

The Special Meeting of the Petersburg City Council was held on Wednesday, August 17, 2016, in City Hall in Council Chambers. Mayor Myers called the special meeting to order at 6:30p.m.

1. ROLL CALL:

Present:

Council Member David R. Coleman
Council Member John A. Hart, Sr.
Council Member Darrin Hill
Council Member Brian A. Moore
Council Member Treska Wilson-Smith
Vice Mayor Samuel Parham
Mayor W. Howard Myers

Absent: None

Present from City Administration:

Assistant City Attorney Danielle Powell
Acting City Manager Dironna Belton
Clerk of Council Nykesha Jackson, CMC

2. PUBLIC HEARING: (In accordance with the Rules of Council, public comment will be heard before discussion by Council. Once discussion has started, no further input from the public will be limited to three (3) minutes.)

- a. A public hearing for consideration of the adoption of the Public Downtown Petersburg Tourism Zone Project Ordinance.

BACKGROUND: On February 2, 2016, the Petersburg City Council established the Downtown Petersburg Tourism Zone pursuant to Section 59.1-3851 of the Code of Virginia of 1950, as amended, and Ordinance 16-ORD-6. This ordinance is in furtherance of the goals set forth in the City's Comprehensive Plan, Vision 20/20, and a previously approved ordinance by City Council, authorizing the City Manager to take such steps necessary to create a tourism zone pursuant to 58.1-3851 of the Code of Virginia, 1950, as amended. Compliance with 58.1-3851.1 requires approval and certification by the State Comptroller of the Commonwealth of Virginia, and the execution of a performance agreement between the Developer and the City of Petersburg.

Administered by the Virginia Tourism Corporation, the Tourism Development Financing Program is a two-tiered gap financing program for qualified tourism development projects in Virginia. It is a partnership between a developer, a locality, and the Commonwealth of Virginia. The program provides gap financing to support tourism-related development in designated areas. The program requires a performance agreement between the state, the locality and the developer, as well as a tourism development plan that is project specific.

Once the project is completed and generating income, the locality works with the Virginia Department of Taxation to perform a quarterly review of state sales and use taxes collected on the development project. One percent of the identified, quarterly sales and use tax on the revenue of the project is the amount each partner contributes toward the debt service of the project, until debt service is fully paid.

The Cambria Hotel and Suites is a qualified tourism development project seeking to participate in the Virginia Tourism Development Financing Program. The total cost of the project is approximately \$18.8 million,

and it will generate approximately 110 part-time jobs and 58 full-time jobs. As a qualified tourism development project, the developer is eligible to apply for up to 30% of total project costs for gap financing.

RECOMMENDATION: Staff recommends that City Council adopt the ordinance.

Dr. Landis Faulcon, Director of Economic Development, gave a brief summary and PowerPoint presentation.

Wirt Confroy, Business Development Director of the Virginia Tourism Corporation, gave briefing on the presentation as well.

Ms. Jackson opened the floor for public comment.

Gloria Brown, 1557 South Sycamore Street, stated that as a resident of Petersburg for the last 12 years and coming in the height of pursuing the historic development of downtown and being the president of Landmark Resource and a new member of the Petersburg Economic Development Authority she encourages and support to approve this. She stated that with all the things that Petersburg has now and the diamond that Petersburg really is. She stated that they really need to take advantage of it. She stated that they need to move forward and not stop on this project. She stated that she was in Roanoke and that she stayed at Cambria and that she loved it. She stated that it would be an absolute shining star right at Exit 52. She stated that she and her husband have continued to talk about Exit 52 from the time that they have moved to Petersburg. She stated that she thinks that this would be a definite start to the transition. She stated that she encourages the tourism because she thinks Petersburg has a lot of debt to grow in tourism with the historic elements of the Sports Complex. She stated that they can move the Sports Complex and Golf Course. She stated that when people come to town they have very limited lodging in the City. She stated that Petersburg is large enough and have the resources. She stated that they need to definitely welcome and encourage this until the end and not stop. She asked City Council to approve this ordinance and with the communities help to move forward. She stated that there are so many projects that they do not know what can happen for Petersburg.

Linwood Christian, 410 Mistletoe Street, stated that just like Mrs. Brown he too encourages the passage of this and ask the City to support it. He stated that he does this with reservation. He stated that one of the reservation come because they have heard this before. He stated he can go back as far as when Mr. Cuthbert's father was on City Council. He stated that he heard it before when the State Senator Rosalyn Dance was then Mayor. He stated that they have seen the good and bad and the ugly. He stated that one of the things that concern him is how soon the City is going to take care of its other outstanding responsibilities to invest in this. He stated that when he went to Texas in March he had the opportunity to New Orleans. He stated that he saw how the French quarter and their tourist areas were built up. He stated that people in the 9th Ward area that were devastated by Katrina are still living like hell. He stated that he says this because a lot of time that development takes place in downtown Petersburg and they forget that they in 5th, 6th and 7th Ward want their area to look nice as well. He stated that 5th Ward has a hub of a lot of the tourism. He stated that there are houses in the 5th Ward that were part of the Underground Railroad. He stated that the roads that lead up to some of the oldest churches in the City look very bad. He stated that with the jobs in the area are they looking for skilled labor or unskilled labor. He stated that they talk about their school systems but how can they expect the school systems to get to where they are supposed to be when they are underfunded. He stated that they would like to thank the Interim City Manager for the little amount above what they expected that they did receive. He stated that this goes back to where they stated that it takes all of them. He stated to no come and talk to some of them but to talk to all of them. He stated that they are grateful for the Family Dollar being built but that it is going to take more than that. He stated that Halifax Street is a historical street and that it is the only street in America that has no street that crosses it and is the same. He stated that that when Virginia Avenue stops at Halifax Street it becomes another street. He stated that all of these type of things they are overlooking and not thinking about. He stated that as a citizen he has these concerns. He stated that the poor and seniors are the ones that get put out. He stated that the young people as well get overlooked. He stated that they do not want this to happen. He stated that there are a number of people in the

City who has felonies. He asked what they are going to do about this so that they can contribute to the growth of the City. He stated that he just hopes that they make it work this time.

