

# City of Petersburg Virginia

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## City Council

Samuel Parham, Mayor – Ward 3  
John A. Hart, Sr., Vice-Mayor – Ward 7  
Treska Wilson-Smith, Councilor – Ward 1  
Darrin Hill, Councilor – Ward 2  
Charlie Cuthbert, Councilor – Ward 4  
W. Howard Myers, Councilor – Ward 5  
Annette Smith-Lee, Councilor – Ward 6

## Agenda

February 18, 2020  
Union Train Station  
103 River Street  
6:30 p.m.

## City Manager

Aretha R. Ferrell-Benavides

- 
1. Roll Call
  2. Prayer
  3. Closed Session
  4. Moment of Silence
  5. Pledge of Allegiance
  6. Determination of the Presence of a Quorum
  7. Proclamations/Recognitions
  8. Reports/Responses to Previous Public Information Period
  9. Communications/special reports
    - a. City Manager Report – Aretha R. Ferrell-Benavides, City Manager (Written Only)
    - b. CAFR Presentation
    - c. Utility Metering/Billing and Collections Presentation
  10. Consent Agenda (to include minutes of previous meeting/s):
    - a. Minutes of the Regular City Council Meeting of February 4, 2020.
    - b. A request to schedule a public hearing to consider an ordinance authorizing the sale of 1203 W. Washington Street.
    - c. A request to schedule a public hearing to consider an ordinance authorizing the sale of 857 E. Bank Street.
    - d. A request to schedule a public hearing for the Fiscal Year 2019-20 Operating Budget Amendment.

## **11. Official Public Hearings:**

- a. A public hearing to amend the Commercial Property Assessed Clean Energy (C-Pace) ordinance.
- b. A public hearing to consider an ordinance authorizing the sale of 1000 Diamond Street. *tabled*
- c. A public hearing to consider an ordinance authorizing the sale of 101 North Blvd; 105 North Carolina Ave; 300 St. John St; 52 North Carolina Ave; 246 St. Luke St; 115 Jolley Alley; 522 Hinton St; 500 St. John St; 612 Pegram St; 151 St. Mark St; 709 Ann St; 735 Halifax St; 334 Harrison St; 803 Jones St S; 604 Shore St; 425 West St S; 715 West St S; 449 Harding St; 517 St. Matthew St; 980 Sycamore St S; 716 Harding St; 708-10 Kirkham St; 724 Harding St; 249 North Carolina Ave; 808 Halifax St; 811 Halifax St; 839-41 Jones St S; 716 Kirkham St; 746 Mount Airy St; 829 Jones St S; 742 Blick St; 627 Harding St; 516 Hinton St; 804 Jones St S; 135 Kentucky Ave; 230 Kentucky Ave Rear; 712-14 Kirkham St; 469 Byrne St; 809 Jones St S; 408 Shore St; 415 St. Matthew St; 1004 Farmer St; 852 Rome St; 328 Shore St; 322 Shore St; 204 Kentucky Ave; 521 St Mark St; 725 Sterling St; 731 West St S; 919 Wythe St W; 1022 High Pearl St; 202 Kentucky Ave; 151 Virginia Ave and 539 Washington St W.

## **12. Public Information Period**

**A public information period, limited in time to 30 minutes, shall be part of an Order of Business at each regular council meeting. Each speaker shall be a resident or business owner of the City and shall be limited to three minutes. No speaker will be permitted to speak on any item scheduled for consideration on the regular docket of the meeting at which the speaker is to speak. The order of speakers, limited by the 30-minute time period, shall be determined as follows:**

- a) **First, in chronological order of the notice, persons who have notified the Clerk no later than 12:00 noon of the day of the meeting,**
- b) **Second, in chronological order of their sign up, persons who have signed a sign-up sheet placed by the Clerk in the rear of the meeting room prior to the meeting removed from consent agenda**

## **13. Business or reports from the Mayor or other Members of City Council**

## **14. Items removed from consent agenda**

## **15. Unfinished Business**

## **16. New Business**

- a. Consideration of an appropriation for Virginia Department of Emergency Management – Radiological Preparedness Grant - \$1,830.00.
- b. Consideration of an appropriation for Jarratt House project funding - \$20,000.00.
- c. Consideration of Supplemental appropriations for Community Corrections - \$1,959.00.
- d. Consideration to authorize the City Manager to enter into an agreement with the Cameron Foundation for the construction and maintenance of the Appomattox River Trailhead.

- e. Consideration of a Resolution to approve the Transportation Development Plan for Petersburg Area Transit.

**17. City Manager's Agenda**

**18. Business or reports from the Clerk**

**19. Business or reports from the City Attorney**

**20. Adjournment**



# City of Petersburg

Office of the City Manager  
135 North Union Street  
Petersburg, Virginia 23803

(804) 733-2301

## MEMORANDUM

Date: February 18, 2020  
To: Honorable Mayor and Members of City Council  
From: Aretha R. Ferrell-Benavides, City Manager  
Subject: **City Manager's Report – February 18, 2020**

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### **Budget and Procurement**

- Currently in the beginning stages of meeting with departments concerning development of FY 2020-21 budget
- Continuing preparation for March as National Procurement Month

### **Economic Development**

- Interviews for Economic Development Director were completed on February 11, 2020. A final selection for this position should be complete by Monday, February 24, 2020.

### **Intergovernmental Partnerships**

- Riverside Regional Jail has experienced resignation within Senior Leadership

### **Public Safety**

- Citizens Police Academy began on February 5<sup>th</sup> with 10 participants. The academy will run through March 25, 2020.
- Weight enforcement on heavy capacity vehicles has begun with certified officers
- Operation No Guns, Safe Streets 2020: 57 illegal guns removed
- Inoperative vehicles: 11 towed, 25 tagged
- Petersburg Bureau of Police will receive a final assessment in March for possible accreditation

### **Public Works**

#### **Street Operations:**

- Street sweeping has been conducted in the downtown area including: Sycamore St., High St., and North Blvd.
- The 2019 Leaf season has been completed. Street Operations currently has one leaf machine out cleaning curbs and gutters.
- 2020 Pothole Blitz will begin in March

**Facility Maintenance Division: Fiscal Management Building -**

- Additional signage was installed on Sycamore Street at the front entrances.
- Public Works Streets Division has completed asphalt repair to the Union Street side parking lot.
- The outside night depository light has been rewired and changed to an LED fixture.

**Public Utilities: Utilities Meters Reading**

- Preparing to begin readings for February
- Meeting scheduled with Utilities Operations to start the planning of replacing the cubic ft. meters and notifying customers

*Meters converted from cubic ft. meters to gallon meters*

- FY 19 – 315
- FY 20 -142

*Cutoffs*

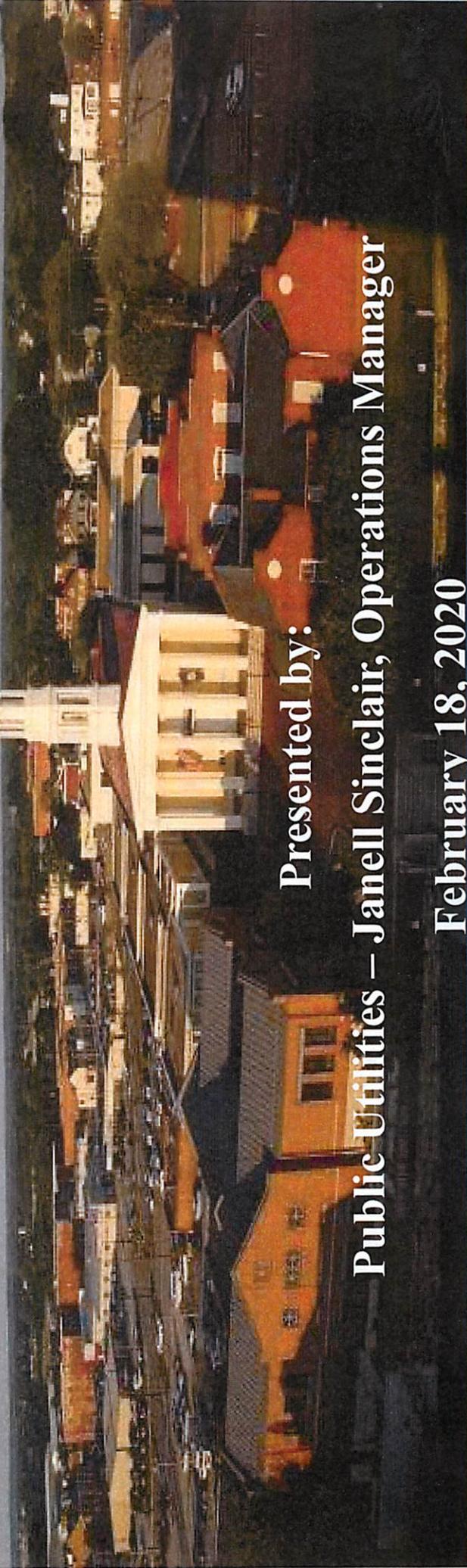
- FY 20: January Cutoffs – 161
- February (*as of 2/7/2020*) - 0

Department of Public Works and Utilities

*City of* Petersburg  
VIRGINIA

Presented by:  
Public Utilities – Janell Sinclair, Operations Manager

February 18, 2020



# Meter Reading Unit - Responsibilities



The Metering Reading Unit is a division of Public Utilities and we are responsible for reading, maintaining, and monitoring of all City-owned meters. Additional duties includes:

- Account connections/New Services
- Reconnections
- Executing account suspensions
- Meter downsizing
- Meter replacement
- Identifying/correcting/reporting meter leaks and homeowner leaks.

