and construction of new buildings that include qualifying energy efficient features;

WHEREAS, pursuant to Section 15.2-958.3(F) of the Code of Virginia (1950), City Council conducted a properly advertised public hearing on December 10, 2019, at which public hearing all interested persons were given the opportunity to express their positions regarding the adoption of this program; and

WHEREAS, after consideration of all comments made at the public hearing, and all information set forth in the City Council Agenda dated December 10, 2019, City Council finds that adoption of this program promotes the general health and welfare of the community.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Lynchburg that:

1. The Code of the City of Lynchburg, 1981, as amended, is amended by adding a new Chapter 36-178, Commercial Property Assessed Clean Energy (C-PACE) Financing Program; as follows:

Chapter 36-178 – COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) FINANCING PROGRAM

Sec. 36-178 Purpose and Creation of C-PACE Financing Program

A. Pursuant to the C-PACE Act, any Virginia locality may enact an ordinance authorizing a C-PACE program to provide C-PACE loans for the initial acquisition and installation of eligible clean energy, resiliency, and/or stormwater management improvements with willing owners of qualifying properties, which may include renovations to existing improvements or new construction. Each C-PACE loan shall be secured by a voluntary special assessment lien on the property that is the subject of the C-PACE loan. C-PACE loans shall be repaid in installment payments, which shall be due and payable in accordance with the C-PACE program guidelines and financing documents.

B. After due consideration, the City Council hereby determines that the promotion and development of a C-PACE program will enhance the renovation of existing buildings and foster the construction of new buildings with energy or water efficient features, resulting in economic growth in the City and the region. The adoption of an ordinance creating a City C-PACE program is in the public interest and fulfills multiple public purposes.

C. Therefore, the purpose of this chapter is to create the “Lynchburg Commercial Property Assessed Clean Energy (C-PACE) Financing Program,” in accordance with the C-PACE Act, which shall operate in accordance with the provisions of this Ordinance and the C-PACE Act.

Sec. 36-178.1 Definitions

A. **“Amortization Schedule”** means an amortization schedule of C-PACE Payments necessary to repay the C-PACE Loan, which is attached to the C-PACE Certificate.

B. **“Borrower”** means (i) a person as defined in Section 1-230 of the State Code (including a non-profit entity) that is an owner of a Property, which voluntarily obtains a C-PACE Loan under the Program, resulting in a C-PACE Assessment being levied on the tax records of a Property and a C-PACE Lien being recorded on a Property, or (ii) a successor in title to Borrower.

C. **“Borrower Certification”** means a notarized certificate from Borrower, certifying that (i) Borrower is (a) current on all loan payments secured by a lien on the Property, (b) current on Real Estate Tax and personal property tax payments, (c) current on all federal, state and local taxes and that there is no federal income tax lien, judgment lien, or other involuntary lien against the Property, and (d) not insolvent or in bankruptcy or foreclosure proceedings, and (ii) the title of the Property is not in dispute, as evidenced by a title report or title insurance commitment from a title insurance company acceptable to Program Administrator and/or Capital Provider.

D. **“C-PACE”** means Commercial Property Assessed Clean Energy.

E. **“C-PACE Act”** means Virginia’s clean energy financing law, codified at Section 15.2-958.3 of State Code.

F. **“C-PACE Agreement”** means the C-PACE Assessment and Financing Agreement executed by Borrower, Capital Provider, and the City, which establishes the terms, conditions, responsibilities and obligations of each party in connection with the C-PACE Loan, a form of which C-PACE Agreement is attached to this Ordinance.

G. **“C-PACE Amendment”** means an Amendment to Levy and Lien of C-PACE Assessment, executed by Capital Provider without consent from Borrower, as permitted in the C-PACE Documents, which C-PACE Amendment shall be recorded in the Clerk’s Office to evidence each amendment to the C-PACE Loan and C-PACE Lien, a form of which C-PACE Amendment is attached to the C-PACE Agreement.

H. **“C-PACE Assessment”** means a voluntary, special assessment in the C-PACE Loan Amount, levied against a Property at a Borrower’s request, to cover the debt service and recurring fees of a C-PACE Loan.

I. **“C-PACE Assignment”** means an Assignment of Levy and Lien of C-PACE Assessment executed by Capital Provider from time to time, which shall be recorded in the

Clerk's Office to evidence Capital Provider's assignment of the C-PACE Loan and C-PACE Lien, a form of which C-PACE Assignment is attached to the C-PACE Agreement.

J. **"C-PACE Certificate"** means a Certificate of Levy and Lien of C-PACE Assessment, which shall (i) be executed by Borrower, Capital Provider, and the City, (ii) include an Amortization Schedule, (iii) include a Borrower Certification, and (iv) be recorded in the Clerk's Office to evidence the C-PACE Loan and C-PACE Lien, a form of which C-PACE Certificate is attached to the C-PACE Agreement.

K. **"C-PACE Documents"** means the C-PACE Agreement, C-PACE Note, C-PACE Certificate, C-PACE Assignment (if any), C-PACE Amendment (if any), and such other documents as determined by Capital Provider.

L. **"C-PACE Expenses"** means construction, development and consulting costs directly related to a C-PACE Loan, including without limitation, the cost of labor, materials, machinery, equipment, plans, specifications, due diligence studies, consulting services (e.g., engineering, energy, financial and/or legal expenses), Program fees, C-PACE Loan fees, capitalized interest, interest reserves and/or C-PACE transaction, underwriting, and closing costs.

M. **"C-PACE Lien"** means the voluntary, irrevocable, special assessment lien levied against the Property pursuant to the C-PACE Act and at Borrower's request, as security for the C-PACE Loan, which (i) is *pari passu* (i.e., of equal priority) with the City Real Estate Tax lien; (ii) as to the current C-PACE Payment that is due and any Delinquent C-PACE Payments, is senior to (a) all other special assessment liens, and (b) all previously recorded senior liens, provided a Lender Consent is recorded for each such senior lien; (iii) shall run with title to the Property and shall not be extinguished by a foreclosure; and (iv) is evidenced by the C-PACE Certificate, as may be amended and assigned from time to time in accordance with the this Ordinance and the C-PACE Documents.

N. **"C-PACE Loan"** means a loan made under the Program by a Capital Provider to a Borrower to finance Eligible Improvements to a Property in accordance with the C-PACE Act, this Ordinance, the C-PACE Documents, and the Program Guidelines.

O. **"C-PACE Loan Amount"** means the aggregate amount of a C-PACE Loan, inclusive of principal, interest, and any financed fees, costs, and/or expenses (including C-PACE Expenses), as provided in the C-PACE Documents.

P. **"C-PACE Note"** means a promissory note executed by Borrower made payable to Capital Provider in the original principal amount of the C-PACE Loan, including without limitation, any and all modifications, restructurings, extensions, consolidations, amendments and/or assignments thereof, a form of which C-PACE Note is attached to the C-PACE Agreement.

Q. **"C-PACE Payments"** means the periodic, installment payments of the C-PACE Loan, due and payable by Borrower to Capital Provider to repay the C-PACE Loan in such amounts and at such times as described in the C-PACE Agreement, the C-PACE Certificate, the Amortization Schedule, and the C-PACE Amendments (if any).

R. **"Capital Provider"** means (i) a third party capital provider that has been approved by Program Administrator in accordance with the Program Guidelines to originate a C-PACE Loan, or (ii) the current holder of a C-PACE Loan.

S. **"City"** means the City of Lynchburg, Virginia, which includes the director of financial services, assessor or other City officials that levy, assess, collect and/or enforce taxes (including Real Estate Taxes) for the City.

T. **"City Code"** means the Code of the City of Lynchburg, 1981, as amended to date and as it may be hereafter amended.

U. **"Clerk's Office"** means the Clerk's Office of the Circuit Court of the City of Lynchburg, Virginia.

V. **"Delinquent C-PACE Payment"** means any C-PACE Payment that was not paid by Borrower when due, which shall include without limitation, all accrued interest, late fees, and penalties incurred pursuant to the C-PACE Documents.

W. **"Eligible Improvement"** means any improvement, renovation, addition, construction, installation, modification of or to, a Property or a building located on a Property, if designed to (i) facilitate renewable energy production and distribution, (ii) reduce energy consumption, (iii) reduce water consumption, and/or (iv) facilitate resiliency and/or stormwater management, which Eligible Improvements include without limitation, the types of Eligible Improvements listed in Section 32.3-3 below.

X. **"Lender Consent"** means an executed consent and subordination agreement from each senior lender having a senior lien on the Property, which shall be recorded in the Clerk's Office in connection with the C-PACE Loan closing.

Y. **"PACE"** means Property Assessed Clean Energy.

Z. **"Program"** means the City C-PACE financing program established to provide C-PACE Loans to Borrowers in accordance with the C-PACE Act, this chapter, the C-PACE Documents, and the Program Guidelines.

AA. **"Program Administrator"** means (i) an independent third party (authorized by written contract with the City), or (ii) a designated City official, which, in either (i) or (ii) above, possesses the authority to administer the Program as provided by the State Code, the C-PACE Act, this chapter, and the Program Guidelines.

BB. **"Program Fees"** means the fees authorized by the Act and charged to Borrowers to cover the costs to design and administer the Program, including compensation of Program Administrator and recovery of expenses incurred by the City.

CC. **"Program Guidelines"** means a comprehensive document that establishes the procedures, eligibility rules, responsibilities, disclosures, Program Fees, restrictions, underwriting criteria, and other requirements promulgated, imposed and enforced by Program Administrator or Program Manager for the governance of the Program, as amended from time to time.

DD. **"Program Manager"** means the City Manager or such person designated in writing by the City Manager to supervise the Program and act as liaison with Program Administrator.

EE. **"Project"** means the construction or installation of Eligible Improvements on Property.

FF. **“Property”** means commercial, assessable real estate located in the City, with all buildings located or to be located thereon, whether vacant or occupied, improved or unimproved, and regardless of whether such real estate is currently subject to taxation by the City, excluding (i) a residential dwelling with fewer than five (5) dwelling units, and (ii) a condominium project as defined in Section 55.1-200 of the State Code.

GG. **“Real Estate Tax”** means the local tax on real estate which the City levies pursuant to Title 58.1, Chapter 32 of the State Code, and Chapter 36 of the City Code.

HH. **“State Code”** means the Code of Virginia (1950), as amended to date and as it may hereafter be amended.

II. **“Virginia”** means the Commonwealth of Virginia.

Sec. 36-178.2 Eligible Improvements under the C-PACE Program

A. The Program shall be available throughout the City, provided that the Borrower, the Property and the Eligible Improvements all qualify for the Program. The following types of Eligible Improvements may be financed with a C-PACE Loan:

(i) renewable energy production and distribution facilities (e.g., solar photovoltaic, solar thermal, wind, wave and/or tidal energy and the storage and/or distribution of the energy produced thereby);

(ii) energy usage efficiency systems (e.g., high efficiency lighting and building systems, heating, ventilation and air conditioning (HVAC) upgrades, air duct sealing, high efficiency hot water heating systems, building shell or envelope improvements, reflective roof, cool roof or green roof systems and/or weather-stripping);

(iii) water usage efficiency improvements (e.g., recovery, purification, recycling and other forms of water conservation);

(iv) construction, renovation or retrofitting of a Property directly related to the accomplishment of any purpose listed in subsections (i), (ii) or (iii), above, whether such Eligible Improvement was erected or installed in or on a building or on the ground, it being the express intention of the City to allow Eligible Improvements that constitute, or are part of, the construction of a new structure or building to be financed with a C-PACE Loan; or,

(v) any other category of improvement approved by Program Manager or Program Administrator as qualifying for financing under the C-PACE Act and the Program.

B. The proceeds of a C-PACE Loan may be used to pay C-PACE Expenses.

Sec. 36-178.3 C-PACE Loan Requirements

A. C-PACE Loans shall be originated by Capital Providers. The City and/or its respective governmental entities shall have no obligation to originate or guaranty any C-PACE Loans. Except for oversight duties set forth in this chapter, the role of the City shall be limited to (i) levying and assessing the C-PACE Assessments and C-PACE Liens, and (ii) enforcing the timely repayment of the C-PACE Loans in the same manner as delinquent Real Estate Taxes are enforced, in accordance with the C-PACE Documents, any applicable City ordinances, and Title 58.1, Chapters 32 and 39 of the State Code, which enforcement action may include (without limitation) conducting a tax foreclosure sale of the Property by public auction.

B. The minimum C-PACE Loan Amount that may be financed for each Project is \$30,000, and the maximum C-PACE Loan Amount that may be financed for each Project is \$20,000,000. There shall be no limit on the total value of all C-PACE Loans to be financed under the Program.

C. The interest rate of a C-PACE Loan shall be determined by mutual agreement between Borrower and Capital Provider as provided in the C-PACE Documents.

D. The term of a C-PACE Loan shall not exceed thirty (30) years.

E. The C-PACE Loan Amount shall be fully amortized over the term of the C-PACE Loan in accordance with the Amortization Schedule as agreed by Borrower and Capital Provider.

F. Program Administrator will develop a Program application process for the review and approval of proposed Projects. Program applications will be processed on a first-come, first-serve basis, and all applicants must meet the Program eligibility requirements in the C-PACE Act, this chapter and the Program Guidelines.

G. All costs related to the financing, administration, collection, and/or enforcement of the C-PACE Loan and C-PACE Lien shall be borne by Borrower.

H. Each C-PACE Agreement shall be substantially in the form attached as Appendix A-1. The C-PACE Agreement may be modified as necessary to further the Program's purpose and to encourage Program participation, provided that (i) all modifications are approved by Program Manager and City Attorney, and (ii) the modifications do not conflict with the C-PACE Act, this chapter, the C-PACE Documents and/or the Program Guidelines.

Sec. 36-178.4 C-PACE Assessment, C-PACE Loan and C-PACE Lien

A. Each C-PACE Loan shall be secured by a C-PACE Lien, and the C-PACE Lien shall be evidenced by the recordation of a C-PACE Certificate in the Clerk's Office. Program Manager, on behalf of the City, is hereby authorized to execute the C-PACE Certificate prior to recordation. Upon complete execution of the C-PACE Documents and funding of the C-PACE Loan, Capital Provider shall record the C-PACE Certificate in the Clerk's Office.

B. The C-PACE Lien shall have equal priority with the City Real Estate Tax lien, and the C-PACE Lien shall have priority over any previously recorded lien only if, in connection with the C-PACE Loan closing, (i) a Lender Consent is recorded in the Clerk's Office, and (ii) Borrower has executed the C-PACE Certificate (containing a Borrower Certification).

C. In connection with the C-PACE Loan closing, Capital Provider shall deliver a copy of the recorded C-PACE Certificate to the City, evidencing the levy of the C-PACE Assessment on the Property benefitting from the Eligible Improvements. The C-PACE Loan will be repaid by Borrower through C-PACE Payments over a period of years, in such amounts and at such times as set forth in the Amortization Schedule and the C-PACE Documents. Capital Provider shall be responsible for servicing the C-PACE Loan (including billing and collection of C-PACE Payments), subject to and in accordance with the provisions of the C-PACE Documents.

D. The C-PACE Lien shall run with the land. The portion of the C-PACE Loan that has not yet become due shall not be eliminated by foreclosure of a Real Estate Tax lien. Delinquent C-PACE Payments shall be subject to all fees and collection methods permitted under the laws of Virginia for the collection of delinquent Real Estate Taxes.

E. Only the current C-PACE Payment and any Delinquent C-PACE Payments shall constitute a first lien on the Property (having equal priority with the City Real Estate Taxes). Delinquent C-PACE Payments shall (i) accrue penalties and interest (including default interest) in accordance with the C-PACE Agreement, and (ii) be enforced in accordance with the C-PACE Documents, any applicable City ordinances, including Chapter 36 of City Code, and Title 58.1, Chapters 32 and 39 of State Code, which enforcement action may include conducting a tax foreclosure sale of the Property by public auction.

F. C-PACE Payments and Delinquent C-PACE Payments shall be levied and enforced by the City in the same manner as delinquent Real Estate Taxes are levied and enforced. The City shall be entitled to (i) recover its costs and expenses, including reasonable attorneys' fees and costs, in the same manner as in a suit to collect delinquent Real Estate Taxes, (ii) charge interest and penalties for Delinquent C-PACE Payments in the same manner as delinquent Real Estate Taxes, and (iii) utilize any administrative remedies provided by Virginia law. All collection and enforcement costs, expenses, interest and penalties incurred by Capital Provider and the City shall (a) be added to the Delinquent C-PACE Payments being collected, (b) become part of the aggregate amount sued for and collected, (c) be added to the C-PACE Loan Amount, and (d) be secured by the C-PACE Lien. The costs and expenses recovered by the City shall be in addition to any costs, expenses, interest, or other amounts due and owing to Capital Provider. Pursuant to Section §58.1-3965.1 of the State Code, for purposes of enforcing a C-PACE Lien, a Property that has a Delinquent C-PACE Payment shall be enforceable after June 30th following the first anniversary of either the Real Estate Tax or the C-PACE Payment having become due.

G. The owner of a Property subject to a C-PACE Lien shall assume the obligation to repay all remaining, unpaid C-PACE Payments due on the C-PACE Loan (in accordance with the Amortization Schedule), whether the transfer of ownership was voluntary or involuntary. Only the current C-PACE Payment and any Delinquent C-PACE Payments, together with any costs of collection, shall be payable at the settlement of a C-PACE Property sale, unless otherwise agreed by the parties.

H. C-PACE Loans may be transferred, assigned or sold by a Capital Provider to another Capital Provider at any time during the C-PACE Loan term without consent from Borrower, the City or any other party, provided that Capital Provider shall (i) record a C-PACE Assignment in the Clerk's Office, and (ii) deliver a copy of the recorded C-PACE Assignment to Borrower, the City and Program Administrator. Recordation of the C-PACE Assignment shall constitute an assumption by the new Capital Provider of the C-PACE rights and obligations contained in the C-PACE Documents.

I. After the recordation of the C-PACE Certificate, Capital Provider may amend the C-PACE Loan and C-PACE Lien from time to time without consent from Borrower, the City or any other party, as permitted in the C-PACE Documents; provided however, in each instance, Capital Provider shall record a C-PACE Amendment in the Clerk's Office and deliver a copy of the recorded C-PACE Amendment to Borrower, the City and Program Administrator.

Sec. 36-178.5 Program Administrator; Program Guidelines

A. The City may hire a Program Administrator, or delegate the Program administration duties to Program Manager or Capital Provider. The City Manager is authorized to enter into any contract on behalf of the City with respect to the administration of the Program, if necessary. The Program will be designed to minimize the fees and costs that a Borrower must pay for a C-PACE Loan, all with the goal of promoting and facilitating participation in the Program.

B. The principal Program administration duties may include (without limitation) the following: (i) creating and modifying the Program Guidelines, as necessary; (ii) coordinating the billing and collection process; (iii) processing C-PACE applications to determine eligibility for a C-PACE Loan and related Eligible Improvements; (iv) ensuring compliance with the Program requirements; (v) certifying that prospective C-PACE service providers and Capital Providers are eligible to participate in the Program; and (vi) promoting the Program by performing Program marketing and outreach.

C. The Program will be self-financed through Program Fees. The initial Program Fee will be \$250 per C-PACE Project, which may be amended from time to time by the City Manager or Program Administrator. The Program Guidelines will include the most current Program Fees in effect. The Program Fees shall be paid by Borrower in accordance with the C-PACE Documents and the Program Guidelines. The Amortization Schedule will include any on-going fees to be included with each C-PACE Payment.

D. Program Administrator (i) will endeavor to conduct a competitive, open-market Program, available to all pre-certified Capital Providers, contractors, engineers and consultants, who apply to provide services or funding for the Program, and (ii) shall not grant any capital provider or service provider an exclusive right to provide services or funding for the Program.

E. The Program Guidelines will be developed by Program Administrator and approved by the City Manager and shall not conflict with the C-PACE Act, this chapter, or the C-PACE Documents. The Program Guidelines will include, without limitation, the C-PACE Loan notification requirements and closing process. The Program Guidelines may require Program Administrator to provide a written report with summary information regarding the Program, the portfolio performance of participating Capital Providers, or other Program statistics. The Program Guidelines shall become effective only after review by the City Attorney and written approval by the City Manager. Program Administrator is expressly authorized, in its reasonable discretion, exercised jointly with the City Manager, to modify the Program Guidelines from time to time in accordance with the intent and purpose of the Program, as approved by the City Manager.

F. The City acknowledges that Program Administrator may extend its agreement with the City to any other jurisdiction in Virginia in accordance with the joint and cooperative procurement provisions included in the City's Request for Proposal for a Program Administrator and its attachments, which provisions shall govern such joint and cooperative procurement. Program Administrator shall indemnify, defend and hold the City harmless against any claim brought against the City or any liability imposed on the City as a result of any action or omission to act by Program Administrator in a jurisdiction to which its program administration agreement with the City was extended under such joint and cooperative procurement.

Sec. 36-178.6 Role of the City; Limitation of Liability

Borrowers and Capital Providers participate in the Program at their own risk. The City makes no representation or warranty as to the validity, enforceability, priority, or any other character of any C-PACE Loan, C-PACE Lien, or C-PACE Documents, and Borrowers and Capital Providers agree to release and hold the City harmless from and against any and all liabilities, claims, suits, liens, judgments, damages, losses and expenses, including without limitation, reasonable legal fees and costs arising in whole or in part from acts, omissions, breaches or defaults of Borrowers or Capital Providers in relation to any C-PACE Loan, C-PACE Lien, or C-PACE Documents.

Sec. 36-178.7 Additional Provisions

A. Every Borrower, on behalf of itself and any affiliated entities (whether in existence at the time of the C-PACE application or created thereafter) and any of its individual shareholders, principals, managers or other associated individuals, shall (i) waive the right to bid, either directly or indirectly, on the Property at any auction held in the course of foreclosure for delinquent real estate taxes or for Delinquent C-PACE Payments, and (b) waive the right to occupy, possess, or use, either directly or indirectly, any Property for a period of five (5) years after the date of the foreclosure auction.

B. The following Borrower waivers shall be included in every C-PACE Agreement and shall be a burden that runs with the land intended to bind successors or assigns in title while any C-PACE Loan remains outstanding:

(i) Borrower hereby waives all defenses, affirmative or otherwise, to the foreclosure action related to any collection suit brought for the nonpayment of any C-PACE Loan. This waiver shall apply to any litigation action initiated under the laws of Virginia or any administrative collection action afforded to the City treasurer or its duly appointed collection agent;

(ii) Borrower hereby waives all defenses to the imposition of personal liability for corporate officers as permitted under Section 58.1-3965(F) of the State Code and the collection thereof as stated in subparagraph (i) above; and,

(iii) Borrower hereby agrees to provide a confession of judgment pursuant to Section 8.01-432, et seq. of State Code, if requested by the City or Capital Provider, which confession of judgment provision shall be included in any note related to the C-PACE Loan.

C. The provisions of this chapter are severable. If a court of competent jurisdiction determines that a word, phrase, clause, sentence, paragraph, subsection, section, or other provision is invalid or that the application of any part of this chapter or provision to any person or circumstance is invalid, the remaining provisions of this chapter shall not be affected and shall remain in full force and effect.

D. A draft Assessment and Financing Agreement (i.e., the contract specifying the terms and conditions of the City's C-PACE loan agreements) is adopted as an appendix to this Ordinance ("**Draft Agreement**"). The parties to any Assessment and Financing Agreement shall be Borrower, Capital Provider, and the City. Each Assessment and Financing Agreement shall be in substantially the form established by the Draft Agreement, with such additions, deletions or alterations as permitted by this article. Program Manager is authorized to modify the Draft Agreement in Program Manager's reasonable discretion, provided that such modifications are approved by the City Attorney. The City Manager is authorized to enter into Assessment and Financing Agreements on behalf of the City. The City Manager may not execute any Assessment and Financing Agreement unless the underwriting requirements and the conditions for the priority status of the C-PACE Lien are met.

E. The Program Guidelines shall contain the following provisions:

These Program Guidelines ("**Guidelines**") have been prepared for the purpose of providing a more detailed description of the requirements, rules, procedures, and fees applicable to the City of Lynchburg Commercial Property Assessed Clean Energy (C-PACE) Financing Program ("**Program**"). These Guidelines are subject to Chapter 32.3, Code of the City of Lynchburg (1981), as

amended ("**City Ordinance**") in all respects including, without limitation, the provisions of the City Ordinance governing the amendment of these Guidelines. If there is a conflict between these Guidelines and the City Ordinance, then the City Ordinance shall govern and control.

THESE GUIDELINES ARE FOR REFERENCE ONLY AND DO NOT CREATE ANY LEGAL RIGHTS IN FAVOR OF ANY BORROWER, CAPITAL PROVIDER, CONTRACTOR, OR ANY OTHER PERSON, AND THESE GUIDELINES DO NOT IMPOSE ANY LEGAL DUTY OR OBLIGATION ON THE CITY OF LYNCHBURG, VIRGINIA.

2. This Ordinance shall become effective upon passage.

Adopted:

Certified: _____
Clerk of Council

C-PACE ASSESSMENT AND FINANCING AGREEMENT

by and among

CITY OF LYNCHBURG,
as the City

and

[CAPITAL PROVIDER NAME],
as Capital Provider

and

_____,
as Borrower

Dated as of _____, 20__

C-PACE ASSESSMENT AND FINANCING AGREEMENT

THIS C-PACE ASSESSMENT AND FINANCING AGREEMENT (this “**Agreement**”) is made as of [_____, 20___] (“**Effective Date**”) between the City of Lynchburg, Virginia (“**City**”), [CAPITAL PROVIDER NAME], a _____ organized under the laws of [Virginia] [IF FOREIGN ENTITY ADD: and authorized to do business in Virginia] (together with its successors and/or assigns, “**Capital Provider**”), and [BORROWER NAME], a _____ organized under the laws of the Virginia [IF FOREIGN ENTITY ADD: and authorized to do business in Virginia] (together with its successors and/or assigns, “**Borrower**”). The City, Capital Provider and Borrower are referred to herein individually as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used in this Agreement that are not otherwise defined shall have the meanings set forth in **Section 1.01** below.