Ronald Flock, 1708 Pender Avenue, stated that he is hesitant about this entire thing. He stated that there is a group of hotels. He stated that none of the hotels can fall in the same category as the one that they are mentioning like the Cavalier and Hyatt. He stated that none of those hotels are coming here. He stated that the City is going to get a two or three star hotel. He stated that even when the moving people come in they are going to go to a nicer hotel. They are not going to go to a two or three star hotel. He stated that this City needs to save their money and invest not in tourism but in education because this is the long term. He stated that education and getting the children educated and put through college and put in a vocational training so that they can come out of school and go to work. He stated that they have to look at the long term goals. He stated that family will not move here because they will not bring the children to their schools. He stated that he tried to get custody of his son but when he ended up moving to Petersburg he stopped this because of the schools. He stated that they do not need to worry about tourism. He stated that tourism pays for itself but that there is no gain but constant maintenance and upgrading. He stated that they do not see the end to the game. He stated that with education there is an end to the game. He stated that it is the youth of their families growing up and making the City strong.

Barb Rudolph, 1675 Mt. Vernon Street, stated that she thinks that it is great that everyone that comes up has a different prospective on this. She stated that her comment is different from all the others too. She stated that she thinks that it is great to hear about it and to learn about the support from the state. She stated that this makes her feel more comforting about the process of this. She stated that she had a couple of things that she wanted to point out that as Council Members they may want to inquire further about. She stated that in May there was discussion about this hotel and applying for a HUD grants for \$2 million dollars. She stated that she does not think that it has come in the public the disposition and how this may have a less than significant impact on this. She stated that it would still be valuable when having a public hearing on this development to learn about where this is in the process. She stated that now when you look at this timeline and that they are looking at September. She stated that she can understand that it is coming upon them quickly. She stated that she thinks that it is valuable to share this. She stated that the other thing is that some of this is going back with the initial information that came out with the agenda. She stated that in the ordinance it mentions the estimate of the tax value would be about \$200,000 a year and 1% of that plus 1% of the sales. She stated that they currently do not know what the sales are or the loan. She stated that it did specify that the developer can borrow up to 30% which is about \$5.6 million. She stated that she does not know what the interest rate is. She stated that it seems to her that debt service on \$5.6 million would still be a lot for this City. She stated that the revenue would be used for other things and then it may have to be reverted to pay for some of the debt service. She stated that overall she thinks it sounds like a great opportunity.

Victoria Riveria, 216 North Sycamore Street, asked where they would find the plan that Dr. Faulcon was referring to. She stated that she would like to take a look at the plan as well as the perimeter. She stated that Dr. Faulcon did said that the Enterprise Zone and that the City also has an Arts and Cultural Zone that was established in 2008. She stated that if these are all relative then how do the integrate all that has been done in the past with what's developing with new project. She stated that she would like to see a seamless process.

Seeing no further hands, Ms. Jackson closed the public hearing.

There was discussion among City Council, staff and Mr. Harrison (developer).

Vice Mayor Parham made a motion to approve the adoption of the Public Downtown Petersburg Tourism Zone Project Ordinance. The motion was seconded by Council Member Coleman. The motion was approved on roll call. On roll call vote, voting yes: Coleman, Hart, Hill, Moore, Wilson-Smith, Parham and Myers

CONJUNCTION WITH THE COMMONWEALTH OF VIRGINIA’S TOURISM DEVELOPMENT FINANCING PROGRAM, TO ENDORSE A PROPOSED TOURISM PROJECT, AND TO AUTHORIZE OTHER ACTIONS CONSISTENT WITH STATE TOURISM GAP FINANCING.

Assistant City Attorney Danielle Powell, stated that it was City Council’s desire to enter into a closed session under Section 2.2-3711.A (1) of the Code of Virginia under Subsection 1 for discussion or consideration of appointment of public officers specifically the City Manager.

Council Member Coleman moved that the City Council go into closed session for the purposes noted by the Assistant City Attorney. The motion was seconded by Council Member Moore. There was no discussion on the motion, which was approved on roll call vote.

On roll call vote, voting yes: Coleman, Hart, Hill, Moore, Wilson-Smith, Parham and Myers

City Council entered closed session at 7:19 p.m.

CERTIFICATION:

Vice Mayor Parham made a motion to return City Council into open session and certify, by roll call vote, that only public matters lawfully exempted from open meeting requirements were discussed and that only those matters contained in the motion for closed session were indeed discussed during that session. The motion was seconded by Council Member Moore. There was no discussion on the motion, which was approved on roll call vote.

On roll call vote, voting yes: Coleman, Hart, Hill, Moore, Wilson-Smith, Parham and Myers

16-R-43 A RESOLUTION CERTIFYING, AS REQUIRED BY THE CODE OF VIRGINIA, SECTION 2.2-3712, THAT TO THE BEST OF EACH MEMBER’S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS OF VIRGINIA LAW WERE DISCUSSED IN THE CLOSED SESSION, AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION CONVENING THE CLOSED SESSION WERE HEARD, DISCUSSED, OR CONSIDERED.

3. ADJOURNMENT:

City Council adjourned at 7:38p.m.

Clerk of City Council

APPROVED:

Mayor