## Meter Reading Unit - Statistics



- There are 11,532 active water accounts:
  - Residential - 10,316
  - Commercial/Industrial - 1,216
- There are 12,850 active service addresses

# Meter Reading Unit - Statistics



- Meters by sizes (approximately):

Meter Size	Amount of Meters
5/8"	9,005
3/4"	218
1"	2,526
1 1/2"	253
2"	271
3"	11
4"	17
6"	8
8"	1
10"	1

- 539 Storm Water accounts

# Meter Reading Unit – Stormwater Accounts



- All residential dwelling units in the City will be charged the base residential rate of \$3.75 per month.
- If a parcel has any impervious area (not necessarily, a dwelling) it will be charged the base residential rate of \$3.75 per month.
  - *If there is only a grassy area on a parcel, the property is exempt from Stormwater charges*
- All non-residential properties will be billed at a rate based on their impervious area.

# Meter Reading Unit – Meter Replacement



The Meter Reading Unit is currently replacing the remaining cubic ft. meters with gallon meters and Encoder Receiver Transmitters (ERT's). Below reflects the number of meter change out's that have been executed:

- FY17 – 11
- FY18 – 9
- FY19 – 315
- FY20 – 142

**477**

There are 223 remaining cubic ft. meters that will be changed by the end of FY20. This includes commercial/industrial meters.

# Meter Reading Unit – New Services



The Meter Reading Unit is also responsible for executing work orders generated by the Office of Billing and Collections. When a New Account is opened, this team ensures the customers' meter is installed and/or turned on meters at the service addresses. The data of Account Connections/New Services is listed below:

- FY17 – 1,588
- FY18 – 1,845
- FY19 – 1,675
- FY20 – 1,138

**6,246**

# Meter Reading Unit - Disconnections



The Meter Reading Unit carries out the instructions reflected on the work orders. When a Delinquent Cut Off work order is created, we disconnect the service. The data of Delinquent Cut Off's below:

- FY17 – 385
- FY18 – 679
- FY19 – 579
- FY20 - 718

**2,361**



# Meter Reading Unit - Reconnections

When a customer submits payment to Billing & Collections to address a delinquent balance, a Delinquent Turn On work order is generated, which we restore the services for that account. The following is a listing of re-connections executed:

- FY17 – 115
- FY18 – 571
- FY19 – 189
- FY20 – 321

**1,196**

- Reconnection fee = \$50.00
- $\$50 \times 1,196 = \$59,800$

# Meter Reading Unit - Disparities



There is a large disparity between the number of Delinquent Cut-Offs and Delinquent Turn-Ons. Below are various scenarios in which could contribute to the vast difference:

- Last account holder did not close the account
  - No one in the home to open a new account
- Last account holder did not close the account
  - A new person is in the home and opens a new account under a different name and account number
- The service was interrupted due to non-payment
  - Parties at the service address access water without authorization

# Meter Reading Unit – Meter Downsizing



- During FY17, the City Council voted and passed a motion that all residential meters would be charged according to meter size (*5/8”*, *3/4”*, *1”*, *1 1/2”*, *2”*) versus the same rate.
- At that time, the City offered citizens the opportunity to downsize their meter, as a cost. In FY18, the cost started at \$736.87 and City Council voted to lower the cost, in FY19, to \$337.64.
- Below are number of citizens that have taken advantage of this initiative:
  - FY18 – 7
  - FY19 – 20
  - FY20 - 7

# Meter Reading Unit – Quality Control



The City of Petersburg utilizes an Automated Meter Reading (AMR) system which consists of a small, low-power radio transmitters that connects to individual water meters. This system records daily consumption and/or readings which is compatible with a computerized billing system. Reads are collected once a month.

The current system allows this unit to identify leaks via error reports and the Billing & Collections team identifies high consumption during their Quality Control process. Below are the number of leak letters mailed to customers/residents:

- FY19 – 172
- FY20 - 162

# Meter Reading Unit – Leak Letter



The City has four (4) types of Leak Letters:

- Business
- *Fixed Leak \*demonstrated below\**
- Intermittent (Sporadic Usage)
- Confirmed Leak

Re: High Usage - #

Dear [Click here to enter text.](#):

The Staff in the Department of Public Works and Utilities works diligently to ensure all concerns and situations are addressed. The Field Services Team is dedicated to our customers, and will work with the customer until the issue is resolved.

During the meter reading cycle, our team works to provide pertinent information concerning a leak on the customer's property or addressing the city's equipment. After a thorough review of the high usage identified and an investigation at your service address, it has been concluded there was a leak on your property. Also, it has been determined; the issue has been corrected as the usage levels has returned to normal.

Please do the following: the homeowner/renter has resolved the issue, we ask that documentation is submitted to the Billing and Collections department at 144 N Sycamore St, Petersburg, VA 23803. You must submit an invoice from a licensed plumber. If the work was not executed by a plumber, you may submit a copy of the parts purchased and notarized statement of the work completed. Additionally, the usage may reflect the actual consumption due to pool fills, gardening, etc... If this is the situation, garden meter reads or the dimensions of the pool must be submitted to receive an adjustment. ***Please note: during the winter months, garden meter reads and pool fills are not credited for significant usage amounts.***

# Meter Reading Unit – Leak Letter



## Confirmed Leak Letter - Example



I AM  
PETERSBURG  
VIRGINIA

Office of the Director  
Department of Public Works and Utilities  
103 W. Tabb Street  
Petersburg, Virginia 23803

Phone: (804) 733-2353  
Fax: (804) 732-2030

TANGELA INNIS  
DIRECTOR

[Click here to enter a date.](#)

[Click here to enter text.](#)

[Click here to enter text.](#)

Petersburg, VA Choose an item.

Re: High Usage - #

Dear [Click here to enter text.](#):

The Staff in the Department of Public Works and Utilities works diligently to ensure all concerns and situations are addressed. The Field Services Team is dedicated to our customers, and will work with the customer until the issue is resolved.

During the meter reading cycle, our team works to provide pertinent information concerning a leak on the customer's property or addressing the city's equipment. After a thorough review of the high usage identified and an investigation at your service address, it has been concluded there is a leak on your property. Also, it has been determined; the leak is not the result of faulty equipment or improper readings. Therefore, it would be the responsibility of the customer to correct the issue.

Options: once the homeowner/renter determines the source of the problem, please address this issue. After the issue has been resolved, we ask that documentation is submitted to the Billing and Collections department at 144 N Sycamore St, Petersburg, VA 23803. You must submit an invoice from a licensed plumber. If the work was not executed by a plumber, you may submit a copy of the parts purchased and notarized statement of the work completed. Additionally, the usage may reflect the actual consumption due to pool fills, gardening, etc... If this is the situation, garden meter reads or the dimensions of the pool must be submitted to receive an adjustment. *Please note: during the winter months, garden meter reads and pool fills are not credited for significant usage amounts.*

We hope we have exceeded your expectations and provided you with stellar customer service. If you need further assistance; feel free to contact the Operations Manager, Janell Sinclair, at (804) 733-2300 X2533.

Best regards,

Tangela Innis|  
Director of Public Works and Utilities

cc: Billing and Collections Department

# Meter Reading Unit – Customer Investigations



- Customer complaint – High bill
  - A “Check for Leak” work order was generated, as well as, a 40-day usage chart. The chart indicated the customer had a leak.
  - Account holder was informed that there is a leak on the property.
  - Account holder was the tenant and they informed their landlord.
  - Landlord told the tenant that there wasn’t a leak at the service address and the City’s equipment was wrong.
  - Account holder/tenant continued to get high water bills **AND** there were puddles of water in the front yard. Per the account holder, the landlord was using rocks to fill-in the puddles. (*Service address had a leak between the street and dwelling where the customer would not notice and be aware.*)
  - Customer informed the City that there was actually a leak at the service address.
  - Leak was finally repaired.