RECITALS

A. Pursuant to the C-PACE Act and Ordinance, the City established the City C-PACE program to facilitate financing for the initial acquisition and installation of Eligible Improvements with willing owners of Eligible Property (“**Program**”). The Program allows private financing for Eligible Improvements by utilizing the local C-PACE assessment and collection mechanism to provide security for the repayment of the C-PACE Loan in accordance with the C-PACE Act, Ordinance, Program Guidelines and C-PACE Documents.

B. Borrower is the legal and beneficial fee simple title owner/[leasehold] of that certain real property, together with all improvements thereon and appurtenances thereto (including without limitation, the Improvements), located in _____, Virginia and having an address of _____, as more particularly described in **Exhibit A** attached hereto and incorporated herein (“**Property**”).¹

C. Borrower has applied to the Program to obtain a C-PACE Loan from Capital Provider for the Improvements, which C-PACE Loan is secured by, among other things, the C-PACE Lien.

D. In accordance with the Program’s energy efficiency eligibility requirements, Borrower has contracted to [renovate or retrofit the Property and/or construct a new building and/or improvements on the Property to reduce energy and/or water consumption and/or install renewable energy systems, resiliency and/or storm water management improvements on the Property]. The C-PACE improvements to be constructed on the Property (1) are generally described in **Section 11** of the Loan Schedule and more particularly described in the Construction Contract, (2) meet the requirements of the C-PACE Act and Ordinance, and (3)

¹ *Note to Drafter: If Borrower has a leasehold interest in a long-term lease, this Agreement will need to be revised to include the fee simple owner as a party and to incorporate certain other provisions related to the leasehold structure as may be required by Capital Provider and the City. Additionally, if the transaction structure involves a PACE-secured Power Purchase Agreement, this Agreement will need to be revised to include relevant provisions required by Capital Provider and the City.*

shall be permanently affixed to the Property and installed in accordance with the Program Guidelines and C-PACE Documents (“**Improvements**”).

E. Borrower (1) has completed the Program application requirements, including without limitation, obtaining a Lender Consent from each Senior Lender, and (2) has agreed to the recordation of the C-PACE Lien against the Property in the C-PACE Loan Amount.

F. Capital Provider has agreed to provide the C-PACE Loan for the Improvements on the condition of Borrower’s agreement to repay the C-PACE Loan and subject to the terms and conditions contained in the C-PACE Documents, including without limitation, Borrower’s execution and delivery of the C-PACE Note to Capital Provider.

G. The City has agreed to levy, assess, and enforce the C-PACE Lien in the same manner as the City levies, assesses, and enforces Real Estate Taxes on the Property, subject to the terms and conditions contained in the C-PACE Documents.

H. Capital Provider shall handle the billing and collection for the C-PACE Loan, and Borrower shall repay the C-PACE Loan to Capital Provider in accordance with the C-PACE Documents. During the Term, Capital Provider will apply the C-PACE Payments to the outstanding C-PACE Loan Amount as provided in the Amortization Schedule.

I. The Parties have determined that the most efficient and effective way to implement the financing, acquisition, construction and installation of the Improvements and to further the public purposes contained in the C-PACE Act and Ordinance is through this Agreement, pursuant to the C-PACE Act and Ordinance and on the terms contained in the C-PACE Documents, with (1) Capital Provider funding the C-PACE Loan; (2) Borrower acquiring, constructing, and installing the Improvements and timely making the C-PACE Payments to fully repay the C-PACE Loan to Capital Provider; and (3) the City levying, assessing and enforcing the C-PACE Lien.

J. Borrower, Capital Provider and the City desire to set forth their respective rights and obligations relating to the C-PACE Loan in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, and for Ten Dollars cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

INTERPRETATION

Section 1.01. Definitions. Capitalized terms used in this Agreement that are not otherwise defined shall have the meanings set forth below:²

“Agreement” is defined in the Preamble, and all references to the Agreement shall include all exhibits and schedules attached to the Agreement.

“Amortization Schedule” means that certain amortization schedule of C-PACE Payments necessary to repay the C-PACE Loan, which is attached to this Agreement, the C-PACE Note and the C-PACE Certificate. The initial Amortization Schedule shall be established on the Closing Date and may be updated periodically in accordance with this Agreement.

“Assignment and Assumption Agreement” is defined in **Section 4.14** of this Agreement.

“Borrower” is defined in the Preamble and includes any and all successors in title to Borrower.

“Borrower Certification” means a notarized affidavit from Borrower, certifying that (a) Borrower is (i) current on all loan payments secured by a lien on the Property, (ii) current on Real Estate Tax and personal property tax payments, (iii) current on all federal, state and local taxes and that there is no federal income tax lien, judgment lien, or other involuntary lien against the Property, and (iv) not insolvent or in bankruptcy or foreclosure proceedings, and (b) the title of the Property is not in dispute, as evidenced by a title report or title insurance commitment from a title insurance company acceptable to Capital Provider.

“Budget” means the detailed budget of all costs necessary to purchase, install, and/or construct the Improvements in accordance with the Plans.

“Business Day” means any day on which Capital Provider and City/County are open for business, other than a Saturday, Sunday, federal holiday or state holiday in Virginia.

“C-PACE” means Commercial Property Assessed Clean Energy.

“C-PACE Act” means Virginia’s clean energy financing law, codified at Section 15.2-958.3 of the State Code.

“C-PACE Advance” means an advance of the C-PACE Loan proceeds made by Capital Provider to Borrower during the Construction Period in accordance with the terms and conditions of this Agreement.

² *Note to Drafter: Prior to finalizing Agreement, confirm that final Ordinance definitions match Agreement definitions.*

“C-PACE Advance Schedule” means that certain schedule of C-PACE Advances, which is attached hereto and incorporated herein as **Schedule II**.

“C-PACE Amendment” means an Amendment to Levy and Lien of C-PACE Assessment, executed by Capital Provider without consent from Borrower, as permitted in the C-PACE Documents, which C-PACE Amendment shall be recorded in the Clerk’s Office against the Property by Capital Provider to evidence each amendment to the C-PACE Loan and C-PACE Lien, a form of which C-PACE Amendment is attached hereto and incorporated herein as **Exhibit C**.

“C-PACE Assessment” means a voluntary, special assessment in the C-PACE Loan Amount, levied against a Property at a Borrower’s request, to cover the debt service and recurring fees of a C-PACE Loan.

“C-PACE Assignment” means an Assignment of Levy and Lien of C-PACE Assessment, executed by Capital Provider from time to time, which shall be recorded in the Clerk’s Office to evidence Capital Provider’s assignment of the C-PACE Loan and C-PACE Lien, a form of which C-PACE Assignment is attached hereto and incorporated herein as **Exhibit D**.

“C-PACE Certificate” means that certain Certificate of Levy and Lien of C-PACE Assessment, which shall (a) be executed by Borrower, Capital Provider, and the City, (b) include the Amortization Schedule, and (c) be recorded in the Clerk’s Office against the Property by Capital Provider at Closing to evidence the C-PACE Lien and secure the C-PACE Loan to Capital Provider, a form of which C-PACE Certificate is attached hereto and incorporated herein as **Exhibit B**.

“C-PACE Documents” means this Agreement, the C-PACE Note, C-PACE Certificate, Disbursement Memorandum, C-PACE Amendment (if any), C-PACE Assignment (if any), completion guaranty (if any), UCC-1 Financing Statement(s) (if any), ***[INSERT OTHER APPLICABLE DOCUMENTS]***, and any other document executed in connection with the C-PACE Loan and/or the transactions contemplated by this Agreement.

“C-PACE Expenses” means construction, development and consulting costs directly related to the C-PACE Loan, including without limitation, the cost of labor, materials, machinery, equipment, plans, specifications, due diligence studies, consulting services (e.g., engineering, energy, financial and/or legal expenses), Program fees, C-PACE Loan fees, capitalized interest, interest reserves and/or C-PACE transaction, underwriting, and closing costs.

“C-PACE Lien” means the voluntary, irrevocable, special assessment lien levied against the Property pursuant to the C-PACE Act and at Borrower’s request, as security for the C-PACE Loan, which (a) is *pari passu* (i.e., of equal priority) with the City Real Estate Tax lien; (b) as to the current C-PACE Payment that is due and any Delinquent C-PACE Payments, is senior to (i) all other special assessment liens, and (ii) all previously recorded senior liens, provided a Lender Consent is recorded for each senior lien; (c) shall run with title to the Property and shall not be extinguished by a foreclosure; and (d) is secured by the C-PACE Certificate, as such C-PACE

Lien may be amended and assigned from time to time in accordance with the C-PACE Documents.

“C-PACE Loan” means a loan made under the Program by Capital Provider to Borrower to finance Eligible Improvements to a Property in accordance with the C-PACE Act, Ordinance, C-PACE Documents, and Program Guidelines.

“C-PACE Loan Amount” means the aggregate amount of a C-PACE Loan, inclusive of principal, interest, and any financed fees, costs, and/or expenses (including C-PACE Expenses), as provided in the C-PACE Documents.

“C-PACE Note” means a promissory note evidencing Borrower’s obligation to repay the C-PACE Loan, executed by Borrower and made payable to Capital Provider in the original principal amount of the C-PACE Loan, including without limitation, any and all modifications, restructurings, extensions, consolidations, amendments and/or assignments thereof, a form of which C-PACE Note is attached hereto and incorporated herein as **Exhibit F**.

“C-PACE Payments” means the periodic, installment payments of the C-PACE Loan, due and payable by Borrower to Capital Provider to repay the C-PACE Loan in such amounts and at such times as set forth on the Amortization Schedule (as may be amended from time to time in accordance with the C-PACE Documents).

“Capital Provider” is defined in the Preamble.

“Capitalized Interest” means the interest that accrues on the C-PACE Loan (at the Interest Rate) from the Closing Date to the Repayment Start Date, which shall be capitalized into the C-PACE Loan amount, as reflected on the Amortization Schedule.

“City” means the City of Lynchburg, Virginia, and its City treasurer, finance director, assessor, commissioner of revenue or other City official responsible for levying, assessing, collecting and/or enforcing taxes (including Real Estate Tax) for the City.

“City Code” means the Code of the City of Lynchburg (____), as amended to date and as it may be hereafter amended.

“Clerk’s Office” means the Clerk’s Office of the Circuit Court of the City of Lynchburg.

“Closing” means the closing of the transactions contemplated by this Agreement, which shall take place on the Closing Date.

“Closing Conditions” is defined in **Section 2.04** of this Agreement.

“Closing Date” means the Effective Date.

“Completion Certificate” means a certificate of completion executed by Borrower and Contractor in form and substance satisfactory to Capital Provider in its reasonable discretion.

“Completion Date” means the date on which all of the following events have occurred: (i) construction of the Improvements has been completed in accordance with the Plans, in a lien-free condition, except for the Permitted Liens and any other liens that Borrower is appealing or contesting by appropriate legal or other proceeding (which shall be promptly initiated and conducted by Borrower in good faith and with due diligence); (ii) Borrower has delivered a fully-executed Final Lien Waiver and a fully-executed Completion Certificate to Capital Provider; (iii) Borrower has delivered a temporary or final certificate of occupancy to Capital Provider, if required for the Improvements; (iv) all required approvals, reports and information required to be submitted to Capital Provider and/or the City have been submitted and approved, and (v) all other requirements of the C-PACE Documents have been satisfied. The Completion Date is estimated to occur on or before [_____, 20__]. Notwithstanding anything to the contrary contained in this Agreement, the Completion Date shall occur no later than [_____, 20__], unless otherwise approved by Capital Provider, in its reasonable discretion.

“Construction Contract” means that certain fully-executed construction contract dated [_____, 20__] between Borrower and Contractor.

“Construction Period” means the period of time beginning on the Closing Date and ending on the Completion Date, which is estimated to be [_____] (__) months after the Closing Date.

“Contractor” means [name of general contractor], a general contractor that is licensed, bonded and insured in Virginia and has been approved by Capital Provider. If Contractor is changed, Borrower shall obtain prior written consent from Capital Provider approving the replacement contractor.

“Default Interest” means the annual interest that accrues on a Delinquent C-PACE Payment (or portion thereof) at the Default Rate, if Borrower defaults under the C-PACE Documents or an Event of Default occurs. Computations of Default Interest shall be based on a year of 360-days but shall be calculated for the actual number of days in the period for which Default Interest is charged.

“Default Rate” means the lower of [_____] percent (___%) per annum or the highest annual interest rate allowed by applicable law, in connection with a Delinquent C-PACE Payment, which Default Rate shall be in addition to any default interest charged by the City.

“Delinquency” is defined in **Section 5.01** of this Agreement.

“Delinquent C-PACE Payment” means any C-PACE Payment that was not paid by Borrower when due, which shall include without limitation, all interest, late fees, penalties and costs of collection incurred pursuant to the C-PACE Documents.

“Disbursement Conditions” is defined in **Section 2.05** of this Agreement.

“Disbursement Memorandum” means that certain memorandum containing the Closing disbursements and wiring instructions for the transactions contemplated by this Agreement, which shall be executed by Borrower, Capital Provider, and the City at Closing, a form of which is attached hereto and incorporated herein as **Exhibit I**.

“Effective Date” is defined in the Preamble.

“Eligible Improvement” means any improvement, renovation, addition, construction, installation, modification of or to, an Eligible Property or a building located on an Eligible Property, if designed to (a) facilitate renewable energy production and distribution, (b) reduce energy consumption, or (c) reduce water consumption, which Eligible Improvements include without limitation, the types of Eligible Improvements listed in the Ordinance and may include new construction or renovations to existing improvements or structures.

“Eligible Property” means all assessable real estate located within the City, with all buildings located or to be located thereon, whether vacant or occupied, whether improved or unimproved, and regardless of whether such real estate is currently subject to taxation by the City, other than (a) any condominium project as defined in §55-79.2 of the State Code, or (b) any residential property containing four (4) or fewer dwelling units.

“Environmental Claim” means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or legally binding directive, by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to health and safety of any Person or to natural resources or the environment.

“Environmental Laws” means any and all federal or state (or any subdivision of either of them) statutes, ordinances, directives, orders, rules, regulations, judgments, governmental authorizations, or any other requirements of Governmental Authorities relating to (a) environmental matters, including those relating to any Hazardous Materials Activity; (b) the generation, use, storage, transportation or disposal of Hazardous Materials; or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Borrower or the Property.

“Event of Default” has the meaning given such term in **Section 5.01** of this Agreement.

“Exclusivity Covenants” means the covenants and undertakings of Borrower and its affiliates, for the benefit of Capital Provider, whereby Borrower shall not (a) solicit, initiate or encourage submission of proposals or offers from any third person, relating to any acquisition or purchase of the C-PACE Loan, or (b) participate in any discussions or negotiations regarding, or furnish any information or otherwise cooperate in any way with, facilitate or encourage any effort or attempt by any person to purchase the C-PACE Loan.

“Failure to Complete Fee” is defined in **Section 10** of the Loan Schedule.

“Final Conditions” is defined in **Section 2.06** of this Agreement.

“Final Lien Waiver” means a final lien waiver and release approved by Capital Provider in its reasonable discretion and executed by Contractor and Borrower, which shall be in a form acceptable to Capital Provider.

“Governmental Authority” means any federal, state, municipal, county, national or other government, governmental department, commission, board, bureau, court, agency, instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

“Hazardous Materials” means any chemical, material or substance, exposure to which is prohibited, limited or otherwise regulated pursuant to any Environmental Law.

“Hazardous Materials Activity” means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

“Improvements” is defined in **Recital D** of this Agreement.

“Indemnified Party” is defined in **Section 4.10** of this Agreement.

“Insolvency Event” means an event in which Borrower has (a) consented to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceeding relating to Borrower or relating to all or substantially all of Borrower’s property; (b) failed to pay its debts as they become due and such failure has not been cured within thirty (30) days after the event; (c) admitted in writing its inability to pay its debts as they become due; (d) filed a petition to take advantage of any applicable insolvency or reorganization statute; (e) made an assignment for the benefit of its creditors; (f) has filed against it a petition for involuntary bankruptcy or some other involuntary insolvency proceeding which is not dismissed within thirty (30) days; or (g) voluntarily suspended payment of its obligations.

“Interest Rate” means the annual interest rate accruing on the C-PACE Loan, as determined by Capital Provider, which equals [_____ percent (___%)] per annum.

“Lender Consent” means, for each Senior Lender, an executed, written consent and subordination agreement (in substantially the form attached hereto and incorporated herein as **Exhibit E**), which shall be recorded in the Clerk’s Office at Closing to evidence Senior Lender’s consent to the C-PACE Loan and to subordinate Senior Lender’s lien on the Property to the C-PACE Payments (as and when each C-PACE Payment becomes due and payable) during the Term.

“Lien Waiver” means a lien waiver and release (other than a Final Lien Waiver) approved by Capital Provider in its reasonable discretion and executed by Contractor and Borrower, certifying to Capital Provider that all materials furnished and work performed under the Construction Contract to date have been fully paid (except for any retainage allowed by the Construction Contract and any outstanding change requests) and confirming that there will be no

mechanics' liens or claims therefor by Contractor or any subcontractors with respect to the amounts covered in the Lien Waiver, which shall be in a form acceptable to Capital Provider.

"Loan Schedule" means that certain C-PACE Loan Schedule attached hereto and incorporated herein as **Schedule I**.

"Ordinance" means the "City of Lynchburg Commercial Property Assessed Clean Energy (C-PACE) Ordinance," adopted on [_____, 20__], in accordance with the C-PACE Act, which establishes the Program.

"PACE" means Property Assessed Clean Energy.

"Party" and **"Parties"** are defined in the Preamble.

"Permitted Liens" means the permitted title exceptions or liens affecting Borrower, the Property or Project that have been approved by Capital Provider, as set forth on **Exhibit H** attached hereto and incorporated herein.

"Plans" is defined in **Section 3.05** of this Agreement.

"Program" is defined in **Recital A** of this Agreement.

"Program Administrator" means (a) an independent third party (authorized by written contract with the City), or (b) a designated City official, which, in either case, possesses the authority to administer the Program as provided by the State Code, the Ordinance and the Program Guidelines.

"Program Fee" means the City fee for managing the Program, which Program Fee shall be due and payable to the City in accordance with this Agreement.

"Program Guidelines" means a comprehensive document that establishes the procedures, eligibility rules, responsibilities, disclosures, Program Fees, restrictions, underwriting criteria, and other requirements promulgated, imposed and enforced by Program Administrator or Program Manager for the governance of the Program, as amended from time to time.

"Program Manager" means the City Manager or such person designated in writing by the City Manager to supervise the Program and act as liaison with Program Administrator.

"Project" means the construction or installation of the Improvements on the Property.

"Property" is defined in **Recital B** of this Agreement.

"Real Estate Tax" means the local tax on real estate which the City levies pursuant to Title 58.1, Chapter 32 of the State Code.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any

Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

“Repayment Date” means the due date for each of Borrower’s C-PACE Payments during the Term, which is _____, as provided in the Amortization Schedule.

“Repayment Start Date” means the first Repayment Date that occurs after the Completion Date.

“Senior Lender” means each lender entitled to the benefits of a security interest in the Property, whether evidenced by an existing security instrument recorded in the Clerk’s Office against the Property, or a security instrument to be recorded in connection with the Closing.

“State Code” means the Code of Virginia of 1950, as amended to date and as it may hereafter be amended.

“Term” means a period of [_____] (___) years, beginning on the Repayment Start Date and ending on the date on which the C-PACE Loan and any other amounts owed pursuant to the C-PACE Documents have been repaid in full in accordance with the C-PACE Documents.

“Virginia” means the Commonwealth of Virginia.

Section 1.02. Recitals; Conventions. The recitals set forth at the beginning of this Agreement (**“Recitals”**) are true, complete and correct in all respects and are incorporated herein as substantive provisions of this Agreement. Unless otherwise expressly provided in this Agreement:

(a) references to Persons include their successors and permitted assigns, and whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter, and singular or plural, forms;

(b) the terms “include,” “includes” or “including” shall be deemed to be followed by the phrase “without limitation;” and,

(c) references to the Recitals, Articles, Sections, Exhibits and Schedules mean the recitals, articles, sections, exhibits and schedules referenced in or attached to this Agreement, respectively.

ARTICLE II

C-PACE LOAN

Section 2.01. C-PACE Loan for Improvements; Material Terms. Capital Provider will provide the C-PACE Loan to Borrower for the construction of the Improvements, and Borrower hereby agrees to (a) use the proceeds of the C-PACE Loan solely to construct the

Improvements and pay the allowable fees and costs required to be paid in connection therewith, and (b) cause the C-PACE Loan to be repaid on the terms and conditions contained in the C-PACE Documents. The C-PACE Loan will be provided during the Term, unless the C-PACE Loan is prepaid (if permitted) in accordance with this Agreement. During the Term, interest shall accrue on the unpaid principal balance of the C-PACE Loan at the Interest Rate. The Interest Rate is not necessarily the lowest rate charged by Capital Provider. The C-PACE Loan will be fully-amortized over the Term as shown on the Amortization Schedule.

Section 2.02. Absolute Obligation; Evidence of Indebtedness. This Agreement is an “evidence of indebtedness” for all purposes, it being the express intent of the Parties that this Agreement contains all of the loan and repayment terms and provisions imposing the C-PACE Lien against the Property for the benefit of Capital Provider. The debt evidenced by the C-PACE Loan is a commercial (and not a consumer) loan for the specific purpose of financing the Improvements on the terms and conditions set forth in this Agreement. Borrower hereby promises and agrees to repay the C-PACE Loan, as such amount may be increased during the Term to include applicable interest, Default Interest, fees and/or C-PACE Expenses, in accordance with the provisions of the C-PACE Act, Ordinance, C-PACE Documents and other applicable law. Borrower hereby agrees that the C-PACE Loan and related C-PACE Lien will not be subject to reduction, offset or credit of any kind for any reason, subject to the payment of any fees and/or prepayment amounts due as set forth in the Loan Schedule.

Section 2.03. Security/Collateral for C-PACE Loan. To secure the C-PACE Loan, Borrower hereby grants to Capital Provider the C-PACE Lien. Borrower and the City hereby consent to the C-PACE Certificate being recorded against the Property for the benefit of Capital Provider to evidence the C-PACE Lien, as security for the repayment of the C-PACE Loan. Borrower and City acknowledge and agree to the imposition of the C-PACE Lien on the Property as a priority lien (equal in priority with Real Estate Taxes and senior to any other City assessments, financings or fees levied on the Property) to secure the C-PACE Loan, enforceable against the Property as provided in the C-PACE Act, Ordinance and C-PACE Documents.³

Section 2.04. Funding; Conditions Precedent to Closing. On the Closing Date, Capital Provider shall disburse the C-PACE Loan (net of Capitalized Interest, which shall be retained by Capital Provider) in accordance with the Disbursement Memorandum, subject to the Closing Conditions. The remaining C-PACE Loan Amount (after all disbursements have been made in accordance with the Disbursement Memorandum) will be deposited into an account to be maintained with Capital Provider (or its designee) for the benefit of Borrower, the proceeds of which will be disbursed from time to time in accordance with this Agreement or a separate disbursement agreement executed by Borrower and Capital Provider. In connection with Closing and prior to Capital Provider funding the C-PACE Loan, the following conditions precedent to Closing shall be fully satisfied, in Capital Provider’s sole and absolute discretion, or waived in writing by Capital Provider (“**Closing Conditions**”):

(a) Borrower shall have provided to Capital Provider fully-executed originals of the C-PACE Documents.

³ *Note to Drafter: Subject to confirmation of City Code provisions regarding tax and assessment waterfall.*

(b) Borrower shall have disclosed all financial liens and/or encumbrances on the Property, and the title report for the Property shall have been updated prior to Closing, confirming that no additional matters of record exist.

(c) The final, fully-executed Construction Contract shall have been approved by Capital Provider.

(d) The current Plans and current Budget shall have been approved by Capital Provider.

(e) Borrower shall have provided to Capital Provider evidence satisfactory to Capital Provider of current insurance policies on the Property as required by this Agreement.

(f) Borrower shall be current on all payments of (i) debt service for indebtedness secured by a lien on the Property, and (ii) Real Estate Taxes and other assessments levied on the Property, and Borrower shall have delivered the executed Borrower Certification to Capital Provider and City. ***[INSERT ADDITIONAL ORDINANCE REQUIREMENTS OR OTHER REQUIREMENTS.]***

(g) Capital Provider shall have received the fully-executed C-PACE Certificate and confirmation that the C-PACE Certificate has been recorded in the Clerk's Office.

(h) All Lender Consents shall have been approved by Capital Provider, and Capital Provider shall have received copies of all fully-executed Lender Consents and confirmation that all Lender Consents have been recorded in the Clerk's Office.

(i) Program Administrator has completed its review of the transaction contemplated by this Agreement and has determined that the transaction meets the Program requirements and is in compliance with the Program Guidelines, as evidenced by written notice from Program Administrator to Capital Provider.

(j) Borrower shall have submitted such additional documents as Capital Provider may reasonably require, all in form and substance satisfactory to Capital Provider in its reasonable discretion.

(k) ***[INSERT ADDITIONAL CLOSING CONDITIONS REQUIRED BY CAPITAL PROVIDER.]***

Section 2.05. Conditions Precedent to Disbursements. Capital Provider's obligation to make any C-PACE Advances (excluding the final C-PACE Advance, which is addressed in **Section 2.06** below) shall be subject to the complete satisfaction of the following conditions precedent, in Capital Provider's sole and absolute discretion ("**Disbursement Conditions**"):

(a) Borrower's continued satisfaction of all Closing Conditions (other than those that correspond solely to an earlier date).

(b) The final Plans and the final Budget, in each case as then in effect, shall have been approved by Capital Provider.

(c) Upon Capital Provider's request, Borrower shall have provided copies of all existing permits received as of such date and not previously delivered to Capital Provider.

(d) Borrower shall be in compliance in all material respects with the terms and conditions of the C-PACE Documents, and no default or Event of Default shall have occurred and be continuing in connection with the C-PACE Documents.

