



# City of Petersburg

## Government Relations

135 N. Union Street Petersburg, Virginia 23803  
(804) 347-3321

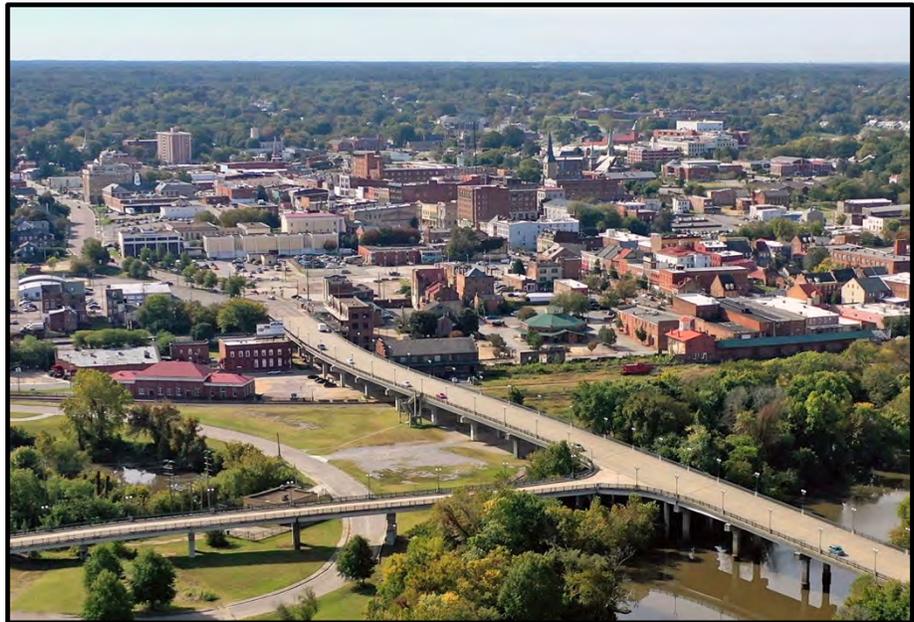
### LEGISLATIVE AGENDA 2022 - December 14, 2021

#### CITY OF PETERSBURG OVERVIEW

Petersburg is located approximately 23 miles south of Richmond and is part of the Richmond-Petersburg Metropolitan Statistical Area. It is situated at the fall line of the Appomattox River and at the juncture of two major north-south interstate highways. 1-95 passes through the City. 1-85 branches off 1-95 within the City and provides additional access to the southeastern portions of the country. Petersburg is the main gateway for travelers entering Virginia from the south.

Formally incorporated in 1748, Petersburg is rich in history and character. The City was once in the forefront of industry and commercial opportunity and the second largest city in Virginia. The Civil War essentially ended in Petersburg following a 9 ½ month siege, the longest on American soil, leading to the fall of Richmond. Petersburg was home to the largest free African-American population during the 1800's. Much of the fine architecture of past centuries remain.

Petersburg faces both challenges and significant opportunities. From a financial perspective the City has recovered from a near financial collapse in 2015 and today holds an A+ bond rating. While recovery continues, revenues are not adequate to meet the needs of the city's population (high poverty, poor health, K-12 challenges, and high unemployment), and an aging infrastructure.



Petersburg has the opportunity now to enhance its tax base through economic development. A large pharmaceutical complex has located in Petersburg that will bring high-paying jobs and long-term growth. There is interest from the casino industry that would provide needed funds for new schools, health care programs, lower real property taxes, capital improvements, increased tourism, and the reduction of poverty.

Petersburg's legislative agenda and project list reflect the needs for opportunity to advance.