# Meter Reading Unit – Customer Investigations cont.

- Customer complaint – Meter is not working
  - Customer opened an account.
  - Water Service Technician went to the service address and initiated the water service (*the same day – although services can be started up to 24 hours*); however, the dial began to spin.
    - ***When a dial spins this indicates that water is being consumed somewhere in the household. To ensure there isn't any property damage; the meter is turned off and a door hanger is left informing the customer of what occurred.***
  - Customer called at the end of the day stating they did not have services. They were informed that a technician would be out the next day and please have to someone at the location to make sure all water fixtures are in the off position.
  - The next business day a technician went out to the service address and the meter was repositioned backwards and turned in the On position. There was an unsuccessful attempt to turn on the meter.
  - This could have resulted in damaged equipment.



## Meter Reading Unit – Customer Investigations cont.

- Theft of Meters

- A customer opened a new account and the work order generated reflected that meter #1234 is located at this service address.
- When the technician is dispatched to turn on the water, a different meter (meter #5678) was at the new service address.
- Research in the system revealed that meter #5678 was taken from another service address and now meter #1234 is missing.

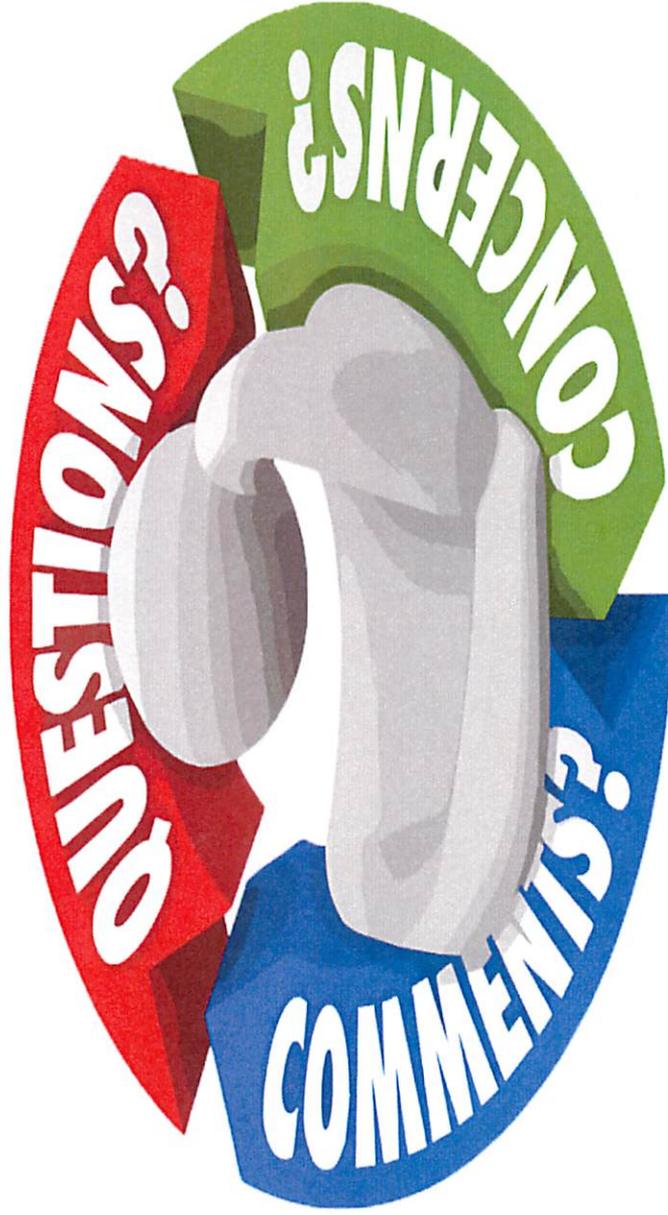
# Meter Reading Unit – Customer Investigations cont.



- Unauthorized Use of Water

- A Delinquent Turn-Off workorder was generated by the Billing & Collections team and a technician was dispatched to the service address.
- The technician could not turn off the services because concrete was poured in the meter box over the meter which would not allow the meter to be turned on or off.
- The Utilities Construction team had to get involved and excavate the meter box. The yoke and the meter box had to be replaced as result of the concrete.

# Meter Reading Unit



The regular meeting of the Petersburg City Council was held on Tuesday, February 4, 2020, at the Union Train Station. Council Member Myers called the meeting to order at 6:30p.m.

Council Member Myers is sitting in to run the meeting until Mayor Parham arrives to the meeting.

1. **ROLL CALL:**

Present:

Council Member Charles H. Cuthbert, Jr.  
Council Member Annette Smith-Lee  
Council Member Treska Wilson-Smith  
Council Member W. Howard Myers  
Council Member Darrin Hill

Absent: Vice Mayor John A. Hart, Sr  
Mayor Samuel Parham (arrived at 7:15pm)

Present from City Administration:

City Manager Aretha R. Ferrell-Benavides  
City Attorney Anthony C. Williams  
Clerk of Council Nykesha D. Jackson

2. **PRAYER:**

Council Member Myers stated, "Now we will have open prayer with Reverend Dr. Tillman of First Baptist Church."

Reverend Dr. Tillman led the council meeting in prayer.

3. **CLOSED SESSION:**

\*No items for a closed session.

4. **MOMENT OF SILENCE:**

Council Member Myers led the meeting into the moment of silence.

5. **PLEDGE OF ALLEGIANCE:**

Council Member Myers led council and the citizens in the pledge of allegiance.

6. **DETERMINATION OF THE PRESENCE OF A QUORUM:**

A quorum was determined with the presence of all City Council Members except for Vice Mayor Hart and Mayor Parham.

Council Member Myers stated, "Tonight, at our First meeting during Black History Month, I would like to talk a little about First Baptist Church right here in Petersburg. At 246 years old, First Baptist Church, is one of the nation's oldest African American congregations. It traces its origins to 1756, when worshipers known as New Lights began meeting outside Petersburg. The congregation moved to the city in approximately 1820 and opened a sanctuary here in 1863. After the building burned in 1866 during a wave of arson targeting

\*Audio available upon request.

Petersburg's black churches, the present sanctuary was built and dedicated in 1872. Peabody High School originated in the church in 1870. During the Civil Rights Movement, Dr. Martin Luther King Jr., spoke at First Baptist Church in 1962 at a regional meeting of the Southern Christian Leadership Conference. There will be an official historical marker unveiling THIS Saturday at First Baptist Church beginning at 11AM, I hope that you all can join us there as we honor this historical landmark in our community."

7. **PROCLAMATIONS/RECOGNITIONS/PRESENTATION OF CEREMONIAL PROCLAMATIONS:**

- a. Proclamation recognizing the week of February 9-15 as National FBLA-PBL Week.

Council Member Myers read the proclamation out loud.

Dr. Louis Dabney, Assistant Professor of Management and Marketing at Virginia State University, stated, "On behalf on all of our students and faculty we would like to thank you for the proclamation. Our students do a lot of community service and they work very hard in their business studies. And right now, we are in the process of preparing them for their statewide competition and then their national competitions of which I believe will take place this year in Utah. So, we all have a lot of hard work to do and thank you for your consideration and I know with the City and the university behind us the students will do great."

Council Member Myers stated, "Thank you for your service."

8. **REPORTS/RESPONSES TO PREVIOUS PUBLIC INFORMATION PERIOD:**

Folakemi Osoba, Public Information Period, read comments and responses from previous public information at the January 21, 2020, regular council meeting.

1. What are the next steps with the Legislative Agenda?

To provide more details on the Legislative Agenda, an update report will be given during tonight's meeting.

2. Can the verbiage be changed regarding utilities security deposits?

Staff is still reviewing the ordinance to determine possibility of restructuring the verbiage.

Mrs. Benavides, City Manager, gave follow-up responses to City Council from the January 21, 2020, council meeting.

1. **Q. Can we get a plan from the police department regarding crime within the City and how we plan to reduce crime? Councilmember Wilson-Smith**

- a. During the meeting the City Manager pledged to work with Chief Miller to bring back a plan to City Council. Chief Miller will present a plan during the first meeting in March.

2. **Q. There are serious issues with water billing and collections. What steps are being taken to ensure bills are accurate and a plan of action moving forward to correct issue. Councilmember Wilson-Smith**

- a. We have made great strides in reducing our error rates. Collection has been a challenge, but overall, we are seeing an increase in collection rates. During the meeting the City Manager introduced the new Billing & Collections Manager, Mr. Monte Evans and planned to bring back a plan of action for the department, including observations and recommendations for continuous improvement at the February 18<sup>th</sup> meeting.

**3. Q. At some point we set aside \$250,000 for the public library contingent upon funding. When will we know if that is available? Councilmember Cuthbert**

- a. At the August 12, 2019 Council meeting Mayor Parham made a motion that anything past \$1 million-dollar should go into our capital fund to support the library expansion of the auditorium up to \$250,000 (FY19/20 budget). The motion was seconded by Council Member Hill. There was discussion on the motion. The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Smith-Lee, Wilson-Smith, Myers, Hill, Hart and Parham.