(e) No order or notice shall have been given by any Governmental Authority stopping construction or stating that the work or construction is in violation of any law, ordinance, code or regulation that could reasonably be expected to have a material adverse effect on the Project, unless such order or notice has been rescinded or stayed, and a copy of such rescission or stay has been delivered to and shall be satisfactory to Capital Provider in its sole discretion.

(f) All C-PACE Advances shall be made in accordance with this Agreement and the C-PACE Advance Schedule, or as otherwise mutually agreed by the Parties.

(g) ***[INSERT ADDITIONAL DISBURSEMENT CONDITIONS REQUIRED BY CAPITAL PROVIDER].***

Section 2.06. Conditions Precedent to Final C-PACE Advance. Capital Provider's obligation to make the final C-PACE Advance shall be subject to the satisfaction of the following conditions precedent, in Capital Provider's sole and absolute discretion ("**Final Conditions**"):

(a) Continued satisfaction of all Closing Conditions and all Disbursement Conditions (in each case, other than those that correspond solely to an earlier date).

(b) Construction of the Improvements has been completed in accordance with the Plans, in a good and workmanlike condition, lien-free except for the Permitted Liens and any other liens that Borrower is appealing or contesting by appropriate legal or other proceeding (which shall be promptly initiated and conducted by Borrower in good faith and with due diligence).

(c) Borrower has delivered a fully-executed Final Lien Waiver and a fully-executed Completion Certificate to Capital Provider.

(d) Borrower has delivered a temporary or final certificate of occupancy (as applicable) and all engineer's and architect's certifications (as applicable) to Capital Provider.

(e) All required approvals, reports and information required to be submitted to Capital Provider and/or the City have been submitted and approved.

(f) All other requirements of the C-PACE Documents have been satisfied.

(g) ***[INSERT ADDITIONAL FINAL CONDITIONS REQUIRED BY CAPITAL PROVIDER].***

Section 2.07. Amount and Frequency of C-PACE Advances. This provision is contained in **Section 3** of the Loan Schedule.

Section 2.08. Repayment of C-PACE Loan.

(a) No C-PACE Payments shall be due from Borrower until the Repayment Start Date. Borrower and Capital Provider shall execute a written acknowledgement of the Completion Date (and any related dates) for purposes of updating the Amortization Schedule.

(b) Beginning on the Repayment Start Date and continuing on each Repayment Date during the Term, Borrower shall make the C-PACE Payments to Capital Provider, in accordance with the Amortization Schedule. It is a material provision of the C-PACE Loan that Borrower timely makes each C-PACE Payment on or before its respective Repayment Date.

(c) Borrower acknowledges and agrees that (i) the C-PACE Lien shall run with the title to the Property and shall automatically bind all successor owners of the Property until the C-PACE Loan is paid in full and the C-PACE Lien is released by Capital Provider in accordance with the C-PACE Documents; and (ii) the C-PACE Loan may not be prepaid, in whole or in part, except as provided in **Section 4(d)** of the Loan Schedule.

Section 2.09. Expenses of Capital Provider. Borrower shall pay all reasonable, documented out-of-pocket costs associated with the C-PACE Loan, including without limitation, any reasonable attorney's fees, third party reports, bank inspector fees, lien searches, filing fees, recordation taxes, other taxes, insurance premiums, etc., whether or not Closing occurs, which fees shall be capitalized into the C-PACE Loan at Closing as shown on the Amortization Schedule and Disbursement Memorandum.

Section 2.10. Failure to Complete the Improvements. This provision is contained in **Section 10** of the Loan Schedule.

Section 2.11. Borrower's Failure to Repay C-PACE Loan. If Borrower fails to pay all or part of the C-PACE Loan when due, the Parties hereby acknowledge and agree to the following:

(a) Borrower's failure to pay each C-PACE Payment on or before the respective Repayment Date will (i) result in an Event of Default, causing penalties and interest to accrue in favor of Capital Provider on the Delinquent C-PACE Payment and any other amounts due, (ii) result in a late fee due and owing to Capital Provider in the amount of [____ percent (___%)] of the Delinquent C-PACE Payment, without regard to the period of time that such C-PACE Payment has been delinquent.

(b) A Delinquent C-PACE Payment (or portion thereof) will also accrue Default Interest at the Default Rate from the date such C-PACE Payment was due until it is paid in full in accordance with the C-PACE Documents. The Default Interest shall be added to the C-PACE Loan balance and shall continue to accrue Default Interest thereafter unless and until all accrued and unpaid Default Interest is paid in full. The late fee and Default Interest shall be due and owing to Capital Provider, in addition to any other fees, penalties or interest due and owing to the City.

(c) C-PACE Payments shall continue to be levied as special assessments in accordance with the existing Amortization Schedule, notwithstanding Borrower's failure to pay timely all or part of any past C-PACE Payment. From time to time during the Term, Capital Provider may provide an amended Amortization Schedule that (i) includes the then-current accrued and unpaid interest, Default Interest, penalties, expenses and collection costs due to Capital Provider in connection with the C-PACE Loan, and (ii) will be attached to a C-PACE Amendment. Capital Provider will record the C-PACE Amendment in the Clerk's Office against the Property and will provide a recorded copy of the C-PACE Amendment to Borrower and the City.

ARTICLE III

BORROWER'S REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to and for the benefit of Capital Provider and the City that the statements contained in **Section 1** of the Loan Schedule and the statements contained in Article III of this Agreement are true, complete and correct as of the Effective Date and will be true, complete and correct as of the Completion Date and during the Term:

Section 3.01. Organization and Authority. Borrower is a _____ *[INSERT TYPE OF ENTITY AND STATE]*, duly organized, validly existing and in good standing in the state of its organization and with authority to do business under the laws of Virginia. Borrower has all necessary power and authority to own the Property, conduct its business and enter into the transactions contemplated by this Agreement. Borrower has the right to enter into and perform this Agreement, and the execution, delivery and performance of this Agreement, the C-PACE Documents and all other documents executed in connection therewith have been duly authorized, executed and delivered and constitute the legal, valid and binding obligations of Borrower, each enforceable in accordance with its respective terms. Borrower shall maintain in full force and effect at all times its existence, rights, privileges, and franchises and shall qualify and remain qualified in all jurisdictions where qualification is required.

Section 3.02. Financial Statements. All financial statements delivered to Capital Provider are true, complete and correct, have been prepared in accordance with generally accepted accounting principles (or such alternate accounting method acceptable to Capital Provider) consistently applied, fairly represent the financial condition of Borrower as of the date thereof, and no material adverse change has occurred in the financial condition presented therein since such date.

Section 3.03. No Litigation. There are no actions, suits or proceedings pending, or to the knowledge of Borrower threatened, against or affecting Borrower or the Property, which could have a material adverse effect on Borrower, its financial condition, the Property, Improvements, Project, or Borrower's ability to satisfy its obligations under this Agreement.

Section 3.04. Title. Borrower has good, marketable and insurable fee simple/[leasehold] title to the Property, and there are no liens or encumbrances on the Property other than the Permitted Liens. Prior to the completion of the Project, Borrower shall preserve and retain title to

the Property. When completed, Borrower will be the sole owner of the Property, Improvements and all equipment related to the Project.

Section 3.05. Compliance With Laws. Borrower has complied with, and will continue to comply with, all applicable statutes, regulations and ordinances in connection with the Property and construction of the Improvements. All permits, consents, approvals and authorizations required to be issued by any governmental body necessary for (a) the construction of the Improvements in accordance with the plans and specifications submitted by Borrower and which are incorporated into the Construction Contract ("**Plans**"); (b) the construction, connection and operation of all utilities necessary to service the Improvements; and (c) the construction and use of all roadways, driveways, curb cuts and other vehicular or other access to and egress from the Improvements, as shown on the Plans either (i) have been obtained, are valid, are in full force and effect and have been complied with by Borrower in all respects; or (ii) will be obtained, will be valid, will be in full force and effect prior to the initiation of construction, and Borrower will be in compliance therewith in all respects prior to Capital Provider's disbursing any C-PACE Loan proceeds. Construction of the Improvements in accordance with the Plans will comply with applicable zoning, use, building or other applicable codes, laws, regulations and ordinances and any restrictive covenants affecting the Property.

Section 3.06. Approval of Plans and Budgets. Each set of Plans, upon submission to Capital Provider, shall represent a true and accurate reflection of the Project (at the time of submission) and shall have been approved as required by all governmental bodies or agencies having jurisdiction or will be approved prior to Borrower making its first disbursement request. Upon submission to Capital Provider, the Budget shall represent an accurate, current estimate of all costs necessary to construct the Improvements in accordance with the Plans. The construction costs for the Improvements (or any portion thereof) shall not exceed the cost therefor contained in the Budget. Borrower is responsible for any costs in excess of the Budget.

Section 3.07. No Conflicts; Compliance With Documents. Borrower's execution and delivery of this Agreement and compliance with the provisions hereof, do not and will not, in any material respect, conflict with or constitute on the part of Borrower a breach or default under any agreements or instruments to which Borrower is a party or by which Borrower is bound. No default or Event of Default has occurred hereunder, and no event has or shall have occurred and/or be continuing, which with the passage of time or the giving of notice, or both, would constitute a default or an Event of Default under the C-PACE Documents. No foreclosure action is currently threatened or has been commenced with respect to the Property, and Borrower is not currently in default on any mortgage loans secured by the Property.

Section 3.08. No Misrepresentation or Material Nondisclosure. The information provided by Borrower to Capital Provider and the City in the Program application and the C-PACE Documents was true and correct as of the effective date of each document and will remain true and correct during the Term. Borrower has not made and will not make to Capital Provider or the City, in the Program application, C-PACE Documents or otherwise, any untrue statement of a material fact, and Borrower has not omitted and will not omit to state a material fact, the omission of which makes any statement misleading. All information provided by Borrower to Capital Provider in writing or in electronic format is true, complete and correct in all material respects.

Section 3.09. Insurance. Borrower has provided to Capital Provider satisfactory evidence of current insurance on the Property, meeting Capital Provider's requirements set forth in **Section 12** of the Loan Schedule.

Section 3.10. Environmental Laws. Borrower does not and will not engage in operations that involve the generation, manufacture, refining, transportation, treatment, storage or handling of Hazardous Materials or hazardous wastes (as defined in any Environmental Laws), and the Property has not been so used previously, except as previously disclosed in writing to Capital Provider. There are no underground storage tanks located on the Property. There is no past or present non-compliance with Environmental Laws in connection with the Property, which has not been fully remediated in accordance with Environmental Laws. There is no environmental remediation required (or anticipated to be required) with respect to the Property. Borrower does not know of, and has not received, any written or oral notice or other communication from any Person relating to (a) any Hazardous Materials or remediation thereof, (b) the possible liability of any Person pursuant to any Environmental Law or other environmental conditions in connection with the Property, or (c) any actual or potential administrative or judicial proceedings in connection with the foregoing.

Section 3.11. Improvements. The Improvements are in compliance with the C-PACE Act, Ordinance, Program Guidelines and C-PACE Documents.

Section 3.12. Damage, Destruction or Condemnation. These provisions are contained in **Sections 1(a) and 1(b)** of the Loan Schedule.

Section 3.13. Lienholder Consent. Borrower has disclosed to Capital Provider the identities of all Senior Lenders and has obtained and delivered to Capital Provider a Lender Consent for each Senior Lender to be recorded in connection with Closing. No Lender Consent has been withdrawn or revoked as of the Effective Date.

Section 3.14. Repayment of C-PACE Loan. Borrower shall repay the C-PACE Loan and all other amounts due under the C-PACE Documents at the times and in the amounts required by the Amortization Schedule and C-PACE Documents.

Section 3.15. Incorporation of Representations and Warranties. Each request by Borrower for a C-PACE Advance shall constitute a covenant and certification by Borrower that the representations and warranties contained herein are true, complete and correct as of the date of each C-PACE Advance request.

Section 3.16. Commercial Purpose. Borrower shall use the proceeds of the C-PACE Loan only for purposes specified in this Agreement. The primary purpose of the C-PACE Loan is for a commercial and business purpose, and the proceeds of the C-PACE Loan will not be used for personal, family or household purposes.

ARTICLE IV

ADDITIONAL COVENANTS AND AGREEMENTS

Borrower hereby makes to and for the benefit of Capital Provider and the City the covenants and agreements contained in **Section 1** of the Loan Schedule and the covenants and agreements contained in Article IV of this Agreement as of the Effective Date and during the Term:

Section 4.01. Compliance With C-PACE Act. Borrower has read the C-PACE Act and Ordinance, and Borrower covenants and agrees to comply in all respects with the provisions of the C-PACE Act and Ordinance. Borrower acknowledges and agrees that the C-PACE Loan (and each C-PACE Payment) shall be collected by Capital Provider in accordance with the C-PACE Documents. The C-PACE Lien shall be enforced in the same manner as the Real Estate Taxes are enforced by the City, including the collection of any penalties or fees and the exercise of any remedies, all in accordance with the C-PACE Documents.

Section 4.02. Maintenance of Property. Borrower shall, at all times, maintain the Property and, after construction, the Improvements, in good condition and repair. Borrower shall pay when due all taxes and assessments (including the Real Estate Taxes and the C-PACE Payments), water charges, sewer charges and all other charges levied on or against the Property, and upon written request, submit to Capital Provider official receipts evidencing such payments.

Section 4.03. Construction Start and Completion. Borrower shall commence construction of the Improvements and shall diligently proceed with construction of the Improvements (in accordance with the approved Plans and Budget) in a good and workmanlike manner in accordance with all applicable laws, ordinances, codes, rules and regulations. Construction of the Improvements shall be completed on or prior to the Completion Date.

Section 4.04. Protection Against Liens. Borrower shall promptly pay and discharge all claims for labor performed and materials and services furnished in connection with construction of the Improvements and shall take all other steps necessary to prevent the assertion of mechanics' or materialmen's claims or liens either against the Property or the Improvements.

Section 4.05. Construction Inspections; Reports. Capital Provider, the City and/or their respective representatives shall have the right at all reasonable times to enter upon the Property and inspect the construction of the Improvements. Borrower shall permit Capital Provider and the City to examine all records and other documents relating to the Property and the Improvements and to perform such examinations or energy audits as may be necessary to confirm compliance with the C-PACE Act, Ordinance and/or C-PACE Documents.

Section 4.06. Periodic Reports/Certifications. During the Construction Period, Borrower shall provide to Capital Provider and the City upon reasonable request (but not more than once every six (6) months), a written statement, certified as true, correct and complete, setting forth the status of the Improvements and all sources and uses of funds with respect to the Improvements, a current actual Budget analysis and an updated schedule for the completion of

the Improvements, a current list of all directors and officers of Borrower and such other information as Capital Provider and/or the City may require.

Section 4.07. Notice of Claims; Adverse Matters. Borrower shall promptly notify Capital Provider and the City in writing of all pending or threatened litigation or other matters that may materially adversely affect the Property, Improvements or Borrower's ability to meet its obligations under the C-PACE Documents.

Section 4.08. Indemnification. Without limitation of any other obligation or liability of Borrower or any right or remedy of Capital Provider or the City contained herein, Borrower agrees to indemnify and hold harmless Capital Provider and the City, as well as their respective directors, officers, employees, agents, subsidiaries and affiliates (each, an "**Indemnified Party**"), from and against all damages, losses, settlement payments, obligations, liabilities, claims, suits, penalties, assessments, citations, directives, demands, judgments, actions or causes of action, whether statutorily created or under the common law, including all costs and expenses (including, without limitation, reasonable fees and disbursements of attorneys, engineers and consultants) and all other liabilities whatsoever (including, without limitation, liabilities under any applicable environmental laws, regulations or rules) which shall at any time or times be incurred, suffered, sustained or required to be paid by any Indemnified Party (except any of the foregoing which result from the gross negligence or willful misconduct of an Indemnified Party) on account of or in relation to or in any way in connection with any of the arrangements or transactions contemplated by, associated with or ancillary to this Agreement, the C-PACE Documents, or any other documents executed or delivered in connection herewith or therewith, all as the same may be amended from time to time, whether or not all or part of the transactions contemplated by, associated with or ancillary to this Agreement, the C-PACE Documents, or any other documents are ultimately consummated, resulting from any conduct, act or failure to act by Borrower, its affiliates or related parties. In any investigation, proceeding or litigation, or the preparation therefor, Capital Provider and the City shall each select its own counsel and, in addition to the foregoing indemnity, Borrower agrees to pay promptly the reasonable fees and expenses of such counsel. In the event of the commencement of any such proceeding or litigation, Borrower shall be entitled to participate in such proceeding or litigation with counsel of its choice at its own expense; provided that such counsel shall be reasonably satisfactory to Capital Provider and the City. This **Section 4.08** shall survive the execution, delivery, performance and repayment of this Agreement and the C-PACE Loan, and the extinguishment of the C-PACE Lien.

Section 4.09. Further Assurances. Upon request of Capital Provider and/or the City, Borrower shall provide such additional information and execute such additional documents as Capital Provider and/or the City deem necessary or appropriate (in their sole discretion) to carry out the purposes of this Agreement, the Program, C-PACE Act, Ordinance and/or the C-PACE Documents.

Section 4.10. Assignment of C-PACE Loan and C-PACE Lien.

(a) Capital Provider shall have the unrestricted right at any time and from time to time, and without Borrower's or City's consent, to transfer and assign all of its rights and obligations under the C-PACE Documents to one or more entities, persons, banks or financial

institutions capable of funding the C-PACE Loan. Each assignment by Capital Provider shall be evidenced by a C-PACE Assignment, together with such other documentation required by Capital Provider and the assignee, and Borrower shall execute such documents (if any) that Capital Provider or the assignee deems necessary to effect a transfer. Upon the full execution and recordation of the C-PACE Assignment, the assignee shall be a successor party to the C-PACE Documents and shall have all of the rights and obligations of Capital Provider provided herein and therein, and Capital Provider shall be released from its obligations, effective as of the date of the C-PACE Assignment.

(b) In furtherance of the foregoing, Capital Provider may furnish any information concerning the Property, Borrower or Improvements in Capital Provider's possession from time to time to prospective assignees, and Borrower hereby agrees to the release of such information.

(c) Capital Provider shall cause the C-PACE Assignment to be recorded in the Clerk's Office and shall furnish a recorded copy of any C-PACE Assignment to Borrower and the City.

Section 4.11. Integrity of the Property as a Single Parcel. Borrower shall not, by act or omission, impair the integrity of the Property as a single, separate, subdivided and zoned taxable lot or otherwise remove or separate the Improvements from the Property, without the express written consent of Capital Provider and the City, which consent may be withheld in Capital Provider's or the City's sole and absolute discretion. If the Property consisted of multiple parcels as of the Closing Date, Borrower shall not, by act or omission, cause any changes to such parcels, including but not limited to consolidating the parcels, changing the parcel boundaries, and/or modifying the tax parcel identification numbers, without the express written consent of Capital Provider and the City, which consent may be withheld in Capital Provider's or the City's sole and absolute discretion.

Section 4.12. Transfers; Binding on Future Owners. The sale, transfer, pledge or hypothecation of the Property or any reorganization or modification of Borrower's ownership structure shall be permitted only following the completion of the Project (as evidenced by the Completion Certificate), and then only if such transfer is fully subject to the C-PACE Loan, C-PACE Lien and C-PACE Documents. Any and all transfers of the Property shall be subject automatically to the C-PACE Loan, C-PACE Lien and C-PACE Documents. All obligations under the C-PACE Documents shall run with the land and shall bind all future owners and tenants, where applicable, of the Property or any interest therein as if the same were expressly assumed by such parties. Notwithstanding the foregoing, upon a transfer of fee simple title to or a possessory interest in the Property or any portion thereof to a new owner, Borrower (and each person or entity who may, from time to time, own fee simple title to or a possessory interest in all or part of the Property) shall cause the new owner to execute an assignment and assumption of this Agreement, substantially in the form attached hereto and incorporated herein as **Exhibit G ("Assignment and Assumption Agreement")** and shall promptly deliver the fully-executed Assignment and Assumption Agreement to Capital Provider. Capital Provider will record the Assignment and Assumption Agreement in the Clerk's Office against the Property.

Section 4.13. Capital Provider's Right of First Refusal. Borrower shall comply with and abide by the Exclusivity Covenants as of the Effective Date and during the Term. Borrower

agrees that if, during the Term, Borrower submits a Program application with respect to a new C-PACE project (on the Property or any other real property owned by Borrower), Borrower shall immediately notify Capital Provider and provide to Capital Provider copies of all Program application materials and other information reasonably requested by Capital Provider regarding each new C-PACE project. Capital Provider shall have a period of thirty (30) days after receipt of Borrower's notice to elect to provide an additional C-PACE Loan for each new C-PACE project. Capital Provider shall exercise this right by providing written notice to Borrower of its election during such 30-day period. If Capital Provider provides notice of its intent to provide an additional C-PACE Loan for a new project, then the Exclusivity Covenants shall apply with respect to each new C-PACE project. If Capital Provider does not timely provide notice of its election to provide an additional C-PACE Loan for the new C-PACE project, then Capital Provider shall be deemed to have waived its rights under this **Section 4.13** with respect to such new C-PACE project only, but shall retain its rights hereunder for any subsequent new projects during the Term.

ARTICLE V

DEFAULT AND REMEDIES

Section 5.01. Events of Default. The occurrence of any of the following events shall constitute an "**Event of Default**" hereunder:

(a) failure by Borrower to make any C-PACE Payment or any other payment required under the C-PACE Documents when due or beyond any applicable cure period, if any ("**Delinquency**");

(b) failure by Borrower to perform or observe any covenant, condition or agreement to be performed or observed by Borrower under this Agreement (other than a Delinquency) or any other C-PACE Documents, and such failure continues for thirty (30) days after written notice thereof to Borrower from Capital Provider;

(c) Borrower is in default or there exists an Event of Default (as defined in any of the C-PACE Documents) under any of the other C-PACE Documents or any other agreement to which Borrower is a party;

(d) any written representation, warranty or disclosure made to Capital Provider or the City by Borrower proves to be materially false or misleading as of the date when made, whether or not such representation or disclosure appears in the C-PACE Documents;

(e) failure to pay Real Estate Taxes, other taxes or other assessments on the Property when due and payable;

(f) failure to commence and diligently pursue construction of and completion of the Project;

(g) there occurs any event which, in Capital Provider's reasonable discretion, has a material adverse effect on: (i) the ability of Borrower to perform any of its obligations hereunder

or under any of the other C-PACE Documents; (ii) the business or financial condition of Borrower; or (iii) the timely repayment of the C-PACE Loan;

(h) any encumbrance on any portion of the Property is created, which encumbrance purports to have priority over the C-PACE Lien, with the exception of general Real Estate Tax liens;

(i) the existence of any liens with respect to the Property, including mechanics,' materialmen's, repairmen's or other liens that have not been dismissed or bonded within thirty (30) days;

(j) there is a material deviation in the Improvements from the Plans without the prior written consent of Capital Provider, or the appearance of defective workmanship or materials, in Capital Provider's sole discretion, which has not been cured for a period exceeding thirty (30) days;

(k) Borrower shall institute or have instituted against it any proceeding or other action under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, receivership, or relief of debtors, (i) seeking to adjudicate Borrower bankrupt or insolvent; (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, composition of Borrower or its debts or any similar order; or (iii) seeking entry of an order for relief or appointment of a custodian, receiver, trustee, conservator, liquidating agent, liquidator, or other official with similar powers, for Borrower or for any substantial part of its property; and in the case of any such proceeding or other action instituted against (but not by or with the consent of) such credit party, either (A) such proceeding or action shall remain undismissed or unstayed for a period of sixty (60) days or more, or (B) any action sought in such proceedings shall occur. Nothing in this **Section 5.01** shall be deemed to be a waiver of any right which Capital Provider or the City may have under Sections 506(a), 506(b), 1111(b) or any other provision of the United States Bankruptcy Code, as may be amended, to file a claim or submit a ballot to accept or reject a proposed plan of reorganization in any relevant bankruptcy proceeding for the full amount due to Capital Provider under the C-PACE Documents;

(l) Borrower commences any legal proceeding against Capital Provider or the City seeking to recover damages or other affirmative recovery against Capital Provider or the City, including any proceeding asserting claims based on any theory of lender liability; or contests or in any way interferes, directly or indirectly, with (i) any foreclosure action, other action or proceeding to exercise remedies hereunder; or (ii) any other enforcement of Capital Provider's rights, powers, and remedies under any of the C-PACE Documents;

(m) there is any fraud or material misrepresentation by Borrower made in or in connection with the C-PACE Loan or C-PACE Documents;

(n) ***[INSERT ADDITIONAL EVENTS OF DEFAULT REQUIRED BY CAPITAL PROVIDER].***

(o) Borrower attempts to remove, sell, transfer, encumber, part with possession or sublet the Property, Improvements or any part thereof without Capital Provider's prior written consent.

Section 5.02. Capital Provider Remedies. Upon the occurrence of an Event of Default, Capital Provider may (but shall not be obligated to), in addition to any other remedies which it may have under the C-PACE Act, Ordinance, C-PACE Documents or applicable law, at its option and without prior demand or notice, take any or all of the following actions:

(a) If a Delinquency occurs, Capital Provider will notify Borrower and the City in accordance with the notice requirements contained in this Agreement. Capital Provider's written notice to the City will include a request for the City to begin enforcement proceedings against Borrower for the Delinquent C-PACE Payment.

(b) Upon written request by Capital Provider, the City will enforce the C-PACE Lien in the same manner as a real property tax lien may be enforced by a City in Virginia as set forth in Title 58.1, Chapters 32 and 39 of the State Code. Capital Provider agrees to cooperate with the City in its enforcement of the C-PACE Lien by providing all necessary documents and information concerning the Delinquent C-PACE Payment as requested by the City. In a suit to collect Delinquent C-PACE Payments, the City will be entitled to recover the Delinquent C-PACE Payments, penalties, and interest due, and the costs and expenses of collection, including attorney's fees, all as set forth in the C-PACE Documents.