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### **Petersburg Pharmaceutical Park/ Poor Creek Sewer Service Area Infrastructure Upgrades** (Phlow/Ampac/Civica Cluster/Emergency Backup)

#### Background

Major economic development projects in the Poor Creek service area, Phlow Corp., AMPAC Fine Chemicals, and Civica Inc. are dependent on the upgrades, and future success of the Petersburg Pharmaceutical cluster. The growth of this world-class cluster of domestic, U.S. pharmaceutical advanced manufacturing of generic



drugs, many of which are critical to addressing public health crises like COVID-19, will be stopped without the Poor Creek upgrades. Failure to address these infrastructure needs not only threatens the public health of the community, but also impacts the ability of an economically distressed City to bring in other developments. Failure to make these upgrades will impact an additional \$458 million in U.S. HHS funding for Phlow, Ampac and Civica to expand.

The Poor Creek pump station and force main were constructed in the mid-1970's. A 2006 drainage study identified that nearly 100% of the infrastructure was at hydraulic capacity. Lack of capacity results in decreased water pressure, which impacts customer water service, and immediately threatens Bon Secours Southside Medical Center, which is a public health crisis. Low pressure also creates problems with firefighting. The force main currently runs through Petersburg National Battlefield, which makes access for maintenance, repair, or replacement nearly impossible. Removing the force main from the Battlefield would allow access for increased size, capacity, and maintenance of the system.

Wastewater .....	\$	16,760,000
Water .....	\$	11,820,000
Water Supply supporting Poor Creek .....	\$	1,600,000
(Mt. Vernon & Halifax Water Towers)		
Emergency Water Line to Regional Hospital .....	\$	250,000



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5% Increase in cost of materials/construction .....	\$	1,521,500
(above upgrade costs were priced in 2019)		
<hr/>		
Direct Cost to City	\$	<b>31,951,500</b>
Federal Grant Slated for Petersburg .....	-\$	3,000,000
20% Match required from City for Federal Grant .....	\$	600,000
GA Bill Order – Item 112#1c HB1800 .....	-\$	10,00000
<hr/>		
<b>Balance Remaining:</b>	<b>\$</b>	<b>19,551,500</b>

**1. REQUEST:** Addition of funds to Budget Amendment approved in 2021 to cover the Water Tower Upgrades, Emergency Water Line and Increase for Cost of Materials (HB1800, Item 122#1c) ..... \$ **3,371,500**

2021 Special Session I  
Budget Amendments - HB1800 (Conference Report)  
Bill Order » Item 112 #1c  
Infrastructure Upgrades for Pharmaceutical Manufacturing Economic Development  
The City has applied for a \$17 million dollar loan from DEQ as required by the legislation.  
The DEQ loan is in process.

**2. REQUEST:** Additional Budget Amendment Requested for Poor Creek Upgrades if DEQ grant money is not received or if \$3M plus is not added to HB1800, Item 122 #1c ..... \$ **19,551,500**

There is a grant opportunity with DEQ (grant application slated for release in January, 2022) for the remaining funding needed to complete upgrades to Poor Creek and the South Central Wastewater Treatment Plant. If the grant monies are not received from DEQ, Petersburg will need the additional \$19.5M requested.

DEQ Recovery Funding  
The funding is from General Assembly monies allocated in August. This funding can only be used for wastewater upgrades.  
\$100,000,000 to the Department of Environmental Quality (440) to reimburse eligible entities as provided for in the Enhanced Nutrient Removal Certainty (ENRC) Program established in §62.1-44.19:14, Code of Virginia, for capital costs incurred for the design and installation of nutrient removal technology, and to reimburse the Town of Pound and the City of Petersburg for capital costs incurred for infrastructure improvements that are eligible for reimbursement under the Virginia Water Facilities Revolving Fund established in §§62.1-225, Code of Virginia. Such reimbursements shall be in accordance with eligibility determinations made by the Department of Environmental Quality.



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**3. REQUEST: South Central Wastewater Treatment Plant . \$ 14,000,000**  
(Infrastructure Mandatory Upgrades)

The current estimated project cost for the Nutrient Project upgrades that are mandatory is \$122,584,540. Petersburg owns 52.5% of the plant capacity, so the upgrade cost responsibility for the City is approximately \$59,106,833. SCWT was successful in receiving grant from WQIF for the upgrades. Petersburg is responsible for 5% of the \$59M. The wastewater from the Poor Creek Station feeds into the South Central Wastewater Treatment plant.