Based on the motion, the City Attorney interprets the motion to direct that such surplus funds be placed "in our capital fund" it does not direct a donation or "release of funds to the Foundation". If the funds are to be expended or donated to the Board (as indicated in the letter) rather than simply earmarked for prospective future use by the City (as the Motion reads), then it would require an Ordinance after public hearing per 15.2-2507 of the Code of Virginia and Article 7 Section 7 of the Virginia Constitution. This would occur after the \$1M reserve was confirmed after the completion of the FY19/20 CAFR.

**4. Q. What are we going to do about our old historic buildings that we need to preserve. Can we get a list of these buildings and plan for what we need to do? Councilmember Wilson-Smith**

- a. Staff from Capital Improvement and General Services are preparing a summary report of facilities for City Council's review by February 18<sup>th</sup>.

**5. Q. What is the status of the Battlefield Park and dog park? I am waiting on feedback from Mr. Tabor on this item. Councilmember Wilson-Smith**

- a. There are some concerns with the proposed location and staff is exploring alternative options for the location of the dog park.

**6. Will the water at Wilcox Lake be turned back on in time for the Spring? Councilmember Wilson-Smith**

- a. No water services will be provided without an active account.

There was discussion among City Council and staff.

Council Member Myers stated, "I would ask that the person who posted the sign on the wall, it is against one of our ordinances. You all have the ability to hold the sign, but you do not have the ability to post a sign. If you would please remove the sign from the wall. Thank you."

**9. COMMUNICATIONS/SPECIAL REPORTS:**

- a. City Treasurer Report – Kenneth Pritchett, City Treasurer

No report from the City Treasurer.

- b. City Assessor Report – Brian Gordineer, AAS, City Assessor

No report from the City Assessor.

- c. City Manager Report – Aretha R. Ferrell-Benavides, City Manager

Mrs. Benavides stated, "I gave a written report only because we have a number of items on the agenda."

\*Audio available upon request.

## d. Financial Report/Budget Update – Robert Floyd

Mr. Floyd provided a PowerPoint presentation on the 2<sup>nd</sup> Quarter budget report. He stated that next month they will be doing another presentation on the budget.

Mrs. Benavides stated that there will be a draft CAFR on the February 18<sup>th</sup> meeting.

Patrice Elliot, Finance Director, stated that there will be a report sometime around second meeting in March on billing and collections and that she is trying to make sure that the information can be validated.

## e. Legislative Update – Reginald Tabor

Reginald Tabor, Project Manager of Economic Development, gave a presentation on the Legislative Agenda.

There was discussion among City Council and staff.

Council Member Myers made a motion to not support HB760.

Motion dies due to lack of second.

## f. Water Quality Update – Andrew Barnes

Andrew Barnes, General Manager of Utilities/City Engineer, gave a PowerPoint presentation on utility operations.

There was discussion among City Council and staff.

**10. APPROVAL OF CONSENT AGENDA (to include minutes of previous meeting/s)**

- a. Minutes of the Regular City Council Meeting of January 21, 2020
- b. ABC Application for Sindhi Brothers Inc., located at 1500 East Washington Street
- c. Supplemental appropriations for Community Corrections - \$1,959 – 1<sup>st</sup> Reading
- d. Appropriation for Virginia Department of Emergency Management – Radiological Preparedness Grant - \$1,830 – 1<sup>st</sup> Reading
- e. Appropriation for Jarratt House project funding - \$20,000 – 1<sup>st</sup> Reading
- f. A request for a public hearing to consider an ordinance authorizing the sale of 1000 Diamond Street.
- g. A request for a public hearing to consider an ordinance authorizing the sale of 709 Ann St; 1200 Baylors Ln; 741, 742 Blick St; 109 Burch St N; 436, 469 Byrne St; 1118 Chestnut St; 127 Dunlop St S; 1004 Farmer St; 708 Federal St; 735, 808, 811 Halifax St; 449, 615, 627, 716, 724, 723-25 Harding St; 334 Harrison St; 1022 High Pearl St; 516, 522 Hinton St; 706 Independence Ave; 115 Jolley Alley; 206, 215, 751, 803, 804, 808, 809, 829, 839-41 Jones St S; 126, 135, 202, 204 Kentucky Ave; 230 Kentucky Ave Rear; 716, 708-10, 712-14 Kirkham St; 650 Lawrence St; 205 Maple Ln; 340 Mistletoe St; 742, 746 Mount Airy St; 244 New St; 101 North Blvd; 52, 105, 249 North Carolina Ave; 612 Pegram St; 852 Rome St; 802 Rosemont St; 4, 6, 9, 12 Ross Ct; 322, 328, 408, 604 Shore St; 813 St. James St; 300, 500 St. John St; 246 St. Luke St; 151, 152, 521, 535 St. Mark St; 415, 517 St. Matthew St; 725 Sterling St; 980 Sycamore St; 151, 201 Virginia Ave; 539 Washington St W; 519 RE Washington St. W; 704, 706, 710 Wesley St; 323, 425, 715, 731 West St S; 919 Wythe St W.

\*Audio available upon request.

Council Member Hill made a motion to approve the consent agenda and to accept the public hearings date for February 18, 2020. The motion was seconded by Council Member Myers. The motion was approved on roll call. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Absent: Hart

11. **OFFICIAL PUBLIC HEARINGS:**

- a. A public hearing request of Equity Plus, LLC to rezone the property from A (Agricultural) District to a PUD (Planned Unit Development) district to allow a residential subdivision of 168 single family dwellings. The property address is 2557 North Stedman Drive, T.P. 036-08-0001.

**BACKGROUND:** The Zoning Ordinance requires that City Council must take action once a recommendation is forwarded from the Planning Commission. The residential property is zoned Agricultural and must be rezoned to allow the residential development. The rezoning would facilitate the construction of 168 single family residential units for rent on separate lots. The applicant will apply to the Planning Commission for the subdivision review and ultimately approval. The developer has met with the community, neighbors and the schools to amend the proposal taking into account feedback provided during the two public hearings held by the Planning Commission.

**RECOMMENDATION:** Following a duly advertised public hearing, Council by majority of those members present and voting, the council may affirm, reverse or modify the decision of the Planning Commission. Staff recommends City Council to hold a public hearing on this matter for the February 4, 2020, regular Council meeting. The Planning Commission sends forth a recommendation of denial.

Michelle Peters, Director of Planning and Community Development, gave a briefing on the request of rezoning for property located at 2557 North Stedman Drive.

Mayor Parham opened the floor for public comments.

Jeffrey Fleming, 1819 Chuckatuck Avenue, stated, "This is one of the ones that I start off with a saying that my mom or dad gave me. They gave me a lot of knowledge through life. All money isn't good money. IT sounds great and me of all people love investors that are willing to come to our City. But what I am looking at is rent to own for a house. Anybody have a calculator? Do the average rent of \$1,100 a month and multiply that by 15 and multiply that times 166. That is \$32,868,000. That is just a small number of what they are going to make. They are pledging \$2.5 million for the school system. But at what cost. You are going to take advantage of people. Fifteen years they would have to stay there before they can buy a house. The house is paid for in 15 years. That is loan sharp. And to approve this. I mean I want this for our City and citizens, but this is not good for our citizens. You are taking advantage of people who cannot afford to be taken advantage of. And that is just my thought. Thank you."

Barb Rudolph, 1675 Mt. Vernon Street, stated, "Just make sure that you know that they are going to give \$2.5 million dollars to the schools. That sounds great. I have reservations similar to those expressed by Mr. Fleming and I think other citizens do to. But I am just going to touch on different things. First of all, in looking at the section that we just went through on the agenda there is two items on there that are purchases for a nominal amount by the same group that is putting together this deal. So, it seems to me that we should be looking at the entire picture. I realized that this current issue is rezoning but it is part of a bigger push by PB Petersburg Owners, LLC to do things all over the City. I think that the council should be looking at all of those things together and not in isolation. I recommend to you that you keep in mind that there are other things following and that somehow all of the this together are somewhat advantageous to this developer. And I question and I understand that they want to make money. All of us want to but something is going on here that the City is offering to basically give away for free the Virginia Avenue School, which is assessed at over \$5

\*Audio available upon request.

million and 88 parcels in Ward 5 that is assessed at three quarters of a million dollars. And all of these things are going to be sold for \$10 dollars a property. Which is really just a symbolic way of saying they are free. So, that is what makes people wonder what is going on. Meanwhile, the issue at hand is that I have a concern too about the predatory practice of leased purchase. That is one of the things that this developer has put in this rezoning deal to try to make it more compatible to the City. But when you look at and compare what somebody on a 15-year fixed mortgage and no down payment, they can spend anywhere from the same amount to \$100 more in rent and they would own the property at the end of 15 years. I am saying \$150,000 house in this development. They would own it free and clear versus having to pay \$135,000 for it. To me there is no choice. I realize that some of the people that are going to rent here are not going to qualify for a mortgage. But the City I think should emphasizing is trying to connect these people and firefighters, teachers and so forth that are the target of this with ways that they can obtain mortgages. So, that they can actually find a way to home ownership without being ripped off. That's the key thing and I hope that you guys will look at that. Couple of other things that I want to mention is that the investor when putting together all these pieces and investing over \$60 million dollars in Petersburg, that includes \$2.6 million for the schools. They are getting something out of that. They are also proposing to buying other property on Stedman Road for half a million dollars. That needs to be public and transparent. That is a benefit to the City that is coming from this developer. They are saying they also would like to develop that property. In 2009, the City rejected a smaller development on this site of only seven houses. They said that it was only suitable for low density development. Now, we are talking about four times the area and about 24 times as many houses which is a higher density. And I don't think we can ask the City engineer, but I don't think that the sewer and water has been upgraded since 2009. In fact, it has been 11 years for it to age. So, I am not sure how it was not okay then but okay now and a higher density development works. Thank you."