(c) If any or all of the Property is sold at a tax sale for the failure to pay Real Estate Taxes, the Property shall remain subject to the obligation to pay the C-PACE Loan in subsequent years as provided in the C-PACE Act. A failure to repay the C-PACE Loan is similar to a failure to pay Real Estate Taxes and could ultimately result in a tax foreclosure upon the Property if a cure is not undertaken by Borrower or a Senior Lender (if any). There is no right of acceleration with respect to the C-PACE Loan, however Capital Provider shall have all other rights and remedies at law and in equity. All fees and expenses of the City in collecting the C-PACE Loan shall be included and paid by Borrower.

(d) If an Event of Default occurs prior to Borrower's completion of the Project, then Capital Provider may immediately terminate any pending disbursement of a C-PACE Advance (and Capital Provider shall have no obligation to make any additional C-PACE Advances) and apply all or any part of any undisbursed C-PACE Advance amounts to any amounts owing on the C-PACE Loan and/or to any other obligations of Borrower under the C-PACE Documents.

(e) If an Event of Default occurs prior to Borrower's completion of the Improvements, then Capital Provider may enter the Property and complete construction of the Project in accordance with the Plans, with such changes therein as Capital Provider may from time to time and in its reasonable discretion deem appropriate, all at the risk and expense of Borrower.

(f) If any proceedings are instituted by or against Borrower related to the C-PACE Loan, Borrower shall pay any and all costs incurred by Capital Provider, including reasonable attorneys' fees actually incurred. No remedy contained in this Agreement is intended to be

exclusive of any other remedy stated herein or of any other remedy otherwise available to Capital Provider at law or in equity. Capital Provider's failure to exercise any remedy provided herein shall not constitute a waiver of the right to exercise the same remedy at a later time or in connection with a subsequent Event of Default.

(g) Capital Provider may exercise any and all remedies available under the C-PACE Act, Ordinance and/or C-PACE Documents and may exercise any other rights and remedies available to Capital Provider at law or in equity.

(h) All remedies of Capital Provider provided for herein are cumulative.

Section 5.03. C-PACE Enforceability. If (a) the C-PACE Act, Ordinance, any of the C-PACE Documents and/or any material provisions thereof are found by a court of competent jurisdiction to be illegal or otherwise unenforceable such that the C-PACE Loan and/or C-PACE Lien are not enforceable or otherwise not collectible in the manner set forth in the C-PACE Act, Ordinance or C-PACE Documents for any reason, or (b) an action is brought by any person to have the C-PACE Act, Ordinance, C-PACE Documents and/or C-PACE Lien challenged, nullified or overturned, and during the pendency of the action, the C-PACE Documents and/or C-PACE Lien may not be enforceable or collectible as contemplated under the C-PACE Act, then Borrower (i) shall continue to make the C-PACE Payments as required under the C-PACE Documents, and (ii) shall execute any and all documentation necessary to perfect and enforce the C-PACE Documents and the C-PACE Lien as may be required by Capital Provider or the City.

ARTICLE VI

MISCELLANEOUS

Section 6.01. No Waiver. No waiver of any default, Event of Default, or breach by Borrower hereunder shall be implied from any failure by Capital Provider or the City to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition.

Section 6.02. Successors and Assigns. This Agreement is binding upon and made for the benefit of Borrower, Capital Provider, the City, and their respective successors and/or permitted assigns, and no other person or persons shall have any right of action hereunder.

Section 6.03. Notices. All notices or other communications hereunder shall be in writing, addressed as set forth below (or at such other address as shall be specified by like notice), and delivered by any of the following methods: (a) by hand, (b) by certified mail (return-receipt requested, postage pre-paid), (c) by nationally-recognized, overnight commercial courier, or (d) by e-mail (with delivery-receipt confirmation of transmission). Notices shall be deemed to have been duly given as follows: (i) if delivered by hand, on the date of delivery; (ii) if delivered by certified mail, on the date of delivery; (iii) if delivered by overnight courier, on the next Business Day after the notice is deposited with the overnight courier; or (iv) if delivered by e-mail, on the date sent (if sent during normal business hours of recipient), or on the next Business

Day (if sent after normal business hours of recipient), provided, however, that an email shall be deemed to have been received when sending party receives a delivery-receipt confirmation of transmission, regardless of normal business hours of recipient:

To Capital Provider:

Attn: _____,
E-mail: _____

To the City:

Attn: _____,
E-mail: _____

To Borrower:

Attn: _____,
E-mail: _____

If notice is tendered under the terms of this Agreement and is refused by the intended recipient of the notice, the notice shall nonetheless be considered to have been received and shall be effective as provided in this **Section 6.03**. The giving of any notice required hereunder may be waived in writing by the Party entitled to receive such notice. Failure or delay in delivering copies of any notice to persons designated to receive copies shall in no way adversely affect the effectiveness of such notice to the Parties. The addresses of any Party may be changed by notice to the other Parties given in the same manner as provided above.

Section 6.04. Captions. The headings or captions in this Agreement are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement.

Section 6.05. Amendments. No amendment, modification, termination or waiver of any provisions of this Agreement shall be effective unless in writing and signed by all of the Parties.

Section 6.06. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Virginia.

Section 6.07. WAIVER OF JURY TRIAL. BORROWER HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THE C-PACE LOAN, THIS AGREEMENT OR ANY C-PACE DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 6.08. Jurisdiction. Borrower agrees that the execution of this Agreement and the other C-PACE Documents, and the performance of its obligations hereunder and thereunder,

shall be deemed to have a Virginia situs, and Borrower agrees to submit to the personal jurisdiction of the federal or state courts of Virginia with respect to any action that Capital Provider, the City, or their respective successors or assigns, may commence hereunder or thereunder. Accordingly, Borrower hereby specifically and irrevocably consents to the jurisdiction of the federal or state courts of Virginia with respect to all matters concerning this Agreement or any of the other C-PACE Documents, or the enforcement thereof. Any such action shall be brought in the [city/county or federal district] in which the Property is located.

Section 6.09. No Waiver of Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify any governmental immunity that may be available by law to the City, its officials, employees, contractors, or agents, or any other person acting on behalf of the City and, in particular, governmental immunity afforded or available pursuant to Virginia law.

Section 6.10. Survival. The C-PACE Documents and the provisions thereof shall survive Closing and shall be enforceable against the Parties until the C-PACE Loan and all amounts due and owing in connection with the C-PACE Loan have been paid in full, as evidenced by the recordation of a termination of the C-PACE Certificate and any amendments and/or assignments thereof, if any.

Section 6.11. Virginia FOIA. Borrower understands and agrees that all data created, collected, received, stored, used, maintained or disseminated by the City in connection with the Program, including that related to Borrower's use of the C-PACE Loan funds, may be subject to the Virginia Freedom of Information Act (State Code § 2.2-3700).

Section 6.12. Power of Attorney. For the purposes of carrying out the provisions of this Agreement, Borrower hereby irrevocably constitutes and appoints Capital Provider and any of its officers, agents or designees, each with full power of substitution, as Borrower's true and lawful attorneys-in-fact (which appointment is coupled with an interest, cannot be revoked prior to payment in full of the C-PACE Loan and all sums secured by the C-PACE Lien and the C-PACE Documents and shall not terminate upon the disability, termination or dissolution of Borrower), in its name or otherwise, and at Borrower's expense, and authorizes any of them to perform any act described in the C-PACE Documents and to take any and all actions necessary and incidental thereto on behalf of Borrower and to execute such instruments or documents in its name or in the name of Borrower necessary or incidental to the realization or Capital Provider's rights under the C-PACE Documents. Borrower recognizes and agrees that the power of attorney granted pursuant to this **Section 6.12** is coupled with an interest and is not revocable until the termination of this Agreement in accordance with its terms, at which time the power of attorney shall automatically terminate. Borrower ratifies and confirms all actions taken by Capital Provider or its agents pursuant to this power of attorney in accordance herewith.

Section 6.13. Schedules and Exhibits. The following schedules and exhibits are attached hereto and incorporated herein as if fully set forth in this Agreement:

- Schedule I - Loan Schedule
- Schedule II - C-PACE Advance Schedule

- Exhibit A - Property Description
- Exhibit B - Form of C-PACE Certificate
- Exhibit C - Form of C-PACE Amendment
- Exhibit D - Form of C-PACE Assignment
- Exhibit E - Form of Lender Consent
- Exhibit F - Form of C-PACE Note
- Exhibit G - Form of Assignment and Assumption Agreement
- Exhibit H - List of Permitted Liens
- Exhibit I - Form of Disbursement Memorandum

***{THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.
SIGNATURES APPEAR ON THE FOLLOWING PAGES.}***

IN WITNESS WHEREOF, the City, Borrower and Capital Provider have duly executed this Agreement by and through their respective duly authorized representatives as of the Effective Date.

CITY:

City of Lynchburg

By: _____

Name: _____

Title: _____

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of the City of _____, Virginia.

Witness my hand and official seal.

Notary Public

My commission expires: _____

Registration No.: _____

IN WITNESS WHEREOF, the City, Borrower and Capital Provider have duly executed this Agreement by and through their respective duly authorized representatives as of the Effective Date.

CAPITAL PROVIDER:

[CAPITAL PROVIDER]

By: _____
Name: _____
Title: _____

STATE OF _____
CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____,
20__, by _____, as _____
of the _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

Registration No.: _____

IN WITNESS WHEREOF, the City, Borrower and Capital Provider have duly executed this Agreement by and through their respective duly authorized representatives as of the Effective Date.

BORROWER:

[INSERT NAME OF BORROWER]

By: _____
Name: _____
Title _____

STATE OF _____
CITY/COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____, as _____
of the _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

Registration No.: _____

SCHEDULE I
C-PACE LOAN SCHEDULE

{LOAN SCHEDULE MAY BE REVISED BY CAPITAL PROVIDER, IN CAPITAL PROVIDER'S REASONABLE DISCRETION.}

Defined Terms: Unless otherwise specified, any capitalized terms used in this Loan Schedule and not otherwise defined shall have the meanings set forth in the Agreement.

1. Additional Borrower Representations, Warranties, Covenants and Agreements

(a) **Condemnation.** There is no pending or threatened proceeding for the total or partial condemnation or taking of the Property. If the Project, Property or any part thereof are subject to a total or partial condemnation or taking, then Capital Provider's obligation to make additional C-PACE Advances shall immediately terminate unless, in Capital Provider's reasonable judgment, the Property and Project can be replaced and restored in a manner which will enable the Project to be functionally and economically utilized and occupied as originally intended. If there is a subsequent condemnation or taking, Capital Provider will either apply the condemnation proceeds to the restoration of the Project or repay the outstanding balance of the C-PACE Loan. If restoration of the Project is approved by Capital Provider, Borrower shall immediately proceed with the restoration and shall restore the Improvements in accordance with the Plans or other similar plans approved by Capital Provider. If, in Capital Provider's judgment, the condemnation proceeds are insufficient to complete the restoration, Borrower shall deposit with Capital Provider such amounts as are necessary, in Capital Provider's reasonable judgment, to complete the restoration. Disbursement of condemnation proceeds (plus any supplemental funds provided by Borrower) shall, at Capital Provider's election (made by written notice to Borrower), be deposited with Capital Provider and disbursed in Capital Provider's reasonable discretion.

(b) **Damage or Destruction.** The Property is not damaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of the Property or the use for which the Property was intended, and the Property is in substantially the same condition it was at the time the most recent appraisal was obtained. Borrower shall promptly notify Capital Provider if the Property is damaged or destroyed by fire or any other cause. Upon the occurrence of a casualty, Capital Provider will either apply the insurance proceeds to the restoration of the Property or repay the outstanding balance of the C-PACE Loan. Capital Provider shall not have any obligation to make additional C-PACE Advances upon the occurrence of a casualty. If restoration of the Property is approved by Capital Provider, Borrower shall immediately proceed with the restoration thereof and shall restore the Improvements in accordance with the Plans or other similar plans approved by Capital Provider. If, in Capital Provider's judgment, the proceeds of insurance are insufficient to complete the restoration, Borrower shall deposit with Capital Provider such amounts as are necessary, in Capital Provider's reasonable judgment, to complete the restoration. Disbursement of insurance proceeds (plus any supplemental funds provided by Borrower) shall, at Capital Provider's election (made by written notice to Borrower), be deposited with Capital Provider and disbursed in Capital Provider's reasonable discretion.

(c) **Fraud.** No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Property, Plans, Improvements, C-PACE Loan or C-PACE Documents has taken place on the part of Borrower or any other person, including, without limitation, to the best of Borrower's knowledge, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the Property, Plans, Improvements, C-PACE Loan or C-PACE Documents that would impair in any way the rights of Capital Provider or that would violate applicable laws, regulations, ordinances and/or any restrictive covenants affecting the Property.

(d) **Insolvency Event.** No Insolvency Event has occurred or is continuing with respect to Borrower. Borrower is not aware of any circumstances or conditions with respect to Borrower, the Property, Improvements, C-PACE Loan, C-PACE Lien and/or C-PACE Documents which could lead to an Insolvency Event.

(e) **Legally Occupied.** With respect to the portion of the Property legally occupied as of the Effective Date, all inspections, licenses and certificates required to be made or issued with respect to all occupied portions of the Property and, with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities. With respect to the portion of the Property to be lawfully occupied as of the Completion Date, all inspections, licenses and certificates required to be made or issued with respect to the portions of the Property to be occupied, and with respect to the use and occupancy of the same, including but not limited to certificates of occupancy and fire underwriting certificates, will have been made and/or obtained from the appropriate authorities.

(f) **Liens.** Borrower covenants that it will not further encumber the Property with any mortgages, deeds of trust, or financing statements prior to the imposition of the C-PACE Lien and the recordation of the C-PACE Certificate on the Property as a priority lien in accordance with the C-PACE Act.

(g) **[OPTIONAL, IF APPLICABLE] Maintenance of Environmental Attributes and Environmental Incentives.** Borrower shall obtain and maintain in force any and all applicable account(s), registration(s), filing(s), certification(s) and any other documents which may be necessary to properly maintain (i) any and all environmental benefits, air quality credits, emissions reductions, offsets, and allowances, any renewable energy credits or similar credits, any other tradable energy or environmental related commodity produced by or associated with the Project, (collectively, "**Environmental Attributes**"); (ii) any and all financial incentives, from whatever source, related to the construction, ownership, or operation of the Project, including, but are not limited to, (A) federal, state, or local tax credits, (B) any other financial incentives in the form of credits, reductions, or allowances that are applicable to a local, state, or federal income taxation obligation, and (C) other grants, rebates, or subsidies, including utility incentive programs, (collectively, the "**Environmental Incentives**"); (iii) any and all current or future Environmental Attributes and Environmental Incentives or contracts for the sale of such Environmental Attributes and Environmental Incentives, howsoever presently entitled or designated or created in the future, produced or associated with the Project (collectively, "**Collateral**"). Upon request from Capital Provider, Borrower shall promptly provide copies of such documents, or any other evidence which Capital Provider may reasonably request, to Capital Provider.]

2. **Amortization Schedule.** The Amortization Schedule shall be attached to the C-PACE Certificate and shall include the amount of Capitalized Interest, which Capital Provider shall deduct from the C-PACE Loan Amount prior to funding the C-PACE Loan Amount at Closing.

3. **C-PACE Advances.** The construction and installation of the Improvements shall be funded from time to time pursuant to the approved Budget and in accordance with the construction schedule to be approved by Capital Provider. Provided that the Disbursement Conditions (or the Final Conditions in the case of the final C-PACE Advance) have been fully satisfied, each C-PACE Advance will be disbursed by Capital Provider to or at the direction of Borrower within ten (10) days after Capital Provider receives a disbursement request in a form reasonably acceptable to Capital Provider, together with documentation satisfactory to Capital Provider, in its sole discretion, to support the amount and recipients of each C-PACE Advance.

(a) Each disbursement of a C-PACE Advance by Capital Provider shall either reimburse Borrower for construction costs already incurred by Borrower or be disbursed directly to Contractor, subcontractors or other suppliers for construction costs incurred in accordance with the Budget and the C-PACE Advance Schedule. Borrower may apply any savings or under-budget line item cost in the approved Budget to increase the amount of any other line item in the approved Budget, subject in each instance to Capital Provider's review and approval, which approval shall not be unreasonably withheld.

(b) Each disbursement of a C-PACE Advance by Capital Provider shall be conditioned upon Borrower's compliance with the provisions of the C-PACE Documents and shall be made in accordance with the approved Plans, Budget, and C-PACE Advance Schedule, in each case as then in effect; provided, however, that at all times the undisbursed portion of the C-PACE Loan shall be sufficient, in Capital Provider's sole discretion, to complete the Improvements (including, without limitation, all non-construction costs associated with the Improvements).

(c) Capital Provider shall have the right to make the final determination, in its sole discretion, as to the amount of each C-PACE Advance. Capital Provider may, in its sole discretion, determine the number and frequency of each C-PACE Advance, which will not exceed one hundred (100%) percent of the cost of the work then completed and in place or contemplated in the Plans and Budget, less the standard retainage of [_____ percent (___%)] for all construction costs, which retainage will be disbursed to Borrower in connection with the final C-PACE Advance.

(d) The final C-PACE Advance will be made once all of the Final Conditions have been satisfied, in Capital Provider's sole and absolute discretion.

(e) The aggregate amount of all C-PACE Advances shall not exceed the amount of the C-PACE Loan, and Capital Provider shall have no obligation to make any C-PACE Advances from and after the date on which the final C-PACE Advance was made.

(f) ***[INSERT ADDITIONAL DISBURSEMENT PROVISIONS AS REQUIRED BY CAPITAL PROVIDER].***

4. **C-PACE Loan Provisions.**

(a) **C-PACE Loan Amount.** The C-PACE Loan Amount equals [_____] and ___/100 Dollars (\$____.____)] in the aggregate. The C-PACE Loan (i) includes principal, interest, Capitalized Interest, fees (including Program Fees), and transaction expenses (including expenses incurred by the City and Capital Provider's, costs of appraisals, environmental reports, title reports, transfer and/or recording fees and taxes), and (ii) shall be paid back with interest (at the Interest Rate) over the Term in accordance with the C-PACE Documents. During the Term, the C-PACE Loan amount may be modified by Capital Provider to reflect accrued interest, Default Interest, late fees, penalties, payments, prepayments (if allowed) and other adjustments that are contemplated by the C-PACE Documents. The C-PACE Loan shall be subject to other terms and conditions contained in the C-PACE Documents, including without limitation, Capital Provider's financial requirements such as maximum loan to value ratios. The C-PACE Loan shall be fully amortizing over the Term.

(b) **Maximum Lien-to-Value ("LTV").** The C-PACE Loan Amount shall not exceed the lesser of [_____] percent (____%) of the fair market value of the Property, or the actual cost of the Project, including the costs of necessary equipment, materials, and labor, etc. The maximum LTV for the Project is [_____] percent (____%).

(c) **Minimum Debt Service Coverage Ratio ("DSCR").** A minimum DSCR of [_____] to 1.00 at stabilization. The LTV and DSCR shall be calculated by Capital Provider based on Capital Provider's underwritten net cash flow and such other underwriting standards and criteria as Capital Provider may determine in its sole discretion.

(d) **Prepayment.** The C-PACE Loan Amount may not be prepaid, in whole or in part during the Term, without Borrower's payment of a prepayment premium based on the following schedule: *[INSERT PREPAYMENT TERMS/ PREPAYMENT PREMIUM, IF ALLOWED]*.

(e) *[INSERT ADDITIONAL C-PACE LOAN PROVISIONS.]*

5. **Capital Provider Expenses.** On the Closing Date, Borrower shall reimburse Capital Provider [\$_____] for payment of its attorneys' fees, title insurance premiums and expenses, recording costs, and other expenses associated with the Closing of the transaction described in the Agreement. The Capital Provider Expenses shall be included in the C-PACE Loan Amount.

6. **Capital Provider Requirements.** The C-PACE Loan shall be subject to the following additional Capital Provider requirements and conditions:

(a) [Borrower's execution of the Disbursement Agreement.

(b) Capital Provider's receipt of copies of (i) all current tenant leases as they are executed, together with any amendments, modifications or assignments thereof, and (ii) all future leases within thirty (30) days after execution, together with any amendments, modifications or assignments thereof.]

(c) Any and all Borrower representations, warranties, agreements and covenants contained in the Agreement shall expressly survive Closing.

(d) ***[INSERT ADDITIONAL CAPITAL PROVIDER REQUIREMENTS.]***

7. **Capitalized Interest.** The Capitalized Interest equals \$_____, and Capital Provider shall deduct the Capitalized Interest from the C-PACE Loan Amount at Closing.

8. **City Expenses/Fees.** On the Closing Date, Borrower shall pay [\$_____] to the City to reimburse the City for its expenses in connection with the C-PACE Loan, which amount is included in the C-PACE Loan Amount and referenced in the Amortization Schedule.

9. **[IF APPLICABLE -- Disbursement Agreement:** Prior to Closing and during the Construction Period, Borrower shall enter into the Disbursement Agreement. Capital Provider shall have the additional rights and remedies contained in the Disbursement Agreement, including the right to collect any costs in excess of the principal amount of the C-PACE Loan, plus any additional interest accruing thereon as a result of a construction delay or otherwise. Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Disbursement Agreement and/or any other C-PACE Documents, Capital Provider shall have no further obligation whatsoever to increase the C-PACE Loan Amount.]

10. **Failure to Complete Fee.** If Borrower fails to draw down the C-PACE Loan to complete the Improvements in accordance with the provisions of the C-PACE Documents, Borrower hereby freely and willingly agrees to forfeit its payment of the commitment fee (if any) to Capital Provider and to pay an additional fee in the amount of [\$_____] (collectively, **“Failure to Complete Fee”**). Borrower hereby acknowledges and agrees that the purpose of the Failure to Complete Fee is to make Capital Provider whole and to pay all costs incurred by Capital Provider in connection with the C-PACE Loan, including without limitation, terminating the C-PACE Certificate.

11. **Improvements.** The C-PACE Loan proceeds shall be used for the purpose of constructing the Improvements that are authorized to be funded under the C-PACE Act. The Improvements shall (a) meet the City’s energy efficiency requirements for eligibility in the Program, (b) be affixed to the Property and installed in accordance with the Program requirements, and (c) meet the requirements of the C-PACE Act, Ordinance, Program Guidelines, and C-PACE Documents.

(a) The Improvements are generally described as follows:

[INSERT LIST OF C-PACE IMPROVEMENTS]

(b) The Improvements are required to be constructed and put into service on or before the Completion Date. Notwithstanding the foregoing, if the Improvements are not fully constructed and put into service by the Completion Date, such delay shall not affect or alter the C-PACE Lien, C-PACE Loan terms, Repayment Start Date, subsequent Repayment Dates, and/or the Amortization Schedule.

12. **Insurance Requirements.** Borrower shall provide to the City and Capital Provider satisfactory evidence of current insurance policies on the Property and such insurance shall be maintained in force during the Term. Such policies must be issued in form and content reasonably acceptable to Capital Provider. Required insurance includes property insurance and, where and when applicable, builders risk or inland marine insurance and flood insurance. Property insurance shall be in an amount equal to the lesser of, as determined by Capital Provider in its reasonable discretion: (a) the full replacement cost of the Property, or (ii) the full value of the buildings located on the Property as determined by Capital Provider in its sole discretion. Borrower must obtain flood insurance if the Property is or is deemed to be located in a Special Flood Hazard Area as determined by the U.S. Flood Emergency Management Agency. Capital Provider's insurance requirements are as follows:

(a) Each policy must provide for ten (10) days' prior notice to Capital Provider in the event of cancellation or nonrenewal;

(b) each of the City and Capital Provider must be named as an additional insured (mortgagee/loss payee) on all insurance policies required hereunder (and in the certificate holder box list "PACE Equity LLC and PACE Equity Holdings Titling Trust, ISAOA, ATIMA" and "Colorado New Energy Improvement City ISAOA, ATIMA"). Borrower hereby agrees to, upon request by Capital Provider, provide Capital Provider with updated certificates of insurance which endorse the required insurance policies and agrees to, upon request by Capital Provider, add Capital Provider's assignees or successors in interest as loss payees and additional insureds must be named as an additional insured (to the extent possible and as their interests may appear);

(c) such insurance shall be maintained in force during the term of the C-PACE Loan. All insurance policies must be issued in form and content reasonably acceptable to City and Capital Provider;

(d) should Borrower fail to maintain required insurance, Capital Provider shall have the right but not the obligation to obtain such required insurance in amounts and limits sufficient to protect Capital Provider's interest, and Borrower shall be obligated to pay Capital Provider for the cost of such insurance; and

(e) during the Construction Period, Borrower shall provide to Capital Provider evidence of any additional insurance coverage required to be maintained by Capital Provider in its reasonable discretion.

13. **Notice and Conditions of Transfer of Property by Borrower.** If Borrower's intended transferee of the Property has not been pre-approved by Capital Provider, then Borrower shall provide sufficient information regarding the proposed transferee to Capital Provider for Capital Provider to comply with its regulatory requirements (including, without limitation, those regarding "know your customer") in writing, at least forty-five (45) Business Days prior to any transfer of title or interest in the Property or any reconstitution of Borrower's ownership structure ("**Transfer Notice Period**"). During the Transfer Notice Period, any potential transferee of Borrower or potential new owner of the Property (or any interest therein) must provide the information required by Capital Provider, in form and substance satisfactory to Capital Provider in its sole discretion. Similarly, in the event that there is any reconstitution of Borrower's

ownership structure, the reconstituted Borrower must provide the information required by Capital Provider, in form and substance satisfactory to Capital Provider in its sole discretion.

FW: Message from City Website

Craig, Robin

Mon 12/2/2019 3:13 PM

To:

-----Original Message-----

From: Tweedy, Treney

Sent: Tuesday, November 26, 2019 7:39 PM

To: Curt Diemer

Cc: Craig, Robin

Subject: Re: Message from City Website

Thank you Mr. Diemer,

I'm copying our Clerk of Council, Robin Craig, on this email so that she can work with you for placement on the city council agenda. Robin, please assist Mr. Diemer.