**4. REQUEST:** Approval from the General Assembly to include Petersburg as an eligible host city for the location of a casino gaming establishment and to hold a referendum in 2022 on the question of whether to allow casino gaming in the City. If the referendum for a casino to locate in the City is approved, Petersburg requests that a license be issued to the casino selected by Petersburg as soon as licensure requirements are met.

**5. REQUEST:** Petersburg will lose approximately \$850,000 per year from the elimination of the grocery tax. The City requests that all lost revenue from the elimination of this tax be returned to Petersburg each year via state funding.

**6. REQUEST:** Petersburg supports the elimination of the ban imposed in 2021 on the operation of Skilled Game machines. The City supports a direct stream of tax revenue to each locality from Skilled Game operations.

**7. REQUEST:** Airbnb and all other accommodation intermediaries shall remit occupancy/lodging taxes on the room charge directly to the locality with supporting documentation as requested by the locality. The documentation shall include the address of the accommodation, the identity of the accommodation provider, and the gross receipts on which the remitted tax was derived. § 58.1-3826. Scope of transient occupancy tax.



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### **PETERSBURG PROJECT LIST FOR RECOVERY FUNDING AND/OR BUDGET AMENDMENTS**

1. **Demolition/Recovery of Old Ramada Inn** ..... \$ **2,600,000**

(3 parcels/demo of hotel)

(**Tourism Recovery**) Petersburg is the gateway to Virginia from the South via I-95 and I-85. The recovery, demolition, and revitalization of this site is vital to Tourism Recovery in Virginia, the City of Petersburg & Petersburg Region. Recovery from COVID is critical to tourism, a major economic driver for Petersburg, region, and Virginia.



2. **Emergency Public Safety Radio System** ..... \$ **3,260,300**

(**Public Safety**) The last update to the City's Public Safety Mission Critical Communication system was in 2013. Support for these systems has ended, and many critical system replacement parts are only available on E-Bay. As a result, the ability to keep the system operational is at a heightened level of risk. The City is one storm away from a catastrophic system failure that could render the system inoperable for days or weeks preventing dispatch and communication with Public Safety first-responders



A detailed report is available upon request.



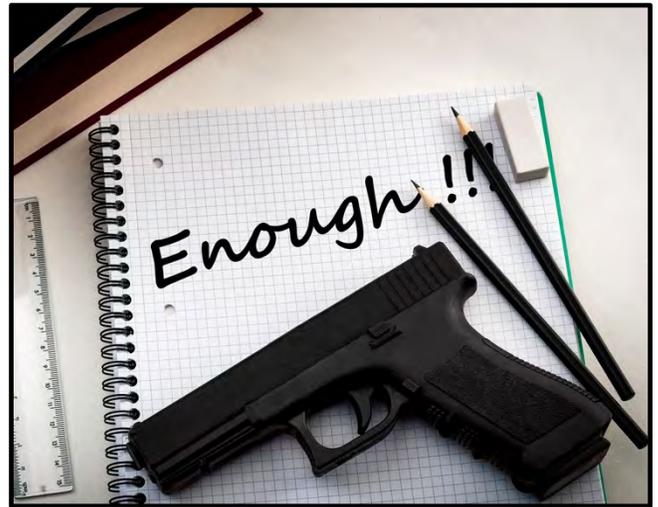
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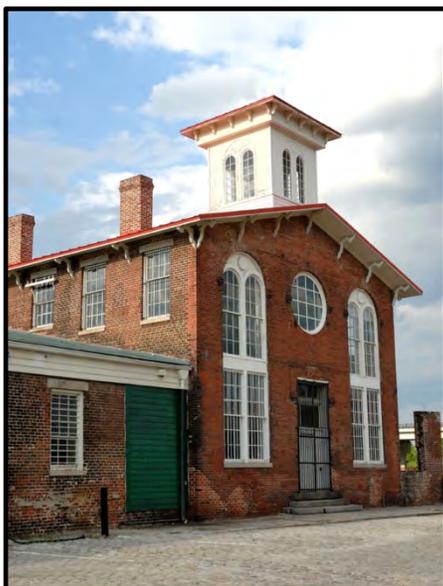
- 3. **Gun Violence Prevention** ..... \$ **1,000,000**
  - a. Staff (3 FTE – Police Department social workers)
  - b. Program Development & Implementation