Vernel Gannaway, 652 Old Wagner Road, stated, "I would for you to know that it is a beautiful plan. E are just kicking the can down the road. We are seeing things happen in our own neighborhood and people are just coming in and after a while you see a retract. We are destined for money in this City, but we do not have to pull everything that is glamourous. Just watch everything that is being said check every corner and turn in school. Because they know you are desperate so do not jump on everything. Thank you."

Michael Packer, 1245 Woodland Road, stated, "I speak in opposition of this rezoning. The Planning Commission overwhelmingly voted to recommend denial on this rezoning. Those members knew that the PUD was not appropriate because it includes one use, single family residential. This project does not have any other uses. PUD's are supposed to be designated to facilitate different uses. Those words are in your ordinances. The developer could have requested a single-family residential district, however, there are none in your ordinance that would allow small lots and the houses being so close together. And that is why you are looking at a PUD. The zoning ordinance states that PUD should be in accord with the Comprehensive Plan. You have a Comprehensive Plan that you passed, and you set out districts in that plan. This particular district you determined that it should be a low density residential. This is a cluster housing project as stated in that application by the applicant. Here you are looking at a district that is supposed to be low density and this is a medium density residential and it is not in performance with your plan. And the PUD ordinance specifically states that it should be in accord with the Comprehensive Plan. Let's talk about cost. The City pays about \$3,500 per child to educate them. This will generate about \$1,700 in real estate taxes for each child. The school board may be excited about getting \$2.6 or \$2.8 million dollars but eventually that money is going to run out long before the 15 years run out. They are going to be coming to you for \$3,500 per year to pay for these kids' education. Now that is the cost of operation that does not include any Capital Improvement. It is really hard to speak about decent housing. Petersburg has done more than their share. I know that some council members might want to postpone this until the council members can be here. I think that this is the 3<sup>rd</sup> time that this has been advertised for City Council. The majority of council recognizes that this is bad land use planning proposition that you should vote tonight to deny rezoning. Thank you."

Linwood Christian, 410 Mistletoe Street, stated, "One thing that many of you may know about me is that

\*Audio available upon request.

I do not back down even when I am standing on opposite sides that my fellow friends and citizens may stand on. And what I am about to say may be new to some and may not be new to others. But I am asking this council to forgo what the Planning Commission has denied and to grant this project. Reason being is that I am going by my conversations I have had with the developers. Yes, I picked up the telephone when other people would not give me the telephone number. And if anybody knows me once I get my teeth into something and I draw blood. So, I drew the blood and found the phone numbers of the persons that are doing this. I hear every argument that has been put out. We have heard it all before. And I can say this. For every one we have had in projects that have come up on the Mistletoe Street area and nobody really cared, and things have gone on the way that they supposed to. Now, again I hear what you are saying but then I look at when they were building Lieutenant Run during the time that we thought that Fort Lee was going to be there. But instead of more kids being added to the school with the same issue we have had schools that have closed down. And things have not gotten better. Now one of the things when they talk about additional children, for some reason in the influx of children in our schools. But at the same I look at this, we may not like it but at least somebody is thinking about our schools. Because at times and on too many occasions I have had to come up here and almost beg and fight with this City Council to do what they are supposed to do for our children and it still has not been done yet. We are talking about our first responders. We are talking about our teachers. Again, programs and things that myself and others have fought for and talked about at this council and even when Mr. Cuthbert's father was on this council. And you have done nothing yet. I do so hope that you would allow this to go because again I know I am on the opposite side of my fellow citizens that is how I role. If I see the lights, I see the light. I also told the developers, yet while I am up here in support of them at the same time, I publicly support them. But when the first of something is wrong, I am publicly going to go against them. Thank you."

Ron Flock, 1708 Pender Avenue, stated, "I also have had a number of conversations with the gentleman that are putting this project together. There was a petition that went through my community and if I am not mistaken there were 73 signatures and there are 75 houses in my development. There were some concerns and the main concern was the through way being put through my neighborhood and to get access to Fort Lee. And that was the biggest issue that we had. My neighborhood watch, we have gotten together and discussed some of the issues and concerns that my neighbors who all signed this petition had. And at the end of the last meeting that we had I think there was one woman that wanted a 25-foot fence between that development and us. And I just wanted to come up here and say as far as the petition is concerned that there were a lot of things that were remediated by the developers for the people in my neighborhood. Thank you."

Willie Noise, 1508 Circle Drive, stated, "I have three things that I want to bring up. And I would like to have an answer to them one at a time. And the first one is protection. The biggest problem that we are having is close communities with no security. Now this development I would like to hear what they plan on doing because we need 24hr security service with anything going on like this. Okay the next thing is the supplies come from where? Now, I am looking at this house here and it is a nice house. And it is probably going to be identical, most of them but pretty close, roof material and everything. And we are getting ready to say goodbye to Southern States. Where is the flowers and hedge bushes and all of that stuff coming from? Where is the shingles and the boards and all that coming from? Home base, where is your home base at? Is it over in California somewhere? These are things that I am really concerned about. Thank you."

Lafayette Jefferson, 1746 Brandon Avenue, stated, "Mr. Christian, this is part an argument but there is actually a thing called the currency of confidence. And with the currency of confidence if people believe that they will do the things to maintain it and if they don't, they look for other places to move to and then they are not going to approve their properties. The reason I am saying this is that what we in need in Petersburg is our confidence. And what we are actually doing is selling our own self short by dealing with developers of this nature by selling buildings less than what they are actually worth that we actually own as a City. We are selling ourselves short on a City level of a lack of confidence and self-esteem. Because if you have that confidence and self-esteem you just are not going to let someone treat you down here when you know that you are up there. We are allowing these developers to come in and treat us like we are down here. We are giving them

\*Audio available upon request.

incentives. I am part of the Economic Development and they came to us and we said no. Just like they went to planning but yet they are still here trying to push this same stuff on the City of Petersburg. No is the time for us to remediate our low self-esteem and to actually do the things in a way that we will build Petersburg back into the community that we want it to be. Thank you."

Marcus Squires, 1701 Monticello Street, stated, "I support this development. There are a lot of military personnel that are in the City looking for places to live and reside here and they cannot find housing. I have houses in the City that I rent mostly to people in Fort Lee. And a lot of times they have to go outside the community to find housing. I think that this community would bring tax revenue to our City. So, I hope that City Council would approve it. Thank you."

Richard Taylor, 828 Tuckahoe Street, stated, "I don't think anyone building this project is ever going to move to Petersburg. But that is not what I want to let you know. I just received an article on the internet that deals with mobile homes. And that is essentially what this is regardless of what they say. Today, mobile homes can be classified as real estate property or personal property. Buyers can finance or purchase through a traditional mortgage if the property is classified as real estate. But the majority of manufactured homes are financed as personal property with a chattel loan. A chattel loans are easier for buyers because mortgages on smaller value are hard to secure. But chattel loans usually come with higher rates and shorter terms. I asked that if you do anything tonight, table this motion so that you can read this article and find out why this project is not good for Petersburg. Thank you."

Fenton Bland, 1840 S. Westchester Drive, stated, "I concur with the Planning Commission. They voted it down as well, 6-1. I concur and hope that you all do the same. Thank you."

Seeing no further hands, Mayor Parham closed the public comments.

There was discussion among City Council, staff and the developer.

Council Member Myers made a motion to table until the first meeting in March. The motion was seconded by Council Member Smith-Lee. The motion was approved on roll call. There was discussion on the motion. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Absent: Hart

- b. A public hearing upon request of John Ruffin (Clearfield MMG, Inc.) to construct and operate a Waste Disposal Solution Facility. The property is zoned M-2. The property address is 2851 Frontage Road, T.P. 064-03-0006. The property is being subdivided to create an 8-acre parcel for development.