Thanks,

Treney Tweedy

Sent from my iPad

> On Nov 26, 2019, at 2:00 PM, Curt Diemer wrote: >

> CAUTION: External Sender

>

>

> Dear Mayor Tweedy,

>

> I would like to get placed on the agenda for the next Lynchburg City Council meeting on Tuesday December 10th.

>

> I would like to discuss our efforts to make Lynchburg a 2nd Amendment Sanctuary like all the surrounding counties. We would like to present Council with our petition and speak for 3 minutes.

>

> Thank you.

>

> Sincerely,

>

> Curt Diemer

>

>
>

>
> Sent from my iPhone

161R

12-2-19.

I would like to speak in front of
City Council on the 2nd amendment
issues December 10th. Meeting

ROGER FOLS.

From:
To: [Craig, Robin](#)
Subject: Re: Speak at meeting
Date: Tuesday, December 03, 2019 10:54:19 AM

AGENDA ITEM #16

CAUTION: External Sender

Second Amendment rights. Thanks.

Isaiah "Izzy" Knight

*TYP - a head for marketing and a **heart for the community**.*

On Tue, Dec 3, 2019 at 10:35 AM Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:

Mr. Knight – you need to tell me what this is regarding please.

Thank you.

Robin

Robin Craig

Clerk of Council

City of Lynchburg

900 Church Street

Lynchburg, VA 24504

(434) 455-3983

robin.craig@lynchburgva.gov

From: Isaiah Knight [mailto:
Sent: Tuesday, December 03, 2019 10:34 AM
To: Craig, Robin
Subject: Speak at meeting

CAUTION: External Sender

Ms. Craig,

I'm Isaiah Knight, I Chair Virginia Families PAC, a Virginia registered Political Action Committee, and I would like to speak on behalf of my organization at the December 10 meeting. Can you please confirm receipt of this email?

Thank you,

Isaiah Knight

Isaiah "Izzy" Knight

*TYP - a head for marketing and a **heart for the community.***

163R

From:
To: [Craig, Robin](#)
Subject: 10DEC City Council Meeting
Date: Tuesday, December 03, 2019 3:45:09 PM

AGENDA ITEM #17

CAUTION: External Sender

Mrs. Craig,

I would like to speak in the 10DEC City Council meeting to urge the Council to adopt a Second Amendment Sanctuary resolution for the City of Lynchburg.

Very Respectfully,

Nathan Cantu

164R

From:
To: [Craig, Robin](#)
Subject: December 10th Meeting Public Comments
Date: Tuesday, December 03, 2019 4:15:42 PM

CAUTION: External Sender

Hi Robin,

My name is Ryan Thomas. I was instructed by someone in the Council's office to e-mail you about the possibility of making public comments at the December 10th City Council meeting concerning the recent push for Lynchburg to become a 2nd Amendment "sanctuary city."

If you need more information about the comments I plan to present, just let me know. Thanks for your consideration. My contact information is below:

Ryan Thomas

Cheers,
Ryan

--



Ryan Thomas

165R

From:
To: [Craig, Robin](#)
Subject: Speaking to Lynchburg City Council
Date: Tuesday, December 03, 2019 9:29:11 PM

AGENDA ITEM #20

CAUTION: External Sender

Ms. Craig,

I respectfully request to be added to the City Council's agenda at their next meeting on 12/10/2019 to speak concerning the recent public concern over gun rights.

Sincerely,

Craig Storrs, Jr.

Sent from my iPhone

167R

From:
To: [Craig, Robin](#)
Subject: Re: Speaking on December 10th
Date: Wednesday, December 04, 2019 10:10:36 AM

AGENDA ITEM #21

CAUTION: External Sender

Yes ma'am I am wanting to discuss the topic of Lynchburg City becoming a 2A sanctuary.

On Wednesday, December 4, 2019, Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:

I know you mentioned it on the phone but could you please state the topic of your comments so I can provide this email chain to City Council.

Thank you.

Robin

Robin Craig

Clerk of Council

[City of Lynchburg](#)

[900 Church Street](#)

[Lynchburg, VA 24504](#)

(434) 455-3983

robin.craig@lynchburgva.gov

From: Jamie Cash [mailto:
Sent: Wednesday, December 04, 2019 9:56 AM **To:**
Craig, Robin
Subject: Speaking on December 10th

CAUTION: External Sender

Hello and good morning to you Mrs. Craig. My name is Jamie Cash. I am writing to ask for permission to speak at the meeting being held on December 10th. My contact information is listed below. Thank you and have an outstanding day.

Jamie L. Cash

168R

AGENDA ITEM #22

Re: Speaking at Lynchburg City Council Meeting, 10 DEC

Damian Miller

Thu 12/5/2019 1:37 PM

To: Craig, Robin <Robin.Craig@lynchburgva.gov>

CAUTION: External Sender

The topic will be the 2A Sanctuary proposal for the City of Lynchburg.

On Thu, Dec 5, 2019, 1:14 PM Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:
Could you please state the topic of comment for the record please. Thank you.

From: Damian Miller
Sent: Wednesday, December 4, 2019 11:50 AM
To: Craig, Robin <Robin.Craig@lynchburgva.gov>
Subject: Speaking at Lynchburg City Council Meeting, 10 DEC

CAUTION: External Sender

Hi Robin,

This is to notify you that I would like to speak at the Lynchburg City Council Meeting this coming 10 December.

Sincerely,

Damian Miller

169R

From:
To: [Craig, Robin](#)
Subject: Re: City Council Speaking time
Date: Wednesday, December 04, 2019 12:02:16 PM

AGENDA ITEM #23

CAUTION: External Sender

Second Amendment Sanctuary Status

On Wed, Dec 4, 2019, 11:58 AM Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:

You need to state your topic for comment as this is required to present to Council. Thank you.

Robin

Robin Craig

Clerk of Council

City of Lynchburg

900 Church Street

Lynchburg, VA 24504

(434) 455-3983

robin.craig@lynchburgva.gov

From: Mike Sharrett
Sent: Wednesday, December 04, 2019 11:57 AM
To: Craig, Robin
Subject: City Council Speaking time

CAUTION: External Sender

Hello,

I was told to contact you before noon today to get on the agenda to speak at next week's meeting. Sorry for the last minute notice and thank you for including me!

-Mike

170R

AGENDA ITEM #26

Re: <mailto:Robin.Craig@lynchburgva.gov>

Wed 12/4/2019 1:01 PM

To: Craig, Robin <Robin.Craig@lynchburgva.gov>

CAUTION: External Sender

Karch Frankenfield
Second Amendment Sanctuary

Sent from ProtonMail mobile

----- Original Message -----

On Dec 4, 2019, 11:59, Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:

You also did not give me your name.

Thank you.

From:

Sent: Wednesday, December 04, 2019 11:53 AM

To: Craig, Robin

Subject: <mailto:Robin.Craig@lynchburgva.gov>

CAUTION: External Sender

<mailto:Robin.Craig@lynchburgva.gov>

I would like to speak at the Dec 10th meeting.
Sent from ProtonMail mobile

Speaking at Council

Craig, Robin

Wed 12/4/2019 12:21 PM

To:

Please provide me your name and the reason you wish to speak. Thank you.

Robin

Robin Craig

Clerk of Council

City of Lynchburg

900 Church Street

Lynchburg, VA 24504

(434) 455-3983

robin.craig@lynchburgva.gov

From:

Sent: Wednesday, December 04, 2019 11:53 AM

To: Craig, Robin

Subject: mailto:Robin.Craig@lynchburgva.gov

CAUTION: External Sender

mailto:Robin.Craig@lynchburgva.gov

I would like to speak at the Dec 10th meeting.

Sent from ProtonMail mobile

173R

From:
To: [Craig, Robin](#)
Subject: Re: December 10 Meeting
Date: Wednesday, December 04, 2019 4:06:32 PM

AGENDA ITEM #27

CAUTION: External Sender

I would like to speak to Council about the General Assembly's proposed gun legislation; more specifically, that Lynchburg should not pass any resolution at this time.

On Wed, Dec 4, 2019 at 11:57 AM Craig, Robin <Robin.Craig@lynchburgva.gov> wrote:

You need to state the topic of your comments please as this is required to present to City Council.

Thank you.

Robin

Robin Craig

Clerk of Council

City of Lynchburg

900 Church Street

Lynchburg, VA 24504

(434) 455-3983

robin.craig@lynchburgva.gov

From: Katie Cyphert [mailto:
Sent: Wednesday, December 04, 2019 11:57 AM **To:**
Craig, Robin
Subject: December 10 Meeting

CAUTION: External Sender

I would like to speak at the City Vouncil meeting next week.

Katie Webb Cyphert

174R

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **28**

CONSENT:

REGULAR: **X**

WORK SESSION:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Consideration of a Resolution Amending City Council's 2020 General Assembly Legislative Agenda to Include Language Regarding the Right of Citizens to Keep and Bear Arms**

KEY ELEMENTS:

___Economic Development ___Excellent Government ___Natural and Built Environment ___Safe Community ___Vibrant Community

RECOMMENDATION: Consider adopting a Resolution amending City Council's 2020 General Assembly Legislative Agenda to include language regarding the right of citizens to bear arms.

SUMMARY: Council members Helgeson and Perrow request the following options be considered as an amendment to the City's 2020 General Assembly Legislative Agenda:

Option 1: *Public Safety: Oppose any additional legislation infringing on the right of its citizens to keep and bear arms. New legislation is ill advised due to the pending court cases that may have a significant impact on any proposed legislation.*

Option 2: *Oppose any and all legislative efforts to restrict the fundamental freedoms and liberties guaranteed by the U. S. Constitution, including but not limited to the right to keep and bear arms.*

PRIOR ACTION(S): None

FISCAL IMPACT: None

CONTACT(S): Councilmember Jeff Helgeson, 434-455-3990
Councilmember Turner Perrow, 434-455-3990

ATTACHMENT(S):
Resolution with Options 1 and 2 as noted above

REVIEWED BY: bms

RESOLUTION:

#R-19-100

BE IT HEREBY RESOLVED that the Lynchburg City Council amends its 2020 Legislative Agenda as follows:

Option A:

Public Safety: Oppose any additional legislation infringing on the right of its citizens to keep and bear arms. New legislation is ill advised due to the pending court cases that may have a significant impact on any proposed legislation.

Option B:

Oppose any and all legislative efforts to restrict the fundamental freedoms and liberties guaranteed by the U. S. Constitution, including but not limited to the right to keep and bear arms.

and directs the Clerk of Council to forward such amendment to the City's General Assembly delegation for information and action, as appropriate.

Adopted:

Certified: _____
Clerk of Council

175R

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **29**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Appropriate Funding for the March 3, 2020 Democratic Presidential and City Council Primary

KEY ELEMENTS:

☐ Economic Development ☒ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☒ Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2020 General Fund budget and appropriate \$32,585 with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs associated with the March 3, 2020 Democratic Presidential and City Council Primary. A third quarter budget request may occur due to a possible U.S. Senate or U.S. House of Representative Primary in June.

SUMMARY: Pursuant to § 24.2-24.2-515 of the Code of Virginia, the City of Lynchburg is required to hold a Presidential Primary to be held on the first Tuesday in March next preceding a Presidential Election. Pursuant to § 24.2-518 The city in which elections are held shall pay the costs of primary elections. However, in § 24.2-545 f. as provided by the Appropriations Act, the Department of Elections will reimburse local governments, to the extent of funds available for the cost of the March 3, 2020 Presidential Primary.

The City's Director of Elections & Registrar requests City Council appropriate \$32,585 to cover the estimated costs associated with this Presidential Primary. Costs include \$20,500 for election official pay, \$5,200 for election software programming, \$6,000 for ballot printing, \$500 for Officer of Election training and precinct supplies/printing of envelopes, \$200 for postage of absentee ballots, \$185 for the required legal notice in the newspaper.

PRIOR ACTION(S): Finance Committee, December 10, 2019

FISCAL IMPACT: \$32,585 from the FY 2020 General Fund Reserve for Contingencies; reimbursement from the Commonwealth is unknown at this time.

CONTACT(S): Christine O. Gibbons, Director of Elections & Registrar, 477-5999

ATTACHMENT(S):

Resolution
Staffing Budget Proposal

REVIEWED BY: bms

RESOLUTION:

#R-19-101

BE IT RESOLVED that the FY 2020 General Fund budget is amended and \$32,585 is appropriated with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs for the March 3, 2020 Democratic Presidential and City Council Primary.

Introduced:

Adopted:

Certified:

Clerk of Council

176R

City of Lynchburg's Voter Registrar's Office
Staffing Budget Proposal

The Registrar's Office and members of the Electoral Board formally request the part-time assistant registrar position to be adopted as a full-time position. We request this staffing change in order to provide exceptional service to voters. Elections have become more complex in recent years with new laws, cybersecurity concerns, and increased voter participation and interaction with the Registrar's Office. The current assistant registrar began this position in February of 2018. Thus far, the assistant registrar averages 28 hours each week in the months preceding an election. Year to date he has worked 497 of the 1040 hours budgeted for this position in FY20. Pursuant to §24.2-112 the Electoral Board of each county or city shall determine the number of assistant registrars to serve in the office of the general registrar, including any to serve full-time. At this time it is imperative that the Registrar's staffing be increased with the part-time assistant registrar position being adopted to a full-time position to help in meeting the additional work load in the office.

Currently the Voter Registration Office for the City of Lynchburg has two full-time staff members and one part-time staff member. The Office of the Registrar facilitates voting for close to 52,000 registered voters. For a full history of voter registration see Addendum 3 which indicates in presidential election years an average increase of 14.42% over the previous year in the number of voters registered in the City of Lynchburg. The ratio of staff members, both full and part time, has not been adequate in addressing the current needs of the office. For example, the day to day processing of new voter registrations, absentee voting applications, mailing of voting materials and notices, and fielding calls contribute to a demanding and fast paced work

environment. This leaves little time for ongoing election preparation which is left often to the weeks immediately before an election. Staff members work over 16 hours in the weekend leading up to the election to complete election preparation. Once the canvass of the election has completed staff would have worked over 40 hours in 4 days. Having an additional full time assistant registrar in the office will ensure accuracy and timeliness in applying the Code of Virginia for all aspects of the work completed in the Voter Registration Office. In Addendum Two, you will find a comparison of full time registrar positions for localities with populations similar to the City of Lynchburg; you will notice that the only two localities with registrar staff size as small as Lynchburg are Orange County and Warren County, each of which has half Lynchburg's number of registered voters. In addition, in Addendum 4 is a comparison of salaries of assistant registrar in localities with similar populations.

Further, the volume of new Voter Registrations has increased by an estimated 20% each year since 2015, and attached data in Addendum One, indicate significant increases in voter registration transactions most of which are primarily handled by the Assistant Registrar and include: registering voters, changing voter registrations information, denying registrations, sending out notices to voters of their transactions, absentee transactions, and engaging with customers. Increased transactions affect the amount of folding, stuffing, and preparing mailings of required notices. The office mails out on average 50 or more notices to voters each day. Along with the day to day work each election requires preparation starting 100 days out from an election. Attached is a list of the job requirements for an assistant registrar including election preparation. Over the years the assistant registrar position has required increased election processing and organizing of election materials, day to day voter registration application processing, and addressing citizen questions or concerns.

The office has seen an increase in the volume of in-person and mailed absentee voting since the last presidential year. See chart below which indicates absentee turnout history for the City of Lynchburg.

Absentee Turnout History

YEAR	ABSENTEE TURN-OUT MAIL	ABSENTEE TURN-OUT IN-PERSON	TOTAL TURNOUT (including absentee & all precincts)
Nov 2018	914	774	27,012
Nov 2017	539	489	21,335
Nov 2016	1486	1182	35,809
May 2016	90	136	6,481
March 2016	198	184	10,295

In 2019, the General Assembly passed and Governor Northam signed into law HB 2790 (and the identical SB 1026), allowing registered voters to cast no-excuse in-person ballots. This includes two Saturday's preceding elections. This bill will further increase the amount of voters utilizing the Registrar's Office in the week before an election, taxing already understaffed personnel for the Registrar's Office. An explanation and summery of HB 2790 is provided on page 4. Possible Voter Turnout number based on City of Lynchburg's Historical Election Data can be found on page 5.

In conclusion, with four elections between March 2020 and November 2020 having three full time staff members will decrease the work load burden, allow the office to adequately

prepare for all four elections to be held in 2020, reflect more of the actual hours already being performed by the assistant registrar, and provide better service to the citizens of Lynchburg in meeting the growing demands of voter participation. NPR recently posted an article by Pam Fessler which speaks to the changes in managing elections, “Between possible foreign interference, potentially record-high turnout, new voting equipment in many parts of the country and what could be a razor-close outcome, the 2020 election was already shaping up to be [one of the most challenging elections to administer](#) in U.S. history.”

(Retrieved November 26, 2019 from: <https://www.npr.org/2019/11/26/782680291/as-2020-approaches-some-experienced-election-officials-head-to-the-exits>)

What is HB 2790 (SB 1026): [summary provided by State Department of Election Early Voting Committee§ 24.2-701.1]

HB 2790 (SB 1026) Absentee voting; no-excuse in-person, beginning on 2nd Sat. immediately preceding election SUMMARY AS PASSED:

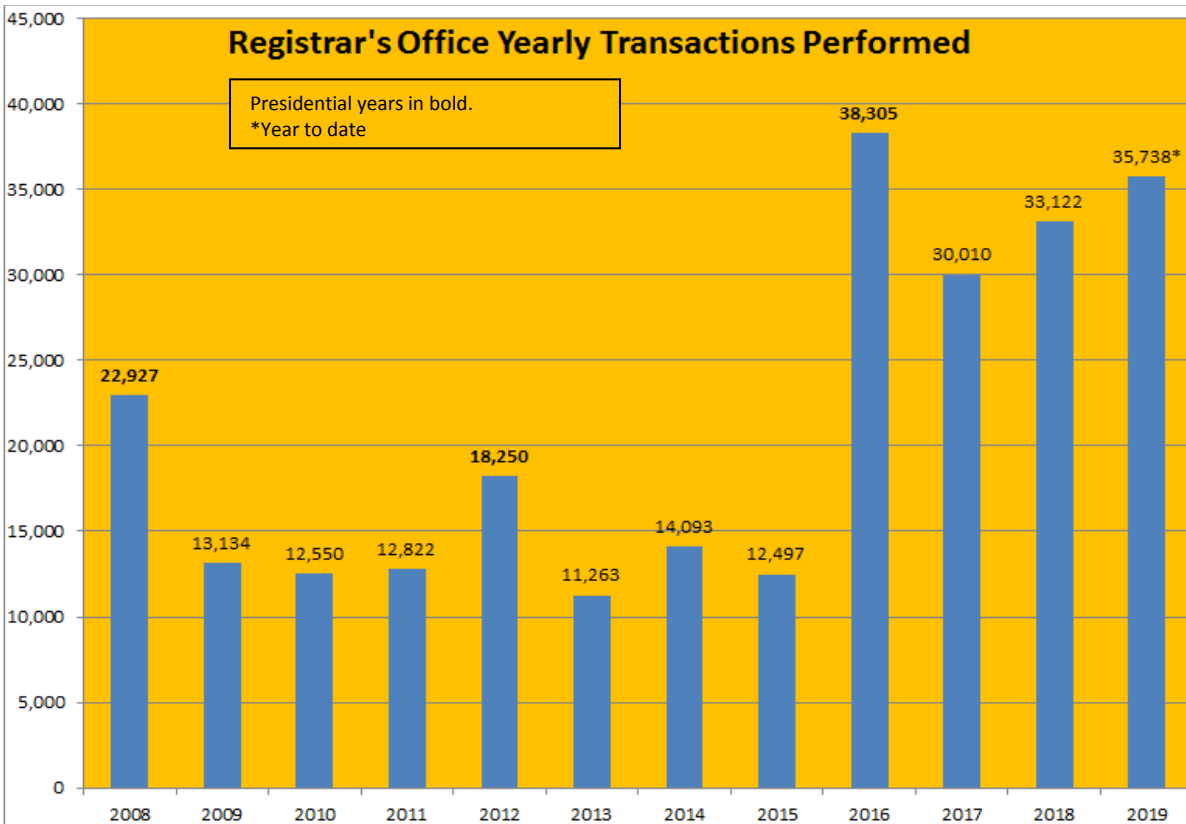
Absentee voting; no-excuse in-person voting available beginning on second Saturday immediately preceding election. Allows for any registered voter to vote by absentee ballot in person beginning on the second Saturday immediately preceding any election in which he is qualified to vote without providing a reason or making prior application for an absentee ballot. The bill makes absentee voting in person available beginning on the forty-fifth day prior to the election and ending at 5:00 p.m. on the Saturday immediately preceding the election. The bill retains the current provisions for voting with an absentee ballot by mail or in person prior to the second Saturday immediately preceding the election, including the application requirement and the list of statutory reasons for absentee voting. The provisions of the bill do not become effective until the November 3, 2020, general election, and the State Board of Elections is required to submit a report on the procedures and instructions it promulgates for conducting absentee voting pursuant to the provisions of the bill. This bill is identical to SB 1026.

Possible Voter Turnout numbers based on City of Lynchburg's Historical Election Data:

Election	Type	Total Voting	Projected Early Voting Turnouts				
			20%	30%	40%	50%	60%
Nov 2008	President	34,794	6,959	10,438	13,918	17,397	20,876
Nov 2009	Governor	20,435	4,087	6,131	8,174	10,218	12,261
Nov 2012	President	36,669	7,334	11,001	14,668	18,335	22,001
Nov 2013	Governor	19,990	3,998	5,997	7,996	9,995	11,994
Nov 2016	President	35,809	7,162	10,743	14,324	17,905	21,485
Nov 2017	Governor	21,335	4,267	6,401	8,534	10,668	12,801

Total Voter Turnout	51,777	Numbers will populate base on your voter count entered. Numbers of voters turning out base on percentage Daily Early Voting estimates calculated based on voter turnout percentage and daily percentage.				
20%	10,355					
30%	15,533					
40%	20,711					
50%	25,889					
60%	31,066					
Early Voting		20%	30%	40%	50%	60%
1st Saturday	15%	1,553	2,330	3,107	3,883	4,660
Sunday						
Day 8	15%	932	1,398	1,864	2,330	2,796
Day 7	9%	1,036	1,553	2,071	2,589	3,107
Day 6	8%	1,139	1,709	2,278	2,848	3,417
Day 5	8%	1,346	2,019	2,692	3,366	4,039
Day 4	15%	1,553	2,330	3,107	3,883	4,660
2nd Saturday	22%	2,278	3,417	4,556	5,695	6,835

Addendum One



Description: Addendum One describes the total of transactions the Registrar's Office completes each year. These transactions include: adding, changing, updating, canceling, or transferring all voter registration applications. These transactions do not include absentee applications, phone calls, walk-in requests, or absentee voting.

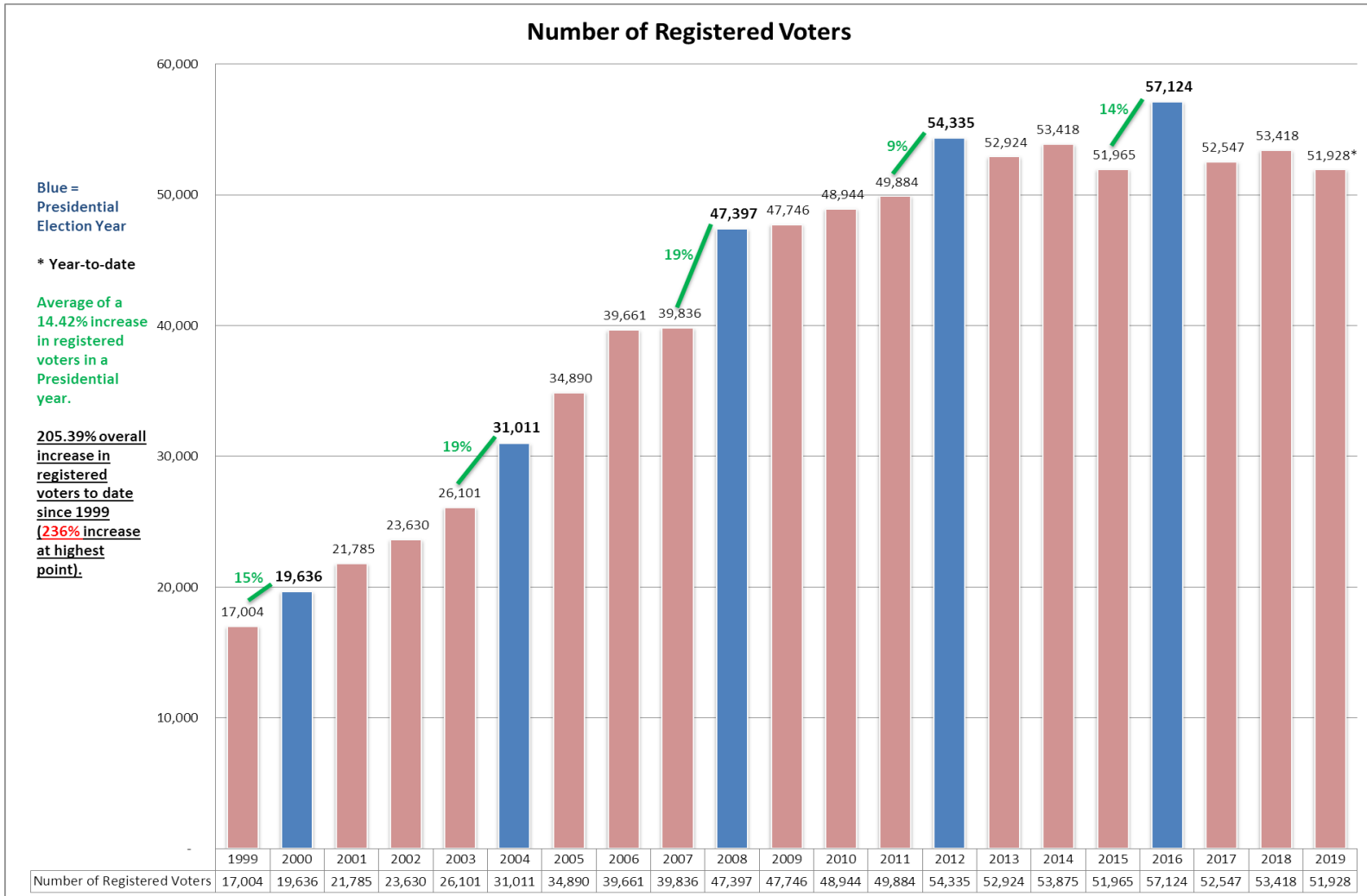
Addendum 2

Registrar Staffing Comparison

Locality	Population	# Registered Voters	# of Full time Staff	# of Part Time Staff
Albemarle County	99,346	75,589	4	2
Rockingham County	94,000	67,540	3	3-5 as needed
Roanoke City	100,000	60,000	3	3
Montgomery County	98,000	60,000	3	1+unlimited on call
James City County	73,000	56,000	4	0
Bedford County	78,000	55,297	3	1
Lynchburg City	80,000	52,000	2	1
*York County	68,000	45,200	3	8 as needed
Pittsylvania County	68,000	42,000	2	1+7 as needed
Campbell County	55,000	37,659	3	0
Franklin County	56,159	36,000	2	1
Washington County	53,410	35,800	3	0
*Charlottesville City	49,071	32,015	3	4
*Danville City	43,000	28,000	2	2-5
Tazewell County	81,296	27,216	2	Temps as needed
Harrisonburg City	52,000	25,684	1	2wkly +2 as needed
Warren County	39,181	25,596	2	1
Orange County	34,239	24,000	2	1
*Botetourt County	33,400	23,816	2	2
*Petersburg City	32,000	21,668	3	Temps
*The comparison of even smaller sized localities clearly shows that the Lynchburg City Registrar's office is understaffed. Please note that some localities have nearly half the number of registered voters, have up to two times the staff.				