(Public Safety) Petersburg had the highest number of murders per 100,000 residents in 2019 and 2020 in Virginia. Twenty-four (24) murders was a record number, with a population of approximately 33,000. In 2019 Petersburg Police confiscated 325 illegally owned firearms, but illegal weapons are still in the hands of minors and people with felonies. The Police Department has developed a plan (pending funding) to hire social workers who will engage with city youth and adults on conflict resolution, as well as providing programs and guidance on life choices, including education & recreation. The program will be in collaboration with schools and Parks & Rec.



- 4. **South Side Depot** ..... \$ **3,500,000**

(Tourism Recovery) South Side Depot, the South Side Railroad line, and three other rail lines in the vicinity were considered vitally important to the survival of the Confederate



capital in Richmond, VA and to the entire Confederacy. In the final year of the war, these key rail links became the target of Union Army forces under General Grant who sought to cut-off supplies and communication to Lee’s army. The resulting 9.5 month-long campaign and siege of Petersburg involved the most important political and military leaders of the Civil War. The last rail line controlled by the Confederate troops was the South Side Railroad, which was served in Petersburg by the South Side Depot. When Union troops gained control of the South Side Railroad in April 1865, it effectively ended the Civil War.



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The National Park Service boundary adjustment study has been completed. It was determined that the South Side Depot should be preserved as a public/private partnership (NPS/Petersburg). To move forward with the partnership, the City of Petersburg must restore South Side Depot. This would establish a Visitor Contact station with the NPS. It is estimated that over 40,000 additional visitors would come into the Old Towne area of Petersburg each year.

5. **Petersburg Library Education Center** ..... \$ **500,000**  
(COVID Recovery) The Petersburg Public Library Educational Center is a 3,800 square foot space that will seat 375 people auditorium style and 200 people banquet style (less pending social distancing). Based on a recent survey, more than 10,000 people will use the facility annually.

This Center is a cornerstone for learning, information, and resources the community needs now. During the COVID-19 pandemic, many people were experiencing systemic barriers, having little to no savings, being underinsured or uninsured, and having fewer benefits/skills to weather the economic and health effects of COVID. Recovery for many people will include a place with programs to rebuild their lives that includes job training/choices, healthcare clinics & education, early and adult literacy, STEM activities, computer training, access to computers with internet service (many Petersburg residents have no access to the internet) and reading/math tutors. This large space helps ensure health and safety during activities.





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- 6. **Technology Park** ..... \$ **5,000,000**
  - A. Site Preparation
  - B. Broadband
  - C. Ingress-Egress

**(Economic Recovery)** This is the former 15-acre hospital site located on Sycamore Street. It is currently rated at tier 2 but needs to be upgraded to tier 4 with improvements. This area is critical to filling an economic void in the center of Petersburg. The site is now surrounded by many vacant office spaces that were once used as physician offices. This prime location for Petersburg’s technology park will bring high-tech/high paying jobs and workforce training to an economically distressed community.



- 7. **EDA Revolving Loan Fund** ..... \$ **5,000,000**

**(Tourism Recovery)** Petersburg’s Economic Development Authority has established a revolving loan fund that will be used to assist the tourism/hospitality business recover in the City. The fund will provide gap financing.