**BACKGROUND:** The Zoning Ordinance requires that City Council must take action once a recommendation is forwarded from the Planning Commission. The current property is zoned M-2 but the zoning ordinance doesn't specifically speak to this use. This is not considered a landfill and therefore Chapter 37 is not applicable, which permits these uses. This use was determined by the Planning staff to be an objectionable use and would require review by the Planning Commission and the City Council. The Planning Commission held a public hearing on the matter at its regular meeting held on January 8, 2020. The Planning Commission sends forth a recommendation of approval with conditions, and contingent upon an inspection of an existing facility in Chesapeake, VA operated by the same owner/company. This use is considered an industrial use and the proposed facility will be licensed by the Virginia Department of Environmental Quality (VDEQ).

On January 22, 2020, the Planning Commission visited the site in Chesapeake, Virginia which is the same operation to be constructed in the City of Petersburg. Five of the seven Planning Commissioners visited the site, the Planning staff (Director, Zoning Administrator and Zoning Technician) accompanied the

\*Audio available upon request.

Commission.

**RECOMMENDATION:** Following a duly advertised public hearing, Council by majority of those members present and voting, the council may affirm, reverse or modify the decision of the Planning Commission. Staff recommends City Council to hold a public hearing on this matter for recommendation of approval.

Mrs. Peters and Jack Ruffin (petitioner) gave an overview on the request of constructing and operating a Waste Disposal Solution Facility.

Mayor Parham opened the floor for public comments.

Vernel Gannaway, 652 Old Wagner Road, stated, "That is adjacent to my neighborhood where I live. Everything effects our neighborhood. So, I would like to get more information on this. So, I decline until I get more information. Have they gotten with the rest of the neighbors in the neighborhood as well? Mr. Hill you might know from at our meetings. Thank you."

Ron Flock, 1708 Pender Avenue, stated, "I kind of have the same concern. I see in my ward where this dump is right on top of the school in a residential area. I hate to see 10 or 15 years down the road that this facility encroaches on people's residences like the landfill did. That is all that I have. Thank you."

Jeff Fleming, 1819 Chuckatuck Avenue, stated, "Most of the time people say Nimby. It is an acronym for 'not in my backyard.' In listening to what the gentleman from Clearfield was saying, he stated that there will be no hazardous materials and a low impact. They said 10 trucks are coming per day and I don't know how many trucks leaving the facility. Because we just paved Wagner Road. So, that is going to have a wear and tear on the road itself. And being that this is a Special Use Permit and voted on the use to do so, I think that it should be strict enforcement and the time that he is found not in compliance that permit should be immediately revoked. Wagner Road was rough, and we just got it paved. They are going right past that same area again. So, look on the impact of the roads and we are dealing with smells. If they cannot abide by all of those and you issue a Special Use Permit, I beg you that it should be revoked immediately. Thank you."

Richard Taylor, 828 W. Tuckahoe Street, stated, "I don't claim to be a tree hugger but once again it appears to me that somebody wants to bring their trash from somewhere else and put it in Petersburg. Whether they are recycling it or not. One of the items that I notice that they treat is sludge. You folks know what sludge is? It comes from the sewage treatment plant. And you are right, it is hard to get rid of. Farmers like to use it on their farmland to rich their soil but there are heavy metals in it that cause real problems. I hear what he says about hazardous waste and none of it being there. I don't know what guarantee he has that it won't be, but I guarantee that some of it is going to creep in there. Just like they were doing at the landfill with the medical waste. Still bringing it to Petersburg and transferring it somewhere else. I hope you will deny this permit. Thank you."

Linwood Christian, 410 Mistletoe Street, stated, "When we are talking about this waste disposal, the only thing I can go back and say is that I just have to look at the warning. Mr. Richard Stewart gave us some years ago when this facility when they were going through what they did. Every single time when someone said no that this wouldn't be look at what it has come to be. And as Mr. Taylor said it looks like everybody else's trash is coming to Petersburg. Whether they have been fired from the previous location they were or just it is the trash and we know it is trash. We have to deal with it. And also, when you look at how much money and how we complain about what road work is not being done. And road work being one of our thorough fairs it doesn't make any sense that the wear and tear on that road, there will be potholes larger than the crater on our moons. So, this is one time that I would say with the commission their request is to not do that. We are going to look at it. And even the question has to be asked after it rains. Homes checked for gases that are harmful to

\*Audio available upon request.

people that may seep up. And then the question we have to ask too is that when you say don't be a harmful waste, what do you define as harmful waste. Because anything that comes from my body that I through in the trash can is considered fumes and toxic is harmful. Whether we notice it immediately or has some kind of long-term effect. Now this is the one time that I say that if we are really concerned about our citizens, especially our young people, this is something that I would ask council not to vote on and abide by the decision of the commission and say no. All I have to say is to talk to Mr. Stewart. Thank you."

Marcus Squires, 1701 Monticello Street, stated, "I will find out that this is in the industrial park and there is a large chemical plant right next door to it. It seems like they are trying to come here for logistical reasons. So, I hope that Petersburg will be open for business and we will not have this image of denying everything that comes to our City. Thank you."

Michael Packer, 1245 Woodland Road, stated, "In the close vicinity of this facility are three hospitals. There is also a facility that has hundreds and millions of dollars that is very close to this that makes pharmaceutical chemicals that go into our medicine. What message are you going to be sending to others who we wish to come in that area when we put a facility like this. We only have 24 square miles in Petersburg. It is a tremendous deterrent to our ability to attract industry. Once this is placed at this site it will never be available again for a high use like a hospital or a manufacturing facility. And we are not going to get anymore land. So, I think that I understand what Mr. Myers said previously that we constantly come up and speak against development. When you talk about development which is my opinion environmental discrimination where people won't take this in the eye point of the surrounding communities to come to Petersburg then I think it is time for you to say that we will wait until something better comes. Thank you."

Seeing no further hands, Mayor Parham closed the public hearing.

There was discussion among Council and staff.

Council Member Hill made a motion to approve the request from John Ruffin (Clearfield MMG, Inc.) to construct and operate a Waste Disposal Solution Facility at 2851 Frontage Road. The motion was seconded by Council Member Wilson-Smith. There was discussion on the motion. The motion was approved on roll call. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Absent: Hart

**20-ORD-6 AN ORDINANCE APPROVING THE CONSTRUCTION OF A WASTE DISPOSAL SOLUTION FACILITY AT A PORTION OF 2851 FRONTAGE ROAD 064-030006.**

- c. A public hearing to amend the Commercial Property Assessed Clean Energy (C-PACE) ordinance.

**BACKGROUND:** On July 2, 2019 City Council adopted an ordinance creating a Commercial Property Assessed Clean Energy (C-PACE) program and draft guidelines. City Council also chose to acquire a third-party administrator to administer the program. As a result, language in the original ordinance must be amended to allow for third-party administration and include the updated eligible uses under the program.

**RECOMMENDATION:** Recommendation to schedule public hearing for February 4, 2020.

Council Member Myers made a motion to table the public hearing until the next City Council meeting. The motion was seconded by Council Member Hill. The motion was approved on roll call. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Absent: Hart

- d. A public hearing to endorse a proposed tourism development project, and to authorize other actions consistent with Virginia Tourism Gap Financing.

\*Audio available upon request.

**BACKGROUND:** The City of Petersburg City Council established the Petersburg Tourism Zone pursuant to the Virginia Code Section 58.1-3851 by adopting 16-ORD-6 on February 2, 2016. This ordinance is in furtherance of the goals set forth in the City's Comprehensive Plan, Vision 20/20. Compliance with the Virginia Code Section 58.1-3851 requires approval and certification by the Comptroller of the Commonwealth of Virginia, and the execution of a Performance agreement between the Developer and the City of Petersburg. A Tourism Development Financing Program, administered by the Virginia Tourism Corporation, is a two-tiered gap financing program for qualified tourism development projects in Virginia. The Tourism Development Financing Program provides gap financing to support tourism-related development in designated Tourism Zones through a partnership between a Project Developer, the Locality and the Commonwealth of Virginia. The program requires a Performance Agreement between Commonwealth of Virginia, the Locality and the Developer, as well as a Tourism Development Plan.

Once the Project is completed and generating income, the Locality with the Virginia Department of Taxation performs quarterly reviews of Sales and Use taxes collected from the Tourism Development Project. One percent of the quarterly Sales and Use tax revenue generated from the Development Project is the amount each of the three partners contributes toward the debt service of the project until the debt is fully paid.

The Hotel Development Project at 20 West Tabb Street is a qualified tourism development project seeking to participate in the Virginia Tourism Development Financing Program. The total cost for the project is approximately \$\_\_\_\_\_, and it will generate approximately \_\_\_\_\_ part-time and \_\_\_\_\_ full-time jobs. As a qualified Tourism Development Project, the Developer is eligible to apply for up to 30% of the total project costs for gap financing.

**RECOMMENDATION:** It is recommended that the City council adopts the ordinance.

Mayor Parham stated, "At the request of the developer, he would like to table this until it goes to EDA (Economic Development Authority). I need a motion for that."