Addendum 3

Increase in City of Lynchburg Registered Voters



Addendum 4

Comparison of Budgets for Assistant Registrar's in Localities with Smaller or Similar Populations Compared to Lynchburg		
Locality	Population*	Amount budgeted for Full-time Assistant Registrar Position 2018-2019 Fiscal Year. Each position includes benefits.
Albemarle County	99,214	\$36,819
Bedford County	75,040	\$39,013
Bristol City	16,790	\$30,810
Campbell County	54,912	\$25,500
Colonial Heights City	17,411	\$30,500
Floyd County	15,279	\$33,280
James City County	67,674	\$30,992
King William County	16,700	\$30,910
Middlesex County	10,959	\$26,802
Powhatan County	28,046	\$38,611
Sussex County	12,087	\$26,000
*2010 US Census Figures		

Assistant Registrar Tasks

Registration and general duties

1. Receive phone calls, tend to front window and answer questions from citizens and direct them to the correct person, department if needed
2. Run statewide system VERIS reports. Verify and correct changes made from the previous day: new applications, voter updates, duplicate registrations and transfers from other localities
3. Process VERIS hopper daily: deaths, transfers, DMV applications, felony removal or restoration
4. Prepare and send daily correspondence to voters confirming registration status
5. Process voter registration applications from in person, state and support agencies
6. Process and document returned mail; prepare and send internal confirmation notice if needed
7. Scan registrations and correspondence into state system and file
8. Inventory of daily supplies
9. Purge and shred expired document biannually according to the Library of Virginia guidelines
10. Photo ID – ensure voter fills out form and check for completeness; take picture and submit to VERIS; make any necessary adjustment to voter registration information
11. Daily study of Election Law, GR manual, VERIS steps and other guidance documents
12. Participate in periodic online training and conference calls
13. Attend occasional off site training in region or Richmond

List Maintenance duties

1. Process confirmation notices returned by registrants and generated from NCOA and multiple state crosscheck programs the state now participates in
2. Send appropriate correspondence –voter card, cancellation letter, further inquiry
Note: Processing often requires a second or third mailing if additional information is furnished on the registrant such as returned mail with a forwarding address. List maintenance generally begins in June and stretches to August. Department of Elections is moving toward providing the information in more frequent batches due to the number of information sources and quantity of registrants affected

Elections

1. Inventory election supplies and provide to registrar
2. Mail out assignment to work notices to election officers for upcoming elections 3 to 4 months in advance. Track ability to work and assist with training. Help recruit substitutes when necessary.

3. Ensure election officers oaths are up to date, W-9's are completed and proper documentation is filed with the Circuit Court Clerk
4. Inspect training documents for accuracy and incorporate changes in procedures in officer election day guides and other reference material
5. Assist registrar with preparing training material
6. Pack election supply boxes for each precinct
7. Assist in performing public logic and accuracy testing of voting machines before they are sealed
8. Provide information to public about elections when they call or stop by
9. Prepare absentee voting pollbook and spreadsheet for in person voting
10. Assist registrar with preparing ballot packets to be mailed
11. Service voters who vote in person; record in VERIS and on pollbook
12. Mail out absentee applications when requested
13. Prepare daily reports for absentee ballots to be mailed and check accuracy of address information
14. Reconcile ballot and machine counts for in-person absentee voting daily
15. Assist candidates with their paperwork and provide information
16. Set up candidate folder/record as they are qualified
17. Assist registrar with checking candidate petitions
18. Assist with deployment of machines, ballots and pollbooks on Election Day
19. Field election day calls from public and election officers
20. Reorganize all equipment and supplies after the election
21. Deliver records to the clerk after the election
22. Gather, sort and input registration changes collected on Election Day

Voting Machines, Electronic PollBooks and Technical Duties

1. Assist with maintenance and testing of voting equipment
2. Maintenance of electronic pollbooks, scanners and printers for precincts
3. Load software upgrades and make any adjustments to pollbook training documents
4. Test voting equipment in advance of elections
5. Train election officers on the pollbooks
6. Assist registrar with final testing of the pollbooks and election data before deployment to the precinct

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **30**

CONSENT:
ACTION: X

REGULAR: X
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Resolution Approving the Issuance by the Lynchburg Redevelopment and Housing Authority of its Tax-Exempt Multifamily Housing Revenue Bonds for the Acquisition and Rehabilitation of James Crossing Apartments

KEY ELEMENTS:

☒ Economic Development ☐ Excellent Government ☐ Natural and Built Environment ☐ Safe Community ☒ Vibrant Community

RECOMMENDATION: Adopt the attached resolution approving the issuance of up to \$28,000,000 in tax-exempt revenue bonds for the rehabilitation of the James Crossing Apartments located at 808 Greenfield Drive through the Lynchburg Redevelopment and Housing Authority (LRHA).

SUMMARY: State Code requires City Council to approve the issuance of tax-exempt multifamily housing revenue bonds by the LRHA. The purpose of the bond issuance is to finance a portion of the costs of acquisition and rehabilitation of a 288-unit multifamily apartment complex and ancillary facilities known as James Crossing Apartments.

The Lynchburg Redevelopment and Housing Authority of the City of Lynchburg advertised and held a Public Hearing on December 3, 2019 as required and recommended that City Council approve the issuance of bonds.

Although the bonds will be issued through the Lynchburg Redevelopment and Housing Authority, regulations require the Lynchburg City Council adopt a resolution supporting the transaction.

PRIOR ACTION(S): December 3, 2019: Lynchburg Redevelopment and Housing Authority Public Hearing and adoption of a Resolution declaring its intent to issue the bonds to finance the project.

FISCAL IMPACT: Neither the Authority nor the City has responsibility for the payment of these bonds as they are a conduit for revenue bonds.

CONTACT(S): Richard L. Hurlbert, Jr., Bond Counsel, 804-554-4802
Herschel Keller, Attorney, LRHA, 455-9944

ATTACHMENT(S):
Resolution
December 3, 2019 Letter from Lynchburg Redevelopment and Housing Authority with Bond Documents

REVIEWED BY: bms

**RESOLUTION APPROVING THE ISSUANCE BY THE
LYNCHBURG REDEVELOPMENT AND HOUSING AUTHORITY
OF ITS TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS
FOR THE ACQUISITION AND
REHABILITATION OF JAMES CROSSING APARTMENTS
LOCATED IN THE CITY OF LYNCHBURG, VIRGINIA**

WHEREAS, the Lynchburg Redevelopment and Housing Authority (the "Authority") is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has previously considered and approved the request of Waters at James Crossing, LP, a Delaware limited partnership (the "Purchaser"), whose address is c/o Atlantic Housing Foundation, Inc., 4770 Iberia Avenue, Suite 100, Dallas Texas 75207, for the issuance by the Authority of its tax-exempt multifamily housing revenue bonds in the maximum principal amount not to exceed \$28,000,000, upon terms and conditions to be mutually agreed upon by the Authority and the Purchaser (the "Bonds"), to finance a portion of the costs of acquisition and rehabilitation of a 288-unit multifamily housing apartment project and related or ancillary facilities known as James Crossing Apartments (the "Project"), located at 808 Greenfield Drive, Lynchburg, Virginia 24501, in the City of Lynchburg, Virginia (the "City"); and

WHEREAS, on December 3, 2019, the Authority conducted a public hearing on the issuance of the Bonds and, by adoption of a resolution (the "Inducement Resolution"), declared its official intent to issue the Bonds to finance the Project, and recommended (among other things) that the City Council of the City of Lynchburg (the "City Council") approve the issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the applicable elected representatives of the governmental unit issuing private activity bonds shall approve the issuance of such bonds; and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representatives and the City Council is the next highest governmental unit with such representatives; and

WHEREAS, the members of the City Council constitute the applicable elected representatives of the City of Lynchburg (the "City"); and

WHEREAS, the Bonds are considered "industrial development bonds" within the meaning of Section 103(B) of the Internal Revenue Code of 1954, as amended, and accordingly, Chapter 514 of the 1983 Acts of the General Assembly of Virginia requires that any government entity established by or pursuant to an Act of the General Assembly, such as the Authority, shall

comply with the procedures set forth in Sections 15.2-4906 and 15.2-4907 of the Virginia Code; and

WHEREAS, the procedures set forth in Section 15.2-4906 and 15.2-4907 of the Virginia Code have been satisfied; to wit: (1) the Authority has adopted the Inducement Resolution recommending that the City Council approve the issuance of the Bonds and a copy of such Inducement Resolution, (2) a reasonably detailed summary of the comments, if any, expressed at the public hearing described in the foregoing Recitals, and (3) the Fiscal Impact Statement required by Section 15.2-4907 of the Virginia Code, have been filed with the City Council; and,

WHEREAS, Section 15.2-4906 of the Virginia Code requires that, within sixty (60) calendar days after the public hearing, the City Council either approve or disapprove the financing of any facility recommended by the Authority; and

WHEREAS, the Bonds, as exempt facility bonds issued under section 142 of the Code, will necessitate that the Purchaser secure an allocation of private activity housing bond cap (the "PAB Allocation") in order for interest on the Bonds to be exempt from the imposition of federal income tax; and

WHEREAS, the Purchaser's plan of finance contemplates and includes an allocation of low income housing tax credits for the Project, if available under applicable law and regulations (the "LIHTC Allocation");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LYNCHBURG, VIRGINIA THAT:

1. The City Council approves the foregoing recitals, which are incorporated in, and deemed a part of, this Resolution as if fully set forth herein.

2. The City Council approves the issuance of the Bonds by the Authority in an amount not to exceed \$28,000,000 for the benefit of the Purchaser and approves the Authority's taking all actions necessary in the discretion of the Authority to the extent of and as required by Section 147(f) of the code, Chapter 514 of the 1983 Acts of the Virginia General Assembly, and Sections 15.2-4906 and 15.2-4907 of the Virginia Code, to permit the Authority to assist in the financing of the Project through the issuance of the Bonds. Each of the City Manager, the Mayor and the Clerk of this Council are hereby authorized to take such further actions and execute and deliver such other documents, instruments, certificates or correspondence as are not inconsistent with this Resolution and may be necessary or appropriate for the issuance of the Bonds by the Authority and the award/allocation of the PAB Allocation and the LIHTC Allocation.

3. The approval of the City Council of the issuance of the Bonds by the Authority as required by Section 147(f) of the Code, Chapter 514 of the 1983 Acts of the Virginia General Assembly, and Sections 15.2-4906 and 15.2-4907 of the Virginia Code does not constitute an endorsement to the prospective owners of the Bonds of the creditworthiness of the Project or the Purchaser, and the Bonds shall provide that neither the City nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues

and monies pledged thereto, and that neither the faith and credit nor the taxing power of the City or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. In approving this Resolution, the City, including its elected representatives, officers, employees and agents, shall not be liable, and hereby disclaims all liability for any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

5. The Agreement dated as of December 3, 2019 by and among the Authority, the City and the Borrower (the "James Crossing Agreement"), in substantially the form previously approved by the Authority and as presented to the City and its counsel at this meeting or prior to the date hereof, is hereby approved. Each of the City Manager, the Mayor, and the Clerk of this Council shall be and hereby is authorized and directed to execute the James Crossing Agreement and to deliver same to the Authority and the Borrower; and, upon such execution, the City Manager shall maintain or cause to be maintained a fully-executed version of the James Crossing Agreement in the City's files.

6. While the City has agreed in the James Crossing Agreement to assist the Borrower in obtaining a reservation of low income housing tax credits and/or an allocation of private activity housing bond cap for the Project, such support shall be limited to the execution and delivery of the correspondence and/or documents necessary for the Borrower to complete and submit the applications for such tax credits and private activity housing bond cap (as provided in Section 15 of the James Crossing Agreement), and the City makes no representations to the Borrower regarding the availability of such sources of funding.

7. The approvals evidenced by this Resolution are contingent upon the satisfaction of all legal requirements applicable to the issuance of the Bonds.

6. This Resolution shall take effect immediately upon its adoption.

READ AND ADOPTED: December 10, 2019

CERTIFICATE

Record of the roll-call vote by the City Council of the City of Lynchburg, Virginia, upon reading on a resolution titled **“RESOLUTION APPROVING THE ISSUANCE BY THE LYNCHBURG REDEVELOPMENT AND HOUSING AUTHORITY OF ITS TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF JAMES CROSSING APARTMENTS LOCATED IN THE CITY OF LYNCHBURG, VIRGINIA,”** taken at a meeting of the City Council held on December 10, 2019:

	AYE	NAY	ABSTAIN	ABSENT
Treney Tweedy, Mayor				
Mary Jane Dolan, Vice Mayor				
Jeff Helgeson				
Randy Nelson				
Turner Perrow				
Sterling Wilder				
Beau Wright				

Dated: December 10, 2019

(SEAL)

Mayor, City of Lynchburg, Virginia

ATTEST:

Clerk, City Council of the City of
Lynchburg, Virginia

The undersigned Clerk of the City Council of the City of Lynchburg, Virginia (the “City Council”) hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the City Council at its meeting duly called and held on December 10, 2019, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the City of Lynchburg, Virginia this Authority this
day of December, 2019.

Clerk, City Council of the City of
Lynchburg, Virginia



December 3, 2019

City Council of the City of Lynchburg
Attention: Bonnie Svrcek, City Manager
City of Lynchburg, Virginia
900 Church Street
Lynchburg, VA 24504

**Lynchburg Redevelopment and Housing Authority
Proposed Financing for James Crossing Apartments**

Dear Madam Manager:

This letter is a follow up to my letter dated November 20, 2019 regarding the proposed financing for James Crossing Apartments rehabilitation. All documents necessary for the Council meeting on December 10th are attached.

Waters at James Crossing, LP, a Virginia limited partnership (the "Borrower"), has requested that the Lynchburg Redevelopment and Housing Authority (the "Authority"), issue up to \$28,000,000 of its revenue bonds (the "Bonds") as a conduit bond issuer, to assist the Borrower in financing certain costs of the acquisition, construction and equipping of a multifamily residential rental housing project known as James Crossing Apartments (the "Project"), consisting of approximately 288 residential units and related facilities located at 808 Greenfield Drive, Lynchburg, Virginia 24501. A summary of the Project and a brief description of the Borrower are attached hereto as Exhibit A.

To facilitate the issuance of the Bonds, the Authority expects to hold a public hearing, as required by applicable law, on December 3, 2019. Thereafter, the Authority expects to consider an Inducement Resolution relative to the issuance of the Bonds, in substantially the form attached hereto as Exhibit B. If the Resolution is adopted by the Authority, the Authority will agree to assist the Borrower through issuance of the Bonds, (subject to the Authority's subsequent approval of bond documents and final terms of the Bonds), and will further approve an Agreement with the Borrower relative to certain Project-related issues, in substantially the form attached hereto as Exhibit C. The Inducement Resolution will also include, among other things, a recommendation by the Authority that the Lynchburg City Council ("Council") approve the issuance of the Bonds, as required by applicable law, at its meeting on December 10, 2019.



We Do Business In Accordance With the Federal Fair Housing Law

Fax: 434.845.9144 • TTY: 800.828.1120 VA 711

918 COMMERCE STREET • LYNCHBURG, VA 24504 • (434) 485-7200

If the Inducement Resolution is adopted by the Authority on December 3, 2019, the Authority expects to deliver to you, as promptly as possible thereafter, (1) a certified copy of the Inducement Resolution, as adopted by the Authority; (2) an affidavit of publication of the notice of public hearing and a reasonably detailed summary of the comments expressed at the public hearing (if any); and (3) a fiscal impact statement as required by applicable law. These items will be prepared and/or executed at, or directly after, the Authority's meeting on December 3, 2019.

Inasmuch as the Authority's meeting will be held just a week prior to the Council meeting at which the Authority will request that Council consider the issuance of the Bonds, I am attaching as Exhibit D hereto a draft of the Resolution of Council (the "Council Resolution") that we would ask to be included on the Agenda for consideration by Council at its December 10, 2019 meeting. The Council Resolution has been reviewed by the Authority's counsel, the City Attorney, and bond counsel for the Borrower, so we believe it to be in form sufficient to be included on the Agenda for Council's December 10 meeting.

Please let me know if there are any questions regarding these matters, and thank you for your assistance.

Very truly yours,


R. Dawn Fagan
Executive Director

EXHIBIT A

SUMMARY OF PLANS OF ATLANTIC HOUSING FOUNDATION, INC. REGARDING THE ACQUISITION AND REHABILITATION OF JAMES CROSSING APARTMENTS

ATLANTIC HOUSING FOUNDATION, INC.

Atlantic Housing Foundation, Inc. ("AHF") is a leading non-profit real estate firm founded in 1999 in South Carolina and headquartered in Dallas, Texas. AHF primarily focuses on the renovation and preservation of existing affordable housing and has a wealth of experience with local, state, and federal affordable housing programs, including the U.S. Department of Housing and Urban Development ("HUD") Section 8 and Low-Income Housing Tax Credit Programs. AHF has successfully acquired, developed, renovated, managed and preserved over 47 affordable and student housing properties consisting of more than 10,000 units in Virginia, North Carolina, South Carolina, Georgia, Florida and Texas.

In Virginia, AHF and its advisors have good working relationships with the Virginia Housing Development Authority ("VHDA") and the local HUD office.

JAMES CROSSING APARTMENTS

James Crossing Apartments (the "Property") is a 288-unit contiguous multifamily apartment complex located at 808 Greenfield Drive, Lynchburg, VA 24501. The Property has 24 three-story residential buildings that include apartments with 1, 2, and 3-bedroom units, as well as a laundry facility, a community center, a playground, a swimming pool, and a maintenance shop/storage.

The Property's 288 units are broken down as to type and size, as follows:

<u>Type of Unit</u>	<u>Number of Units</u>	<u>Square Footage</u>	<u>Current Monthly Rent (HUD Contract Rent)</u>
1 BR/1 BA	36	551 square feet	\$673
2 BR/1 BA	36	740 square feet	\$721
2 BR / 1 BA	107	800 square feet	\$721
3 BR/1.5 BA	108	1,032 square feet	\$854
Office	1	800 square feet	N/A

In all, the Project contains a total of 243,532 rentable square feet of space, excluding one 2-BR unit that is a leasing office.

Built in 1970, the Property has been reasonably maintained with periodic capital expenditures as needed but it has not undergone a comprehensive renovation. Waters at James Crossing, LP (the

EXHIBIT A

"Borrower"), an affiliate of AHF, intends to work with Lynchburg Redevelopment and Housing Authority ("LRHA") as a conduit bond issuer for the issuance of one or more series of tax-exempt bonds in an approximate maximum principal amount of \$28 million. The bonds are expected to be privately placed with a single institutional purchaser. The Borrower will also seek to obtain 4% as-of-right low-income housing tax credits from VHDA, which the Borrower plans to syndicate to raise equity in the approximate amount of \$9.6 million, which will be another source of funds to be utilized to finance the acquisition and rehabilitation of the Property. The Borrower's preliminary plans include an estimated \$10.2 million construction cost, which would result in an average investment of greater than \$35,000 per unit. A preliminary scope of work that describes some of the improvements that will be made to the Property has been submitted separately, but it is expected that the renovation will cover unit interiors, building exterior, amenity and site work improvements. The renovation is also expected to improve water and energy efficiency through installation of new fixtures, appliances and insulation.

In addition to renovating the Property, the Borrower intends to replace the existing project-based Section 8 contract that covers 276 of the 288 units and expires in 2034 with a new project-based Section 8 contract covering 276 units for a period of 20 years (i.e., through 2040). The units that are not covered by the Section 8 contract will continue to be managed under the VHDA LIHTC Program as well. Through this project, the Borrower will improve the Property for residents and preserve its affordability for at least another 20 years.

EXHIBIT B

INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF JAMES CROSSING APARTMENTS LOCATED IN THE CITY OF LYNCHBURG, VIRGINIA

WHEREAS, there have been described to the Lynchburg Redevelopment and Housing Authority (the "Authority") the plans to acquire and rehabilitate a 288-unit multifamily housing apartment project known as James Crossing Apartments (the "Project"), located at 808 Greenfield Drive, Lynchburg, Virginia 24501 by Waters at James Crossing, LP, (the "Borrower"), an entity affiliated with Atlantic Housing Foundation, Inc., a South Carolina corporation; and

WHEREAS, the Project shall be established and maintained as a "qualified residential rental project" within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Authority is empowered, pursuant to the Virginia Housing Authorities Law, Chapter 1, Title 36 of the Code of Virginia of 1950, as amended (the "Act"), to (among other things), issue its bonds as a conduit bond issuer for the purpose, among others, of financing the acquisition, construction and equipping of multifamily housing apartment projects such as the Project, located within the territorial boundaries of the City of Lynchburg, Virginia (the "City"); and

WHEREAS, the Borrower has requested that the Authority agree to issue its tax-exempt multifamily housing revenue bonds under the Act in an aggregate principal amount not to exceed \$28,000,000 (the "Bonds"), the proceeds of which will be used to finance costs to be incurred in acquiring and rehabilitating the Project, as permitted under the Act; and

WHEREAS, a public hearing has been held with respect to the Project and the Bonds, in accordance with Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE LYNCHBURG REDEVELOPMENT AND HOUSING AUTHORITY THAT:

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of, this resolution.
2. It is hereby found and determined that the acquisition and rehabilitation of the Project by the Borrower will further the public purposes of the Act by assisting in providing housing to "persons of low income" and "persons of moderate income" (as each such term is defined in the Act) in the City.

3. It is hereby found and determined that the Project will constitute a "housing project" as that term is defined in the Act.

4. To assist the Borrower in financing the acquisition and rehabilitation of the Project, and in maintaining the Project as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, the Authority hereby agrees, subject to approvals required by applicable law, to undertake the issuance of (and hereby declares its official intent to issue) its tax-exempt multifamily housing revenue bonds in the maximum principal amount not to exceed \$28,000,000 for the purpose of assisting the Borrower in financing the acquisition and rehabilitation of the Project, including, as necessary, the financing of capitalized interest on the Bonds, any necessary reserve funds with respect to, and costs of issuance of, the Bonds, only as permitted by applicable law, upon the terms and conditions to be mutually agreed upon by the Authority and the Borrower, all at Borrower's expense. The Bonds shall be issued in form and pursuant to terms to be set by the Authority.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition and rehabilitation of the Project, the Authority hereby agrees that the Borrower may, all at its expense, proceed with the plans for the Project, to enter into contracts related to the acquisition and rehabilitation of the Project, and to take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Project.

6. The Authority hereby designates Haneberg Hurlbert PLC, Richmond, Virginia, to serve as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds, all at the Borrower's expense.

7. The Authority hereby agrees, if requested, to accept the reasonable recommendation of the Borrower with respect to the appointment of a placement agent or underwriter for the sale of the Bonds pursuant to the terms to be mutually agreed upon.

8. All costs and expenses in connection with the financing and the acquisition and rehabilitation of the Project, including the fees and expenses of bond counsel, counsel for the Authority and the agent or underwriter for the sale of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Borrower. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefore.

9. Upon issuance of the Bonds, the Borrower shall pay to the Authority, in addition to all other amounts due hereunder and under the Bond documents, an issuance fee equal to one-percent (1%) of the principal amount of the Bonds. If the Bonds are not issued, the Borrower will not owe this fee.

10. In adopting this resolution the Authority intends to evidence its "official intent" to reimburse Project expenditures with proceeds from the issuance of the Bonds, within the meaning of Treasury Regulations Section 1.150-2.

11. The Bonds shall be limited obligations of the Authority solely as a conduit bond issuer and shall be payable solely out of revenues, receipts and payments specifically pledged therefore, and the Authority shall have no greater liability on the Bonds than allowed by law. In no event shall the Authority be obligated to pay any principal or interest due on the Bonds. Neither the commissioners, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall include on their face the statements required by Section 36-29 of the Act. Neither the faith and credit nor the taxing power of the City, the Commonwealth of Virginia, or any political subdivision thereof, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

12. The Authority (including its officers, commissioners, employees and agents) shall not be liable and hereby disclaims any liability to Purchaser and all other persons or entities for any damages, direct or consequential, resulting from the issuance of the Bonds or failure of the Authority to issue the Bonds for any reason. Any obligation of the Authority to issue the Bonds as requested by the Borrower is contingent upon the satisfaction of all legal requirements. The Authority shall not be liable and hereby disclaims all liability to the Borrower for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Project, or either of them, for any reason, including but not limited to, the failure of the City Council of the City (the "City Council") to approve the issuance of the Bonds. The Borrower, by receiving the benefits of this resolution hereby agrees that the Loan or Financing Agreement related to the Bonds shall contain a covenant by the Borrower to indemnify, defend and hold harmless the Authority and the City, and each of their respective, council members, officers, commissioners, employees, insurers, attorneys and agents, from and against all liabilities, obligations, claims, damages, penalties, taxes, losses, costs and expenses, including without limitation attorneys' and experts fees, which arise, in whole or in part, as a result of, or are in any way connected with the Project, the issuance of the Bonds, the Bonds, arbitrage or rebate on the Bonds, or other Project financing, so long as unrelated to third-party personal injury, property damage, disease or death resulting from the sole negligence or willful misconduct of the Authority or the City, or any of their respective employees or others for whom either the Authority or the City is legally liable. Such indemnification covenant shall survive the transfer of the Project or repayment/defeasance of the Bonds, and shall be acknowledged by the parent company of the Borrower.