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**8. Black History Interpretation & Museum ..... \$ 1,000,000**

A. Site Stabilization

B. Program Development/Content Creation

**(Tourism Recovery)** On February 27, 1960, the Civil Rights movement in Petersburg moved forward with an attempt to end segregation in the Petersburg Public Library. Under the leadership of Reverend Wyatt Tee Walker, pastor of Gillfield Baptist Church, approximately 140 African American students from Peabody and Virginia State College walked in the main entrance and took all the available seats inside. Library access for African Americans at that time was through a side entrance that led only to the colored branch in the basement. The library was closed for the next four days, and the city council passed a tougher ordinance to deter trespassing and refused to integrate the library.

On March 7, 1960, 15 African Americans walked through the front door of the library and took seats inside reserved for whites. Eleven were arrested and under the new city ordinance, each faced up to a year in jail and a fine of up to \$1,000.



Petersburg is rich in African American history that remains untold. Pocahontas Island in Petersburg was home to the largest number of free blacks during the Civil War. First Baptist Church is the oldest African American Baptist church in the U.S., and the first school for black children was established at First Baptist. The opening of a black history museum and interpretive center in the former Library building is much needed to broaden tourism in Petersburg, the region and Virginia.



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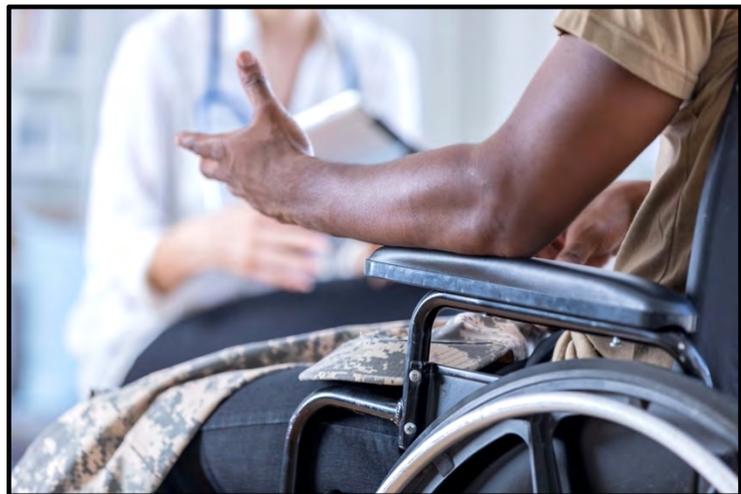
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9. **Freedom Support Center** ..... \$ **400,000**

**(COVID Recovery)** The Petersburg Freedom Support Center (PFSC) is a community-based initiative focused on bridging gaps and improving service delivery for veterans, service members and their families. It opened in November 2013 and has provided a full range of services for veterans and their families including housing, workforce training & jobs, along with benefit support. COVID forced the closure of the Freedom Support Center. While closed the Center lost major funding from a local foundation. The Center has reopened but is struggling. The request for \$400,000 is for the City to support this Center over the next four (4) years.

Services offered include:

- AMVETS -Benefits & Claim Filing
- Association for Wounded Veterans Changing Lifestyles - Benefits & Claim Filing
- Disabled American Veterans Chapter 47- Transportation
- Virginia Employment Commission - Jobs & Resume Building
- Virginia Supportive Housing - Housing & Homeless Prevention
- Wounded Warrior Program - Counseling, Mental Health Services, Benefits & Claim Filing
- Credit Rebuilding, Financial Counseling, New Bank Accounts & VA Home Loans
- Wheelchair - Transportation & Assistive Devices





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**10. Historic Blighted Property Recovery ..... \$ 3,000,000**

(COVID Recovery) Many people in Petersburg are unable to pay and/or maintain properties (mostly historic). These properties are in a state of disrepair. The City of Petersburg wants to encourage people to remain or move back to their homes. Some residents will not return, so there must be incentives to recover and improve these



properties. This is a fund for residents who are not able to afford or navigate other tax opportunities, i.e. historic tax credits. This would be a revolving loan fund that would help those who are economically disadvantaged live and maintain properties that are part of the Petersburg’s historic fabric.