Council Member Hill made a motion to table until it goes to EDA (Economic Development Authority). The motion was seconded by Council Member Myers. There was discussion on the motion. The motion was approved on roll call: On roll call vote, voting yes: Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Abstain: Cuthbert; Absent: Hart

- e. A request for a public hearing to consider an ordinance authorizing the sale of 602 Commerce Street.

**BACKGROUND:** The City has received a proposal from High Street Lofts, LLC to purchase the following City-owned property:

Parcel ID	Premise	Street	Proposed Use
23050800	602	Commerce Street	Parking

High Street Lofts, LLC proposes to use the property for parking, especially for tenants of the adjacent apartment development.

The parcel is one of three former sections of 400 Commerce Street, which was purchased from the City of Petersburg in 2010. The parcel was not separated when the deed was recorded and the description of the property purchased from the City by High Street Lofts, LLC includes one of the three sections. High Street Lofts, LLC would like to purchase only one of the remaining two portions, addressed as 602 Commerce Street.

\*Audio available upon request.

The City Assessor has provided the assessed value of the .82-acre parcel at 602 Commerce Street, which totals \$30,300. According to the City Assessor, it is based on the proportional size of the property and the assessed value of the former combined parcel at 400 Commerce Street.

The offer price is \$10,000, which considers real estate taxes paid by High Street Lofts, LLC for the combined parcel at 400 Commerce Street, which included property owned by the City of Petersburg because the portion of the parcel purchased by High Street Lofts, LLC in 2010 was not separated from the City-owned parcel when the deed was recorded.

In accordance with applicable legal requirements, A public hearing is required prior to approving and authorizing the sale of City-owned property. The City Council scheduled the public hearing during their January 7, 2020 meeting.

**RECOMMENDATION:** It is recommended that the City Council holds a public hearing on February 4, 2020 and subsequently considers adoption of an ordinance approving and authorizing the City Manager to execute a purchase agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

Mr. Tabor gave a briefing regarding the property on 602 Commerce Street.

Mayor Parham opened the floor for public comments.

Seeing no hands, Mayor Parham closed the public hearing.

Council Member Myers made a motion to give the City Manager the authority to sell the property at 602 Commerce Street and approve the ordinance. The motion was seconded by Council Member Smith-Lee. The motion was approved on roll call. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill and Parham; Absent: Hart

**20-ORD-7 AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AGREEMENT TOWARDS THE SALE OF THE CITY-OWNED PROPERTY AT 602 COMMERCE STREET.**

**12. PUBLIC INFORMATION PERIOD:** A public information period, limited in time to 30 minutes, shall be part of an Order of Business at each regular council meeting. Each speaker shall be a resident or business owner of the City and shall be limited to three minutes. No speaker will be permitted to speak on any item scheduled for consideration on the regular docket of the meeting at which the speaker is to speak. The order of speakers, limited by the 30-minute time period, shall be determined as follows:

- a) First, in chronological order of the notice, persons who have notified the Clerk no later than 12:00 noon of the day of the meeting,
- b) Second, in chronological order of their sign up, persons who have signed a sign-up sheet placed by the Clerk in the rear of the meeting room prior to the meeting.

JaVonni Brustow, 118 Crater Woods Ct., stated, "I am one of the founding members of Petersburg Republican Committee. I want to address a few statements from our Mayor a couple of meetings ago. And it is in regard to how our 2<sup>nd</sup> Amendment Sanctuary City would not be beneficial to the City in regard to addressing crime. I just want to say that there is a difference between public safety and constitutional rights. In the sense that this is more so in addressing rights afforded to us by the constitution more specifically the second amendment. I am a part of the council campaign that was behind Hopewell becoming a sanctuary City. In looking at what is being proposed in a magazine claiming that you do not need more than 10 bullets to shoot

\*Audio available upon request.

someone. If you have two or three or four people who are breaking into someone's house the last thing, they probably need to do is worry about the number of bullets that have. If you think the people would not need an assault rifle, then I suggest that you speak to people that actually had to use one to protect themselves in close waters. And for situations like that a person is most likely to be nervous. It will take a couple of extra bullets. Just last week someone saved an officer in I believe is Arizona, who had almost been shot trying to arrest someone. People actually help the police in emergencies like that if you are not aware. Guns do not kill people. For lobby day I had a VR60 AR12 on my table. Not only was no one shot or killed but people admired the gun and people actually entered a raffle to win one. And lastly any day of the week, people generally grieve that Petersburg, Baltimore and DC, places like that, generally the issue with crime tend to be the lack of economic opportunity. And that is more of the cause of crime in gun violence. So, why don't we deal with that. What I discovered is that the generally elected officials do not acknowledge the fact that they enacted a policy that could have contributed to the crime. And in situations like that at that point their people who are generally economically constrained and they turn to black market crime just out of being in survival mode. So, with that being said I am pretty sure that many of your constituents that agree with me that the cause of crime would likely to be more on the economic side and I would hope that this would be something that you would focus your attention on versus the guns themselves. And as I said I would like you to reconsider statements made in regard to the City not wanting to turn into a 2<sup>nd</sup> Amendment Sanctuary based on fear of guns themselves. Thank you."

Marcus Squires, 1701 Monticello Street, stated, "I was just coming up to speak to you all today about the current legislation about the gas tax regarding development. Petersburg is trying to be a place where we make it a large influx of people coming into our community who will be commuters on the train. So, I hope that the City will look into this. And that is all the time I will take from you all tonight. Thank you."

Brian Burklund, 2224 Squirrel Level Road, stated, "I am here also to discuss the 2<sup>nd</sup> Amendment Sanctuary City. My opinion is that maybe it should be renamed Common Sense Sanctuary City. Our lawmakers are trying to convince us that we have a problem that they refer to as gun violence. I have seen a whole of guns in my life, but I have never met a gun that was violent. The people are violent. The problems rely within the people. And that is where we need to focus our attention. Lawmakers are looking at the guns and the problem is with the people. The problem will never be solved if we are looking in the wrong direction. We need to get to the root cause of the problem. And that is within the people. And that is a violence problem. Mr. Mayor, if you and I have a disagreement on something I think you and I are both men enough to sit down and iron out our differences. But not everyone is like you and me. They want to resort to violence instead. We need figure out why people are like they are otherwise we are not going to solve this problem. And the lawmakers have pretty, and much sent a message that this is the problem. And guns are the problem, and this is the direction that we are heading to solve the problem. Then they are sending the wrong message. I think that if they are going to be sending a message of a false sense of security to people when in reality because they are looking in the wrong direction it is not going to help. I would really like to see Petersburg become a sanctuary City to send the message back to these lawmaker's saying hey we are not buying this. This is not going to solve the problem and please go back to the table and start looking at people and society. And find that root because as a lot of people are like they are violent and start focusing on that and find a solution. It is not the guns it is the people. There is no such thing as gun violence. People are violent. So, you all have a choice with this sanctuary City that they call it on whether or not we want to become one. You are going to send a message one way or another. Send a message to the people of Petersburg saying we are going to go back to the lawmakers and say come up with a solution. Thank you."

Jay McDaniel, 3160 Forest Hill Road, stated, "I am not much of a public speaker and I do not like doing it. But I have realized that the last few years if I am not willing to stand up for my rights, I cannot ask anyone else to do it for me. So, I am going to start off with a few statements. George Santayana is the one that stated that those who fail to remember history are doomed to repeat it. This country started out over gun control. The first two battles over the American Revolutionary War, Lexington and Concord, occurred in 1775. Just over a

\*Audio available upon request.

year before we declared independence. Those two battles occurred because the British marched on Lexington and Concord to seize the colonist firearms. What we have proposed right now in Richmond is the government seizing the citizens arms. We fought a war over this before. This isn't somewhere we want to go. The purpose of a two-way sanctuary is to tell the lawmakers in Richmond that are not paying any attention that their proposed solution doesn't work. I can stand here for the rest of this week and you main the gun control proposal and I can shoot it down with facts every single time. Bans don't work. Every single state that has increased gun control in the last decade, violence has gone up. Baltimore is currently the murder capital of this country and this is after they passed assault weapons bans and this ban and that ban and something else. And guess what if somebody is hell bent on killing you do you really think that they are going to look at a little sign that says I am not supposed to use a gun to do this. That is just Ludacris. The bottom line here is that you as elected legislators are here to do a job. And I have been saying this a lot lately. But that job is very simple. That job is to protect my rights and not keep me save. It is my job to keep me save. It is my job to look out for how I want to live my life. It is your job to protect my rights. And according to the Declaration of Independence, if you refuse to do your job and to protect my rights then it is my authority to get rid of you and start over."