13. The Authority hereby recommends that the City Council approve the issuance of the Bonds, and the Authority hereby directs the Chair or Vice Chair of the Authority to submit to the City Council, a reasonably detailed summary of the comments, if any, expressed at the public hearing on the Bonds, the fiscal impact statement required by Virginia law for the Project and the Bonds, and a copy of this resolution.

14. No Bonds may be issued pursuant to this resolution until such time as (a) the issuance of the Bonds has been approved by the City Council, and (b) the final terms and details of the Bonds have been approved by subsequent resolution of the Authority. If the Authority and Borrower are unable to agree, after negotiating in good faith, on the final terms and details of the Bonds, including any documents related thereto, the Authority may give notice to the Borrower of

its intent not to proceed with the issuance of the Bonds and, in such event, the Authority will have no further liability to the Borrower or in any respect with regard to the Bonds or the Project, except for any obligations under any Housing Assistance Payment Contracts existing prior to the adoption of this resolution.

15. The Agreement dated as of December 10, 2019 or its Effective Date (as defined therein) by and among the Authority, the City and the Borrower (the "James Crossing Agreement"), in substantially the form presented to the Authority and its counsel at or prior to the date hereof, is hereby approved by the Authority. Each of the Chairman, Vice Chairman or Executive Director of the Authority shall be and hereby is authorized and directed to execute the James Crossing Agreement and to deliver same to the City and the Borrower for execution; and, upon such execution, the Executive Director shall maintain or cause to be maintained a fully-executed version of the James Crossing Agreement in the Authority's files.

16. While the Authority has agreed in the James Crossing Agreement to assist the Borrower in obtaining a reservation of low income housing tax credits and/or an allocation of private activity bond cap for the Project, the Authority makes no representations to the Borrower regarding the availability of such sources of funding.

17. This Resolution shall take effect immediately upon its adoption.

Adopted: December 3, 2019

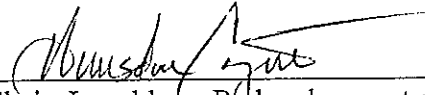
CERTIFICATE OF VOTES

Record of the roll-call vote by the Lynchburg Redevelopment and Housing Authority, upon reading on a resolution titled "**INDUCEMENT RESOLUTION REGARDING THE ISSUANCE OF TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF JAMES CROSSING APARTMENTS LOCATED IN THE CITY OF LYNCHBURG, VIRGINIA**" taken at a meeting of the Authority held on December 3, 2019:

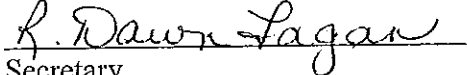
	AYE	NAY	ABSTAIN	ABSENT
Hunsdon Cary, III	X			
John Farnandez	X			
Edgar J.T. Perrow, Jr.				X
Sarah E. Ploch	X			
Lauretta Spencer				X
Norwood O. Morrison	X			
Treney Tweedy	X			

Dated: December 3, 2019

(SEAL)


Vice-Chair, Lynchburg Redevelopment and Housing
Authority

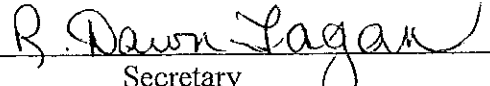
ATTEST:


Secretary

The undersigned Secretary of the Lynchburg Redevelopment and Housing Authority hereby certifies that the foregoing is a true, correct, and complete copy of a Resolution adopted by the Authority's commissioners present and voting at a meeting duly called and held on December 3, 2019, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded, or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the Authority this 3rd day of December, 2019.

LYNCHBURG REDEVELOPMENT AND HOUSING
AUTHORITY

By: 
Secretary

SUMMARY OF PUBLIC HEARING STATEMENTS

At 9:32 a.m. on December 3, 2019, the Vice Chairman of the Lynchburg Redevelopment and Housing Authority (the "Authority") called to order a meeting of the Authority; and after introductory remarks and pleasantries were exchanged, at 9:36 a.m., announced the commencement of a public hearing held in the Authority's offices located at 918 Commerce Street, Lynchburg, Virginia 24504, on the issuance by the Authority of its tax-exempt Multifamily Housing Revenue Bonds (Waters at James Crossing Apartments Project) in a principal amount not to exceed \$28,000,000 (the "Bonds") to assist Waters at James Crossing, LP, a Virginia limited partnership (the "Borrower"), an affiliate of Atlantic Housing Foundation, Inc., a South Carolina corporation, whose address is 4770 Iberia Avenue, Suite 100, Dallas Texas 75207, in financing the costs of the acquisition and rehabilitation of a multifamily apartment complex known as James Crossing Apartments located in the City of Lynchburg, Virginia at 808 Greenfield Drive, Lynchburg, Virginia 24501, consisting of approximately 288 units and related facilities (the "Project"), including, as necessary, the financing of capitalized interest on the Bonds, any necessary reserve funds, and costs of issuance of the Bonds, in each case only as permitted by applicable law.

Dan French and Paul Vera, representatives of the Borrower, and Richard L. Hurlbert, Jr., Esq., of Haneberg Hurlbert PLC, Bond Counsel for the Borrower, attended the meeting on behalf of the Borrower.

No person appeared at the public hearing to speak in support of or opposition to the Project or the issuance of the Bonds and the Vice Chairman closed the public hearing at 9:37 a.m.

FISCAL IMPACT STATEMENT
SUBMITTED TO THE
LYNCHBURG REDEVELOPMENT AND HOUSING AUTHORITY

The undersigned applicant submits the following information in compliance with Section 15.2-4907 of the Code of Virginia of 1950, as amended:

Name of applicant: Waters at James Crossing, L.P.

Facility: James Crossing Apartments, located in the City of Lynchburg, Virginia, at 808 Greenfield Drive, Lynchburg, Virginia 24501.

1.	Maximum amount of financing sought	\$28,000,000	
2.	Estimated taxable value of facility's real property to be constructed in the locality	\$9,374,000	
3.	Estimated real property tax per year using present tax rates	\$104,000	
4.	Estimated personal property tax per year using present tax rates	\$0	
5.	Estimated merchant's capital tax per year using present tax rates	N/A	
		<u>Construction</u>	<u>Annual</u>
6.	a. Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	\$4,571,000	\$34,000
	b. Estimated dollar value per year of goods that will be purchased from nonVirginia companies within the locality	\$1,142,000	\$22,000
	c. Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	\$2,971,000	\$182,000
	d. Estimated dollar value per year of services that will be purchased from nonVirginia companies within the locality	\$914,000	\$114,000
7.	Estimated number of regular employees on year round basis (FTE)		6
8.	Average annual salary per employee		\$40,000

Dated: December 3, 2019

WATERS AT JAMES CROSSING, L.P.

By: AHF-Waters at James Crossing, LLC
Its: General Partner

By: Michael M. M.
Its: PRESIDENT & CEO

LYNCHBURG REDEVELOPMENT AND
HOUSING AUTHORITY

By: R. Dawn Lagan
Chairman Executive Director

EXHIBIT C

AGREEMENT

This Agreement (the "Agreement") is made and entered into effective as of December __, 2019 (the "Effective Date"), by and between Lynchburg Redevelopment and Housing Authority (the "Authority"), the City of Lynchburg (the "City"), and Waters at James Crossing, LP (together with any successors, the "Owner") (collectively, the "Parties").

RECITALS

- A. The Owner proposes to rehabilitate certain improved real property in the City of Lynchburg, Virginia (the "City"), consisting of an apartment community commonly known as James Crossing Apartments (comprised of 288 apartment units) having an address of 808 Greenfield Drive, Lynchburg, Virginia 24501 (the "Property").
- B. A portion of the Property (the "Section 8 Units") is subject to Housing Assistance Payments Contracts pursuant to the United States Housing Act of 1937, 42 U.S.C. 1437 and the Department of Housing and Urban Development Act, 42 U.S.C. 3531.
- C. The Owner intends to pursue tax-exempt bond financing and tax credit equity to fund the acquisition and rehabilitation of the Property (the "Financing").
- D. The Owner has obtained an inducement resolution (the "Resolution") from the Authority for the issuance of its bonds in an amount not to exceed \$28,000,000 (the "Bonds") to finance a portion of the costs of acquisition and rehabilitation of the Property.
- E. In consideration of the adoption of the Resolution, this Agreement is intended to outline for the Parties the mutual and respective commitments of each to the other in connection with the Financing, and upon/after the closing of the Financing, to undertake the commitments outlined herein.

AGREEMENT

Section 1. Defined Terms. All terms not otherwise defined herein have the following meanings:

"DHCD" shall mean the Virginia Department of Housing and Community Development.

"HUD" shall mean the United States Department of Housing and Urban Development.

"Lender" shall mean the financial institution, bank, investor group or other funding source that provides financing to the Owner.

"Project" shall mean the acquisition and rehabilitation of the Property, together with the Financing of such activities.

"Tax Credit Investor" means the low income housing tax credit investor / limited partner for the Property.

"VHDA" shall mean the Virginia Housing and Development Authority.

Section 2. Term. This Agreement shall have a term of 15 years from the Effective Date, and shall be binding on any successors of the Owner during such term; provided, however that this Agreement shall be subordinated, ipso facto, in all respects to the interests represented by any deed, deed of trust or deed in lieu, and all related financing or refinancing arrangements of the Owner or any successor owner, as such interests may appear.

Section 3. Condition of Property. The Owner shall maintain the Property in a decent, safe, and sanitary manner in accordance with the applicable standards of VHDA and HUD and state and local laws, including without limitation (with respect to the Section 8 Units), the Housing Quality Standards. The Owner agrees to use its reasonable best efforts to cure any deficiency identified by a City building inspector, within 20 business days of receiving written notice of the deficiency, or, if such deficiency cannot be reasonably cured in such 20 business day period, such longer period as may be necessary to address such deficiency provided that Owner is diligently pursuing cure of such deficiency. If the deficiency presents an imminent threat to the safety of residents requiring curing in less than 20 business days, then the Owner agrees to use its reasonable best efforts to cure the deficiency as quickly as reasonably practicable.

Section 4. Improvements. As part of the Project, the Owner agrees to complete, at a minimum, the actions listed in the rehabilitation scope per Exhibit A (the "Scope of Improvements"); provided however that the Scope of Improvements as attached hereto is preliminary, and may be adjusted in the sole discretion of the Owner as necessary or required to allow the Project to conform with any requirements of VHDA, HUD, the Lender or the Tax Credit Investor. All such improvements shall be completed within thirty (30) months from the first closing of the Financing (bond or tax credit financing).

Section 5. Mitigation of Displacement of Residents. The Owner agrees to take all reasonable steps to mitigate the displacement of current residents during and subsequent to completion of the Project. In the event current residents are required to relocate temporarily because of the completion of the rehabilitation of the Project, Owner shall make all reasonable efforts to limit the relocation to no more than 30 days, except for units being retrofitted for accessibility standards. The Owner shall also provide notice and advisory services to residents in the event temporary relocation is required, including but not limited to: (1) prior written notice of the date and approximate duration of any temporary relocation; (2) the unit at the Property to which such tenant will be relocated for the temporary period; and (3) the location at which the personal property of the tenant may be stored, at the Owner's expense, during such temporary period.

Section 6. Meetings. Representatives from the Authority, Owner (including at Owner's option, the Owner's Property Management designee (the "Property Manager")), and the City's Police Department and other such representatives as may be designated by the City or the Authority will meet at least annually, and at such other times as reasonably requested by the City or the Authority to discuss the physical and social conditions of the Property and to assess Owner's compliance with the provisions of this Agreement. In assessing compliance with the terms of this Agreement, the Owner agrees to make available upon reasonable request by the City or Authority such work orders or other records as may be reasonably requested by the City or the Authority.

Section 7. Cooperation with City Law Enforcement. The Owner shall enforce a "zero tolerance" policy with respect to criminal conduct, subject to due process and applicable law. The Owner shall, through coordination with its Property Manager, work in concert with City law enforcement agencies and actively participate in any programs reasonably recommended by such agencies to reduce and prevent crime and to ensure the safety and well-being of all residents at the Property. Additionally, the Owner shall develop and enforce no-trespassing and barring policies for individuals convicted of trespassing or serious crimes that would warrant barring from the Property. Owner shall further execute a no-trespassing enforcement agreement with the City's Police Department. Owner's lease agreement shall include a provision that recommends and requests that tenants report any criminal activity observed by the tenant or his/her household.

Section 8. Security. Owner shall (a) maintain or cause to be maintained video camera recording

devices at the Property at or exceeding the existing system and provide video footage when requested by law enforcement when given reasonable notice; and (b) ensure that all security cameras at the Property are functioning properly, 24 hours per day, 7 days per week. Owner shall ensure that any security contractor retained by Owner to provide the services described in this Section 8 maintains and is required to make available upon request (i) recorded footage from security cameras for at least 90 days, and (ii) recorded footage of any incident, criminal or other or illicit activity, so long as the Owner owns the Property.

Section 9. Inspection by City and Authority Employees. On a semi-annual basis, or otherwise as necessary to address any written complaint received by City and/or Authority relating to a violation of any HUD or VHDA rule or regulation or any violation of the Uniform Statewide Building Code or any law or ordinance regarding building maintenance standards from any tenant residing at the Property, the Owner agrees to allow City and/or Authority representatives to access the Property, including, upon seven (7) business days' written notice to the residents thereof, the interior of housing units and any other onsite facilities, to ensure Owner's compliance with this Agreement and with federal, state, and local laws and regulations associated with the condition of the Property. Any access to the Property by City and/or Authority shall be coordinated through, and undertaken only with the participation of, management staff at the Property. The Owner agrees (i) to include in its standard form lease with residents a provision allowing the City and Authority to perform the aforementioned inspection with seven (7) business days' written notice to the resident and (ii) to cooperate with the City and the Authority in providing the foregoing notices. Any access to such units shall (1) be consistent with management's rules and procedures, the lease agreements between the Owner and residents at the Property and all due process and privacy rights available to such residents, and (2) occur no more frequently than once in each calendar year for any given unit, except for re-inspections as allowed for below. The Owner further agrees to cure any deficiency identified by City or Authority representatives within 20 business days of receiving notice of the deficiency, or, if such deficiency cannot be reasonably addressed in such 20 business day period, such longer period as may be necessary to cure such deficiency, provided that the Owner is diligently pursuing cure of such deficiency. If the deficiency presents an imminent threat to the health or safety of the residents requiring curing in less than 20 business days, then the Owner agrees to use its best efforts to cure the deficiency as quickly as reasonably practicable. Owner agrees that City and/or Authority may access the Property for re-inspection purposes, as may be reasonably necessary to confirm that any deficiency identified by City or Authority under this Section 9 has been cured.

Section 10. On-Site Property Manager; Community Services Coordinator. The Owner shall ensure that its Property Manager will maintain an employee on site at the Property during business hours (8:30 a.m.-5:00 p.m.), and shall also maintain a Resident Services Coordinator on site at the Property for at least 15 hours per week. The Property Manager will serve as a primary point of contact for the City and the Authority, and shall appoint one of its employees to be a secondary contact for the City and Authority, so that someone will be available to the City and the Authority 24 hours a day, 7 days per week.

Section 11. Background Checks. The Owner shall conduct all required background checks on prospective tenants in accordance with fair housing, state, and local laws and abide by all legal restrictions concerning receipt, keeping, and destruction of records related to prospective residents' criminal backgrounds.

Section 12. Consequences of Breach. In the event of a breach by the Owner of any of the terms of this Agreement, and upon Owner's receipt of written notice of the breach from the City or the Authority, the Owner shall have 20 business days to cure the breach to the reasonable satisfaction of the City or the Authority or, if such breach cannot be reasonably cured in such 20 business day period, such longer period as may be necessary to address such breach provided that Owner is diligently pursuing cure of such breach. If the breach presents an imminent threat to the health or safety of residents requiring curing in less than 20 business days, then the Owner agrees to use its best efforts to cure the breach as

quickly as reasonably practicable.

Section 13. Amendments. This Agreement may be amended only by written agreement executed by the Parties.

Section 14. Notices. Notices to any party shall be sent to the addresses of that party set forth below. Any party may require notices to be sent to a different address by giving notice thereof to the other party. All notices or other communication required or permitted hereunder shall be in writing, and shall be deemed to have been given on (i) the third day after deposit in the United States mail, postage prepaid, (ii) the first day after deposit with Federal Express or similar overnight delivery services, or (iii) the date of delivery, if delivered personally.

To Owner:

Waters at James Crossing, LP
c/o Atlantic Housing Foundation
4770 Iberia Avenue, Suite 100
Dallas, Texas 75207
Attention: Chief Executive Officer

To the Authority:

Lynchburg Redevelopment and
Housing Authority
918 Commerce Street
Lynchburg, Virginia 24504
Attention: Executive Director

To City:

City of Lynchburg
Attn: City Manager
900 Church Street
Lynchburg, VA 24504

Section 15. Support of Owner's Private Activity Bond and Low Income Housing Tax Credit Allocation Requests. Each of the Authority and the City hereby agrees that it will support, as necessary, the Owner's applications for (a) private activity bond allocation that will be submitted to DHCD, and (b) low-income housing tax credits that will be submitted to VHDA, in connection with the Project. Such support shall be limited to the execution and delivery of the correspondence and/or documents necessary for the Owner to complete and submit the applications described in clauses (a) and (b) above, all of which are to be prepared by bond counsel for the Owner, at the Owner's expense, and are conditions precedent to the issuance of the Bonds.

Section 16. Compliance by Owner with HUD, VHDA, Lender and Tax Credit Investor Requirements. The Authority agrees that compliance by the Owner with the provisions of this Agreement is not intended to, and does not, supersede or conflict with any HUD, VHDA, Lender and Tax Credit Investor requirements regarding the Project or the Owner's responsibilities described herein. Therefore, the Parties agree to interpret and apply this Agreement in a manner that will not require the Owner to commit any action or omission that is prohibited by any HUD, VHDA, Lender or Tax Credit Investor requirements.

Section 17. No Waiver. The failure by either Party to enforce any provision under this Agreement shall not be construed as a waiver of that Party's right to enforce the provision unless said waiver is in a writing signed by the waiving Party.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representative as of the Effective Date set forth above.

Authority:

LYNCHBURG REDEVELOPMENT AND
HOUSING AUTHORITY

By: R. Dawn Fagan
Name: R. Dawn Fagan
Its: Executive Director

COMMONWEALTH OF VIRGINIA

CITY OF LYNCHBURG to-wit:

The foregoing Agreement was sworn to and subscribed before me by R. Dawn Fagan on behalf of the Lynchburg Redevelopment and Housing Authority this 3rd day of December, 2019.

Maryland F. Robinson
Notary Public

My commission expires: 7-31-2022.



Owner:

WATERS AT JAMES CROSSING, LP

By: AHF-WATERS AT JAMES CROSSING,
LLC

Its: General Partner

By: _____

Name:

Its:

STATE OF _____

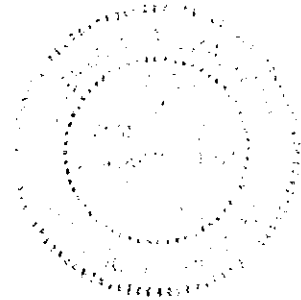
COUNTY/CITY OF _____ to-wit:

The foregoing Agreement was sworn to and subscribed before me by _____
_____, on behalf of AHF-Waters at James Crossing, LLC, as General Partner of
Waters at James Crossing, LP this ___ day of December, 2019.

Notary Public

My commission expires: _____

Commission number: _____



City:

CITY OF LYNCHBURG

By: _____

Name:

Its:

COMONWEALTH OF VIRGINIA

CITY OF LYNCHBURG to-wit:

The foregoing Agreement was sworn to and subscribed before me by _____
_____, on behalf of the City of Lynchburg this __ day of December, 2019.

Notary Public

My commission expires: _____

Commission number: _____

EXHIBIT A
Preliminary Scope of Improvements

Scope and Estimated Hard Cost Budget - James Crossing

Item	Description
288 units (1 unit is leasing office)	
Interior	
Appliances (White)	Range, range hood, dishwasher, refrigerator
Bath Accessories	Towel bar, toilet paper dispenser, mirror, medicine cabinet
Cabinets & Countertops	Cabinets, vanities, countertops
Door Hardware	New hardware (except hinges), new peep holes, add knockers
Doors	Replace as necessary, repaint
Electrical	New exhaust fans and plate covers
Flooring	Vinyl planks entirely
Finish Carpentry	As necessary, trims and moldings
Interior Lighting	Lighting fixtures, fans, smoke detectors
Plumbing Fixtures	Sinks, faucets, mixing valves, new tub
Interior Drywall & Paint	Drywall repair and repaint
Windows	Vinyl, Low-E, impact
Window Treatments	Blinds
Exterior	
Exterior Paint (2 coats)	Repaint stairs, landings, breezeways
Exterior Rails and Canopies	Replace landing rails and canopies to be more attractive
Exterior Repairs	Brick veneers, trim, soffit and fascia (fiber cement)
Exterior Wallpacks	Repair and replace as necessary
Exterior Window Shutters	New decorative shutters at all windows
Roofing	24 residential, community/laundry and pool storage buildings
Gutters & Downspouts	Repair gutters and downspouts, add splash blocks as necessary
Site Work	
Landscape & Irrigation	New enhanced landscape entire property
Drainage Improvement	As necessary including erosion control
Monument Sign	New monument sign, location to be determined
Pavements/Curbs/Sidewalks	Necessary concrete repairs, reseal asphalt pavement and restripe
Accessible Route	Accessible route to residential buildings with ADA units
Amenities	
Leasing Office	Improve Unit 29 at Building 808
Community Center & Laundry	Necessary repair or improvement
Exterior Siding	Replace and paint at comm center/laundry and pool buildings
Maintenance Shop/Storage	Necessary repair or improvement
Pool	Necessary repair or improvement
Pool Storage Building	Necessary repair or improvement
Mailbox Pavilions	New attractive structure and roof, extend concrete pads
Bus Shelter	Extend concrete pad and add a similar shelter
Playgrounds & Picnic Areas	New playground equipment, gazebo, BBQ, fence & gate
Dumpster Enclosures	New enclosure around existing pads, check number of dumpsters
Accessible Public Areas	Improve all amenity buildings to meet ADA requirements
Selective Rehab	
Plumbing Rough/Electrical	check maintenance record, replace machines older than 7 years old
HVAC	All waste and condensate lines shall be jettisoned and tested
Plumbing Systems	HVAC
Plumbing Fixtures	Water Heaters
	Fiberglass tub surrounds, toilets, all faucets have single lever
General Conditions	
Overhead	
Profit	
Permits & License	

Total \$10,200,000

Total per Unit \$35,000

Note: Scope and estimated hard cost are pending final pricing.

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **31**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Regulation of shared mobility devices such as electric power-assisted scooters, skateboards, bicycles, etc.

KEY ELEMENTS:

☐ Economic Development ☐ Excellent Government ☐ Natural and Built Environment ☒ Safe Community ☐ Vibrant Community

RECOMMENDATION: Adopt an ordinance to regulate the use of shared mobility devices such as electric power-assisted scooters, skateboards, bicycles, etc. within the City.

SUMMARY: As a result of the influx of shared mobility devices throughout the state, in 2019 the General Assembly adopted legislation that allows a locality to adopt an ordinance requiring companies that provide shared mobility devices to the general public to be licensed in order to operate within the locality. However, if a locality has not adopted such an ordinance by January 1, 2020, companies may offer shared mobility devices for hire without local regulation. At its November 12 meeting City Council considered an ordinance that would require companies that provide shared mobility devices to obtain a permit from the City and suggested a number of revisions to the proposed ordinance. Accordingly, the ordinance has been revised as follows:

- The data sharing requirement in the ordinance was removed.
- The provisions in the ordinance dealing with bicycles were amended so the ordinance only applies to electric power-assisted bicycles.
- A definition of “geofencing” was added to the ordinance.
- A provision was added making it an offense to operating a shared mobility device on a public sidewalk or street while texting, wearing headphones or while under the influence of a controlled substance.
- The ordinance was clarified to make it clear that it only applies to companies who are providing shared mobility devices for use on the public ways and not to companies who are providing devices for use on private property such as a college campus.

PRIOR ACTION(S): City Council previously considered the ordinance on November 12, 2019.

FISCAL IMPACT: Uncertain at this time. If it turns out that the City incurs additional costs in processing applications for companies that provide shared mobility devices and in monitoring the operation of shared utility devices the City can charge the companies a permit fee to recover the City’s costs, but no permit fee is being recommended at this time.

CONTACT(S): Walter C. Erwin, City Attorney, 455-3973

ATTACHMENT(S): An ordinance adding Sections 10-53, 10-54, 10-55, and 10-56 to the City Code

REVIEWED BY: bms

AN ORDINANCE TO AMEND AND REENACT THE CODE OF THE CITY OF LYNCHBURG, 1981, BY ADDING THERETO A NEW ARTICLE, ARTICLE IV. SHARED UTILITY SYSTEMS, TO CHAPTER 10 BICYCLES, MOPEDS AND SHARED UTILITY SYSTEMS, CONTAINING SECTION 10-53, SECTION 10-54, SECTION 10-55, AND SECTION 10-56 RELATING TO THE OPERATION OF SHARED MOBILITY SYSTEMS WITHIN THE CITY.

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

1. That the Code of the City of Lynchburg, 1981, be and the same is hereby amended and reenacted by adding thereto a new article, Article IV. Shared Utility Systems, to Chapter 10. Bicycles, Mopeds and Shared Mobility Devices, containing Section 10-53, Section 10-54, Section 10-55, and Section 10-56 as follows:

Chapter 10

Bicycles and Mopeds and Shared Utility Systems

Article IV. Shared Utility Systems

Sec. 10-53. Policy Statement and Purpose

The purpose of this article is to establish rules and regulations governing the operation of "shared mobility systems" for docked and dockless (i) electric power-assisted bicycles and (ii) motorized skateboard or scooters ("shared mobility devices" or "devices") that utilize the public ways within the Lynchburg city limits. Sections 15.2-2015 and 46.2-1315 of the Virginia Code authorize these rules and regulations. The provisions of this article apply to any deployment of shared mobility systems (to include direct rental or similar programs) within Lynchburg's jurisdictional boundaries.

Sec. 10-54. Permit Application Procedures

1. Any person seeking to operate a shared mobility system that utilizes the public ways within the city shall first obtain a permit from the city manager, or the city manager's designee, conditioned on compliance with the operating regulations contained in this article. The permittee will be required to obtain a business license and will be responsible for all applicable local fees and taxes.

2. No person shall operate a shared mobility system that utilizes the public ways within the city without a permit. Any person who operates a shared mobility system without a permit shall be subject to a civil penalty not to on thousand dollars (\$1000.00) for each violation within the discretion of the court. Each day of violation shall constitute a separate offense.

3. The city manager, or the city manager's designee, may revoke any permit for failure to comply with the operating regulations.

4. Any person whose permit application has been denied, or whose permit has been revoked or terminated, may file an appeal with the city council by submitting a written statement to the clerk of council within 10 business days of the denial or revocation. The written statement shall describe the basis of the objection. The city council shall issue a final decision on the appeal and the decision of the city council is final and not appealable. Any permittee whose permit has been revoked may not apply another permit within six months.

Section 10-55 Operating Regulations

The following subsections set forth the general terms and conditions that will be required in any permit issued by the city:

1. Equipment Requirements

- a. All electric power-assisted bicycles shall meet the standards established in the Code of Virginia (currently Section 46.2-1015), including lighting during operation in darkness.
- b. The city may increase or decrease the permitted top speed of any shared mobility device at its discretion.
- c. All motorized skateboards or scooters shall meet the safety standards established in the Code of Virginia (currently Section 46.2-1015), requiring both headlight and taillight.
- d. Each shared mobility device shall be equipped with an on-board GPS device capable of providing real-time location.
- e. An operator identifier must be permanently affixed to each mobility device.
- f. All motorized skateboards or scooters and all electric power-assisted bicycles must be equipped with devices that allow the permittee to render by remote means a device inoperable if it has been reported to permittee as being damaged or defective.

2. Operations

- a. Each permit shall designate the specific number of shared mobility devices that the permittee may deploy in the city.
- b. The city manager reserves the right to order the removal of all devices due to weather or other local situations, events, or emergencies for up to 48 hours.
- c. Permittees must be aware of and plan for city events, providing additional staffing, rider education/awareness, and temporary no-ride and no-park zones as necessary.
- d. Permittees shall provide administrative access for city officials to relocate devices that are blocking the public right-of-way or creating obstacles for vehicles or pedestrians.

3. Safe Riding and Parking

- a. Motorized scooters, as well as electric power-assisted bicycles, must be parked upright on hard surfaces in a manner that does not obstruct or impede the public right of way.
- b. If the city designates parking areas for shared mobility devices, permittees must apply geofencing specifications provided by the city to direct users to such designated parking areas. Users shall not be allowed to sign out of their rides unless parked in a designated parking area. For purposes of this ordinance, geofencing means the use of technology which draws a virtual boundary around a real geographical area, enabling software to trigger a response when a mobile device enters or leaves a particular area.
- c. Devices are to be parked in such a manner as to provide a 4-foot pedestrian clear zone area in the sidewalk.
- d. Devices cannot be parked in such a manner as to impede or interfere with any fire hydrant, call

box, or other emergency facility; bus bench; utility pole or box; or the reasonable use of any commercial window display, or access to or from any building.

- e. Shared mobility devices cannot be parked in such a manner as to impede or interfere with the reasonable use of any bicycle rack or news rack.
- f. Electric power-assisted bicycles and e-scooters may be left in on-street parking spaces only if the city manager, or the city manager's designee, has officially designated those spaces as shared mobility parking stations. The city will apply visible markings to identify any such parking stations.
- g. The city manager, or the manager's designee, reserves the right to designate specified areas of the city where the riding/parking/locking of shared mobility devices is prohibited.

4. Shared mobility devices shall not be parked adjacent to or within:

- a. Transit zones, including bus stops, shelters, passenger waiting areas and bus layover and staging zones, except at existing bicycle racks;
- b. Loading zones;
- c. Disabled parking zones;
- e. Street furniture that requires pedestrian access (for example-benches, parking pay stations, bus shelters, transit information signs, etc.);
- f. Curb ramps; and
- g. Driveways.

5. To the extent a permittee desires to park bicycles or e-scooters on city property other than the public right-of-way (e.g., parks, plazas, parking lots, transit stations, or private property), the permittee must first obtain the right to do so from the city manager, or the city manager's designee.

6. Permittees shall stop placing scooters or bicycles, or allowing contractors to place scooters or bicycles, in front of any address provided by the city within 48 hours of notice.

7. If the city designates specified areas of the city where the riding/parking/locking of shared mobility devices is prohibited, permittees shall apply geofencing specifications provided by the city to prohibit the riding/parking/locking of shared mobility devices in the specified areas of the city.

8. Any shared mobility device found to be in violation of this section is subject to removal; the permittee must pay thirty-five dollars (\$35.00) for each scooter removed and five dollars (\$5.00) per day of storage, including the day of removal and the day of release from storage. The city shall provide notice of removal within twenty-four (24) hours of removal.

9. Permittees shall provide notice to all users by means of signage and through a mobile or web application that:

- a. Helmets are strongly encouraged for all users and required for minors 14 and under. If permittees prohibit the use of shared mobility devices by certain minors, permittees shall provide conspicuous notice of this policy to users;
- b. If the city designates parking areas for shared mobility devices, parking must be done in the designated areas;

- c. Wearing headphones on or in both ears while riding a shared mobility device is prohibited;
- d. Operating a shared mobility device while texting or while under the influence of a controlled substance is prohibited; and
- e. Permittees shall provide education on the city's existing rules and regulations, safe and proper parking.

10. Customer Service

- a. Permittees shall provide easily visible contact information, including a toll-free phone number and e-mail address, on each bicycle or electric scooter for city employees and members of the public to make relocation requests or to report other issues with devices.
- b. Permittees shall maintain a local permittee representative and provide a direct point of contact to the city and its residents.
- c. Permittees shall maintain a 24-hour customer service phone number for customers to report safety concerns, complaints, or to ask questions. This phone number and its website shall be provided on every device that is in service to the city.
- d. Upon notification that a permittee's shared mobility device is improperly parked, left standing or unattended on any sidewalk, street, or public right-of-way under the jurisdiction of the city, the Permittee shall remove the scooter or bicycle within two hours.
- e. Permittees shall provide all riders with a mechanism to report safety or maintenance issues with a shared mobility device.
- f. In the event a safety or maintenance issue is reported for a specific device, the shared mobility device shall immediately be de-activated and shall be removed within the timeframes provided herein. Any inoperable or unsafe device shall be repaired before it is put back into service.

11. Insurance:

The permittee will be required to purchase and maintain, at its sole expense, and from a company or companies authorized to do business within the Commonwealth of Virginia, insurance policies containing the following types of coverages and minimum limits:

1. Workers' Compensation - Statutory requirements and benefits. This policy shall specifically list Virginia as a covered state.
2. Employer's Liability - \$100,000. This policy shall specifically list Virginia as a covered state.
3. Commercial General Liability - \$1,000,000 per occurrence. The city and its officers, employees, agents and volunteers must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability-\$1,000,000 per occurrence. (Only required if a motor vehicle is to be used by the permittee in its business activities.)

5. All insurance coverage:

- a. Shall be issued by an insurance carrier authorized to do business within the Commonwealth of Virginia and otherwise acceptable to the city;

b. Shall be kept in force throughout performance of services;

Prior to beginning operations, the permittee shall (i) have all required insurance coverage in effect, and (ii) the Permittee shall deliver to the city's risk management division certificates of insurance for all lines of coverage, or other evidence satisfactory to the city.

Nothing contained within this ordinance shall effect, or shall be deemed to affect, a waiver of the city's sovereign immunity under law. No permit awarded as a result of this procurement transaction shall contain any provisions requiring the city to waive or limit any sovereign or governmental immunity to which it may be entitled.

The city reserves the right, but not the obligation, to revise any insurance requirement as may be necessary for the best interests of the city and its citizens, including, but not limited to, limits, coverages and endorsements, or reject any insurance policies which fail to meet the criteria stated herein. Additionally, the city reserves the right, but not the obligation, to review and reject any insurer providing coverage due to its poor financial condition or failure to operate legally.

Sec. 10-56. Prohibited Activities

1. No person operating a shared mobility device on the public ways of the city shall text or use a handheld mobile telephone while operating such device.

2. No person shall operate a shared mobility device while wearing headphones on or in both ears.

3. No person shall operate a shared mobility device on the public ways of the city (i) while such person has a blood alcohol concentration of 0.08 percent or more by weight by volume or 0.08 grams or more per 210 liters of breath as indicated by a chemical test, (ii) while such person is under the influence of alcohol, (iii) while such person is under the influence of any narcotic drug or any other self-administered intoxicant or drug of whatsoever nature, or any combination of such drugs, to a degree which impairs his or her ability to operate a shared mobility device safely.

4. Any person who violates this section shall be guilty of a class 3 misdemeanor and subject to a fine of not more than \$500.00.

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

Adopted:

Certified: _____
Clerk of Council

179R

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **32**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Appropriation of the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant

KEY ELEMENTS:

X Economic Development X Excellent Government ___ Natural and Built Environment ___ Safe Community X Vibrant Community

RECOMMENDATION: Adopt a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$215,474 with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.

SUMMARY: The City submitted a grant application to VDSS (BEN-19-113) as part of Lynchburg's poverty reduction strategy on August 1, 2019. Negotiations culminated in the award of \$215,474 to the City. These funds will be used to expand current poverty reduction initiatives within the City focused on preparing participants to enter and maintain employment with the prospect of a career path and wage growth. Partnerships, collaboration with stakeholders, and direct intervention with residents who are within 200% of the federal poverty level and/or meet other eligibility requirements are the primary methods of service projected.

PRIOR ACTION(S): Finance Committee, August 13, 2019 (Notice of application)
Finance Committee, December 10, 2019

FISCAL IMPACT: None (no match required)

CONTACT(S): John H. Hughes, IV, Assistant City Manager, 455-3990

ATTACHMENT(S): Resolution
Sub-Award agreement

REVIEWED BY: bms

RESOLUTION:

#R-19-103

BE IT RESOLVED that the FY 2020 City/Federal/State Aid Fund budget is amended and \$215,474 is appropriated with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.

Introduced:

Adopted:

Certified: _____
Clerk of Council

179R

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **December 10, 2019**

AGENDA ITEM #: **33**

CONSENT:
ACTION: **X**

REGULAR: **X**
INFORMATION:

WORK SESSION:

CLOSED SESSION:
(Confidential)

ITEM TITLE: Approve a Support Resolution for Holiday Lake 4-H Educational Center to the Commonwealth of Virginia for Funding Essential Capital Safety Improvement Projects

KEY ELEMENTS:

___Economic Development **X**Excellent Government **X**Natural and Built Environment ___Safe Community ___Vibrant Community

RECOMMENDATION: Approve a support resolution for Holiday Lake 4-H Educational Center to the Commonwealth of Virginia for funding capital improvement projects.

SUMMARY: Mr. Preston Wilson, President/CEO of Holiday Lake 4-H Education Center is requesting support of the attached resolution as part of its application to the Virginia General Assembly for \$332,000 in essential capital safety improvements. Holiday Lake 4-H Educational Center serves nineteen (19) Virginia localities, including the counties of Albemarle, Amherst, Appomattox, Amelia, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Fluvanna, Greene, Louisa, Lunenburg, Mecklenburg, Nelson, Nottoway and Prince Edward, as well as the cities of Charlottesville and Lynchburg.

The funds will help facilitate the center's capital improvement projects, some of which include facility upgrades to the medical clinic facility, ADA accessibility improvements, an emergency generator, exterior security lighting, infrastructure upgrades, heating and air conditioning units, a large pavilion upgrade, challenge course repairs and improvements and platform tents for outdoor skill education.

Upon receiving the funds and completing the necessary capital improvements, Holiday Lake 4-H Educational Center will be able to increase the 4-H center's useful life and continue to serve thousands of youth and adults for many years to come in Central and Southside Virginia.

PRIOR ACTION: None

FISCAL IMPACT: None

CONTACT(S): Bonnie Svrcek, City Manager; 434-455-3990
Preston Wilson, President/CEO of Holiday Lake 4-H Educational Center; 434-258-5444

ATTACHMENTS:
Resolution

REVIEWED BY: bms

RESOLUTION IN SUPPORT OF A REQUEST BY HOLIDAY LAKE 4-H EDUCATIONAL CENTER (HL4HEC) TO THE COMMONWEALTH OF VIRGINIA FOR ESSENTIAL CAPITAL SAFETY IMPROVEMENT PROJECTS

WHEREAS, Holiday Lake 4-H Educational Center (HL4HEC), a non-profit 501c (3) organization, is requesting funds for essential capital safety improvements from the Virginia General Assembly, in the amount of \$332,000 for the 2020/2022 biennial budget;

WHEREAS, HL4HEC mission is to improve the quality of life by educating youth and adults in a natural setting;

WHEREAS, Holiday Lake 4-H Educational Center (HL4HEC) serves nineteen (19) Virginia localities which includes the counties of Albemarle, Amherst, Appomattox, Amelia, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Fluvanna, Greene, Louisa, Lunenburg, Mecklenburg, Nelson, Nottoway, and Prince Edward as well as the cities of Charlottesville and Lynchburg;

WHEREAS, HL4HEC is located in the 20,000-acre Appomattox/Buckingham State Forest, the largest state forest in Virginia;

WHEREAS, the 4-H Center leases 157.8 acres from the Virginia Department of Forestry on a long-term lease through the year 2080;

WHEREAS, the objectives of HL4HEC are: to provide four seasons annually of educational camping programs for 4-Hers in Central, Southside and specialized camps across the state of Virginia; to provide special programs and activities to include Natural Resource Education as a resource for school groups, 4-H clubs, the summer 4-H camping program as well as for adults; to provide facilities, programs, and services necessary to serve as the Virginia 4-H Shooting Education Center; to provide quality facilities and support services year-round for diverse groups from multiple geographical regions; to evaluate the effectiveness of educational programming on an ongoing basis and to revise programming to meet the changing needs of stakeholders;

WHEREAS, today at HL4HEC, over ten thousand (10,000) participants (many of which are underserved youth) benefit annually from a variety of programs. Holiday Lake 4-H Educational Center has served the youth and adults of Central/Southside Virginia and beyond since 1941. Thousands of urban youth get to experience the forest through 4-H and Natural Resource Education programs at the 4-H Center. For almost 80 years, the City of Lynchburg has played an active part of the more than one hundred thousand (100,000) lives that have been enriched at the 4-H Center through educational programs, friendships and a closeness to nature;

WHEREAS, in 2011 HL4HEC was registered as a Virginia Historic Landmark and listed on the National Register of Historic Places. The historic registration (which in part includes 15 cabins built in 1937 by the WPA which are still used today) assures that the original character of the historic buildings will be preserved;

WHEREAS, through a memorandum of understanding between the Appomattox County School Board and HL4HEC, the 4-H Center serves as a designated evacuation site to be utilized in the event of an emergency which would require students to be taken out of the Appomattox County Schools and be temporarily located at HL4HEC;

NOW THEREFORE BE IT RESOLVED, the 4-H Center's capital improvement projects include facility upgrades/installations to include medical clinic facility and equipment upgrade (including floor replacement and AED), PA system (active shooter), ADA accessibility improvements, emergency generator, exterior security lighting, infrastructure upgrades (drainage system, sidewalks, sewer lines and water storage and pressure tank repair/painting), HVAC units, large pavilion upgrade, roof, gutter and siding replacements, kitchen floor replacement, challenge course repairs and improvements and platform tents for outdoor skill education;

BE IT FURTHER RESOLVED, upon receiving the funds and completing the necessary capital improvements, Holiday Lake 4-H Educational Center will be able to increase the 4-H Center's useful life and continue to serve thousands of youth and adults for many years to come in Central and Southside Virginia.

Adopted:

Certified: _____
Clerk of Council

A G E N D A
City Council Meeting of December 10, 2019

4:00 P.M. – Work Session

- #1. Hear a presentation on the FY 2019 Comprehensive Annual Financial Report from the City's auditors.
- #2.. Review, Amend and Reaffirm the City Council's Financial Management Policies
- #3. R-1/Single-Household Development Discussion
- #4. City Council Compensation
- #5. Roll Call
- #6. Consideration of a closed meeting to discuss appointments to the Building Code Appeals Board, Community Development Advisory Committee, Horizon Behavioral Health Board, LYNCAAG Board, Lynchburg Regional Airport Commission, Planning Commission, Transit Company Board of Directors and Youth Services Citizens Board

7:30 P.M.
City Council Agenda Items

**VICE MAYOR DOLAN WILL GIVE THE INVOCATION FOLLOWED BY
THE PLEDGE OF ALLEGIANCE LED BY GIRL SCOUT TROOP #9200**

GENERAL POLICY REGARDING PUBLIC PARTICIPATION AT CITY COUNCIL MEETINGS

Each speaker shall clearly state his or her name and locality of residence.

The City Council agenda is divided into four sections.

CONSENT AGENDA: This section includes routine items. All items may be approved by one vote.

PUBLIC HEARINGS: This section includes all public hearings as required by law or as Council may direct.

Procedure:

- Staff will make a presentation.
- For zoning petitions, the applicant or his or her representative shall have ten (10) minutes to make a presentation.
- Comments will then be solicited from those in favor.
- Comments will then be solicited from those in opposition.

During the public hearing, there shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify that group at the beginning of his or her remarks. A group may have only one spokesperson. After public comments have been received, for zoning petitions, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5)-minute time limit for rebuttal. Upon the conclusion of public comments or the applicant's rebuttal, the public hearing will be closed and the matter referred to Council for deliberation.

PUBLIC COMMENT: Public comment shall be for the purpose of allowing members of the public to present any matter, which, in their opinion, deserves the attention of the Council. They shall not serve as a forum for debate with the Council. Individuals may speak up to three (3) minutes; or group spokesperson up to five (5) minutes. Once Council has heard a presentation from a citizen or organization on a particular subject, the citizen or organization may not make another presentation on the same subject within three (3) months of the first presentation, except by a majority vote of the members of Council present and voting.

GENERAL BUSINESS: This section includes items of a general nature to be considered by Council.

City Council may make exceptions to these rules at its discretion. Prior to a meeting, any questions which citizens may have regarding any item on the agenda may be addressed to City Council or the City Administration. The following numbers are provided for the convenience of the citizens:

CITY COUNCIL 455-3995

MAYOR 455-3995

CITY MANAGER 455-3990

A reasonable charge may be made for copying and other activities related to responding to long and involved inquiries.

CITIZENS OFTEN EXPRESS CONFLICTING AND DIVERSE POSITIONS REGARDING SPECIFIC ISSUES UNDER CONSIDERATION. TO ENCOURAGE CITIZEN PARTICIPATION AND TO AVOID INTIMIDATION TO PERSONS WHO MAY EXPRESS SOMETIMES UNPOPULAR OPINIONS, APPLAUSE, CHEERS, OR JEERS FROM THE AUDIENCE ARE NOT PERMITTED. WHEN APPEARING BEFORE CITY COUNCIL, CITIZENS MAY NOT ENGAGE IN BEHAVIOR THAT INTIMIDATES OR INSULTS OTHERS, ENGAGE IN DISRUPTIVE BEHAVIOR, USE PROFANITY OR VULGAR LANGUAGE, PROMOTE PRIVATE BUSINESS VENTURES OR CAMPAIGN FOR PUBLIC OFFICE.

*** PREVIOUSLY DISCUSSED AND/OR CONSIDERED BY CITY COUNCIL**

RECOGNITIONS

- Chris Adams, Lynchburg Fire Department – Governor’s EMS Provider of the Year
 - Digital Cities Award
 - Mayor’s Youth Council Attendees – John and Teddy Tharp
-

CONSENT AGENDA

- #7. Consideration of approving the minutes of the November 7, 2019 Council retreat
 - #8. Consideration of approving the minutes of the November 12, 2019 Council meeting
-

PUBLIC HEARINGS

- #9. Public hearing regarding the petition of HumanKind for a Conditional Use Permit at 150 Linden Avenue to allow the construction of recreational facilities including athletic fields, swimming pool, and parking areas in an R-1, Low-Density Residential District.
(File: Community Development) #R-19-095
 - #10. Public hearing regarding the Petition of Millside Development Center (Scott Zechini) to amend the previously approved Conditional Use Permit for a Cluster Commercial Development at 1602, 1604, 1606, 1608, 1610, 1612, 1614 & 1620 Graves Mill Road to allow the construction of a twenty-two thousand three hundred (22,300) square foot assisted living facility in a B-1, Limited Business District.
(File: Community Development) #R-19-096
 - #11. Public hearing regarding amending the FY 2020 Budget to reflect the Return of Schools Fund Balance for ongoing activities not expended in FY 2019, and appropriating supplemental funds for both the Capital and Operating Budgets for the twelve month period beginning July 1 2019 and ending June 20, 2020
(File: Budget) #R-19-097
 - #12. Public hearing regarding the proposed adoption of a resolution to authorize the City to contract a debt and issue General Obligation Public Improvement Bonds of the City (the “Bonds”) in the principal amount not to exceed \$32,000,000 to finance the costs of the acquisition, construction, reconstruction, improvement, extension, enlargement, equipping, rehabilitation and repair of various public improvement projects of and for the City) including related design and architectural and engineering services and underwriting compensation and other costs of issuance of such Bonds), including, but not limited to, the Lakeside Drive bridge project, acquisition of fleet vehicles, transportation projects, school improvement projects, sewer improvement projects, water improvement projects, construction, renovation and improvements to various City buildings, parks and recreation projects, economic development projects, and stormwater improvement projects (collectively, the “Projects”). The Resolution will also authorize the City to issue its general obligation public improvement bond anticipation notes of the City, if any, in an amount not to exceed \$32,000,000 in order to provide short-term financing for the Projects in anticipation of the issuance of the Bonds and to reduce the annual debt service requirements of the City.
(File: Budget) #R-19-098
#R-19-099
 - #13. Public hearing regarding the Consideration of adding a new section 36-178 to the Code of the City of Lynchburg, 1981, relating to the establishment of a Commercial Property Assessed Clean Energy (C-PACE) Financing Program. Pursuant to the C-PACE Act, any Virginia locality may enact an ordinance authorizing a C-PACE program to provide C-PACE loans for the initial acquisition and installation of eligible clean energy, resiliency, and/or stormwater management improvements with willing owners of qualifying properties, which may include renovations to existing improvements or new construction.
(File: Economic Development) #O-19-047
-

PUBLIC COMMENT

- #14. Hear from a citizen – Curt Diemer
 - #15. Hear from a citizen – Roger Fons
 - #16. Hear from a citizen – Isaiah Knight on behalf of Virginia Families Political Action Committee
 - #17. Hear from a citizen – Nathan Cantu
 - #18. Hear from a citizen – Ryan Thomas
 - ~~#19. Hear from a citizen – The citizen asked to be removed~~
 - #20. Hear from a citizen – Craig Storrs, Jr.
 - #21. Hear from a citizen – Jamie Cash
 - #22. Hear from a citizen – Damian Miller
 - #23. Hear from a citizen – Mike Sharrett
 - ~~#24. Hear from a citizen – The citizen asked to be removed~~
 - ~~#25. Hear from a citizen – The citizen asked to be removed~~
 - #26. Hear from a citizen – Karch Frankenfield
 - #27. Hear from a citizen – Katie Webb Cyphert
-

GENERAL BUSINESS

- #28. Consideration of a Resolution Amending City Council's 2020 General Assembly Legislative Agenda to include language regarding the right of citizens to keep and bear arms.
(File: City Council) #R-19-100
- #29. Consideration of introducing a resolution to amend the FY 2020 General Fund budget and appropriate \$32,585 with resources from the General Fund Reserve for Contingencies to provide funding to the Electoral Board/Registrar's Office for estimated costs associated with the March 3, 2020 Democratic Presidential and City Council Primary. A third quarter budget request may occur due to a possible U.S. Senate or U.S. House of Representative Primary in June.
(File: Budget) #R-19-101
- #30. Consideration of introducing a resolution approving the issuance of up to \$28,000,000 in taxexempt revenue bonds for the rehabilitation of the James Crossing Apartments located at 808 Greenfield Drive through the Lynchburg Redevelopment and Housing Authority (LRHA).
(File: Budget) #R-19-102
- #31. Consideration of adopting an ordinance to regulate the use of shared mobility devices such as electric power-assisted scooters, skateboards, bicycles, etc. within the City.
(File: City Code) #O-19-046
- #32. Consideration of introducing a resolution to amend the FY 2020 City/Federal/State Aid Fund budget and appropriate \$215,474 with resources from the Commonwealth of Virginia Department of Social Services (VDSS) through the Employment Advancement for Temporary Assistance for Needy Families (TANF) Participants Community Wealth Building (CWB) Grant.
(File: Budget) #R-19-103
- #33. Consideration of approving a support resolution for Holiday Lake 4-H Educational Center to the Commonwealth of Virginia for funding capital improvement projects.
(File: City Council) #R-19-104