Willie Nosie, 1508 Circle Drive, stated, "This disturbs me, and I would like to have an answer before I move on. This young man that just left this podium, is he a police officer or not? Somebody or the police give me an answer. Well there is a rule that if I cannot wear my gun in here how somebody can if I am not a police officer. It is a violation. Alright. Tonight, Freedom Support Center, I have heard a lot in here tonight about the veterans. I have asked I don't know how many times where we are on the totem poles. Ain't nobody said nothing yet. You all did the whole thing about the financial support. All those names that was on here don't have no numbers saying the position that they are in. So, how can we place value on something and not the others if we do not have some kind of rating system. The police, 24 more officers are needed in Petersburg. We have 32,000 people and we need 24 more officers. Somebody does the history. Code compliance, we need five more code compliance people. Business on a hold in Petersburg. Somebody is making some money. So, let's do some calculation because we are not putting back into the City from what they are receiving and taking away. They do not keep up the property itself. They are getting over and making some money. And we are not getting any of it. The dirt in the curbs. Let's pick a street and go down there and scoop up all the dirt and go put it in some kind of pothole or something where the ends of the road where the concrete has diminished. And then sweep it up and take a look and see what it looks like. I mean there is a lot of dirt out their man that you can fill holes or something even on the same street. And the chain of command. The last and then I am leaving. Get ready to vote. I heard Airds and Morrissey. What is our chain of command? Let's unify you all. Let's get together and go up the road and shake Trumps hand man. Something."

Linwood Christian, 410 Mistletoe Street, stated, "First and foremost. There are two things I would like to say to you Mr. Mayor. I already said one because I just realized that by then you had come in. Number one, from conversations that you and I had about Petersburg becoming a sanctuary City, I am just going to say this. I want you to continue to stand fast where you are and what you stated. Because I again am a citizen who tries to stay true to my word. As long as you are right, I am going to stand by you. Because what I think people are failing to understand is that nobody wants to take anybody guns way or anyone's rights. Because if there was an issue about anybody's rights how come felons lose their right to carry a gun, thus they cannot protect their family. And also, we are looking at the people that have not been diagnosed with mental problems who are doing all the killings. Because for instance when I look at the young man who shot up that black church in South Carolina I do not recall anybody saying that he had a mental diagnosis. So, let's understand that it is not about taking away anybody's rights or guns. Because if that was the case felons shouldn't lose their rights to hold a gun especially those who were not convicted of a violent crime. Also Mr. Mayor I would have to say to you after looking at your vision, and I am so glad that you have vision, because the bible says where there is no vision there is no perish. But I want you to understand one thing Mr. Mayor, please remember to include the citizens in your vision. Although my son is no longer in public schools and I am proud to say that he is a graduate of my Alma Mater VSU, I want you to understand that some of the things that you said as far as consolidating the schools. Do not make the mistake that our former Senator then Delegate made in making

\*Audio available upon request.

decisions and not talking to the parents first. This is why I have to agree with Councilwoman Treska Wilson-Smith. You all have to have a meeting with the school board every so often throughout the year. Because when we see things like that in the paper, through all of that I want to say Mr. Mayor, heavy is the crown upon the head where it lies. I do know having chaired many things that you have a hard job. But again, I want to tell you stand where you are. Because if you are not going to stand and you are going to be a weak leader then we do not need you at all. Finally, whatever your vision is make sure the entire community can see where you are going because we want to help you get to where you need to be. Thank you."

Barb Rudolph, 1675 Mt. Vernon Street, stated, "I want to thank Council Member Hill in doing the practical thing and asking how many people were going to speak so that people are not limited to one minute. But I will try to keep mine brief. I did have something that I was going to talk about, but it can be postponed. But I wanted to bring this up. I didn't really catch what Council Member Myers was saying about this poster on the wall. But he told me to take it down and that it was a violation of something. Looking through the Rules of Council, which is what speaks to this. There is a section eight called 'Decorum of members of the public.' And under 'G' it says that no attention seeking devices of any kind or nature shall be carried or placed within council hearing or meeting rooms with the following exceptions: 1) articles of clothing and items attached thereto (such as buttons); 2) Signs, placards, posters, and the like, provided that they are not attached to sticks. In other words, this is not a violation to put this on the wall without a stick. It is interesting as others have commented that somebody can come in here with a gun and that is not threatening but a poster on a wall which is specifically accepted from being a violation in your rules is considered to be threatening by somebody. I will leave it at that. But this poster will be back and if you all have some reason that it is a violation, I hope that the City Attorney will contact me and let me know. Thank you."

Thelma Blackwell, Representative of Habitat for Humanity, stated, "Habitat for Humanity has been around since 1976. And there are offices in all 50 states. We build affordable housing through volunteers and fund much of the cost through the sale of donated building material at the store on Commerce Street. Many of our homeowners qualify for zero % interest loans to reduce the monthly payment with no interest and it also reduces the amount of total mortgage balance because the entire payment is applied to the principal. On top of that a portion of the loan is a forgivable grant. The average grant is \$20,000. If the owners live in the house for 10 years, the portion does not need to be paid back. That portion does not need to be paid back. The way that we structure the mortgage and the grant, most payments are under \$500 per month. And the owner is finishing their payment in 10 years. That means instead of paying on a house for 30 years owns the home free and clear in only 10 years. No interest. This is a habitat program to help families own homes instead of renting. We also have another lady that is with me."

Rebecca Davis, Representative of Habitat for Humanity Tri-Cities, stated, "We would like to let Petersburg know that habitat extended our mission to support residents that already own their homes but cannot afford the necessary renovations to make their home safe or the costly repairs for code violations. As you all know the cost of home repairs can be extensive and out of reach to many homeowners as indicated by the amount of property in need of renovations. Through the sale of donated materials from Lowe's, Home Depot, furniture stores and other retail suppliers, we are able to raise money to offset these costs. We are also blessed with skilled laborers that volunteer or assist by operating for substantial reduced pricing. These two factors enable Tri-Cities Habitat to offer programs that both benefit homeowners and the City's fight against blight. Tri-Cities Habitat would like to partner with Petersburg to bring this important service to our community. As a partner, we ask the City to support us by including the link on the City's website and to work to Code Enforcement. Lastly, we are making an application through the project manager to rent 835 Commerce Street, which is a vacant building owned by the City. Renting the property helps to have ground to sell furniture and inventory. And so, we hope to further discussion to support our mission to help the people in the City."

Ron Flock, 1708 Pender Avenue, stated, "Please before you leave here today pass something. Because if you will have this up to protect you and I cannot have a poster with a stick on it you should not allow

\*Audio available upon request.

anybody in here with a side arm. If you are afraid of a stick you should be afraid of a side arm. Also, on that issue. They are wearing these signs that say guns saves lives. And the same time they are telling you guns don't take lives. Guns cannot save lives either. I said something to you at the last meeting. You all need to do something about the billing. And I have come before you and this the third time asking you to do something in regard to the security deposit and for somebody that is living the City within a year. As long as they are in good standing, they should be able to get it back. I have not seen anything done yet. I would like to see that on the agenda and read and voted on and passed. I would appreciate that. Thank you."

Vernel Gannaway, 652 Old Wagner Road, stated, "Proud to be a part of Petersburg. I would like to ask a question about did anyone check on cable before they moved. Because I don't know if there is a code or not for the cable to be moving. It is convenient because years ago we had a certain code that they had to stay in the City. I just wanted to know. Because it is an inconvenience now where they are at now. Will you check on that please? Because the citizens, they started here in Petersburg and they are in Richmond now. No one has talked about that cable company. We have many customers here and now you have to travel to Richmond. But their tower is here as well. First of all, I would like to thank our Sheriff and those in Berkeley Manor in the 2<sup>nd</sup> Ward on the meeting we had about the incident that happened. And we got some results from that. I would like to thank the Chief and the Assistant Chief and those of you all that came. We appreciate it very much. I would also like to say about the support of our citizens. Would you please look into the lady that was denied or had not gotten her jury fee? It is a volunteer fee but as citizens we are forced to do that. And we do not mind doing that for the protection of our citizens. And I just want to congratulate our police officers and the courts and what they do. We have citizens that take their time and go to the court and sit on different cases. They should be deserving to pay them. It is embarrassing to get on the news because every time it is on the newspaper or news it is one point against us. No matter what we build, and it can be the Taj Mahal or anything else another point is going against us. Just pay the bill. Also, we need to assist in getting more officers back. Before you get anything built or any more raises deny your own raise. If you really love Petersburg deny your own raises. Until we get the people that we need back here. We lost a lot of people for mismanagement of funds. We lost good employees in Petersburg that were living here and paying taxes. Now we are getting borrowed people that are living here. That is what I had to say. Thank you."

**13. BUSINESS OR REPORTS FOR/FROM THE MAYOR OR COUNCIL MEMBERS:**

Mayor Parham stated, "First, I would like Mr. Tony Williams to address the whole sign issue here, please."

Mr. Williams stated, "I more than anyone appreciates when Mrs. Rudolph, Mr. Flock and everyone that shows up for the public comment period do when they come. I think that you have an absolute right to create that beautiful sign as you did. You have as much right as the individuals in the back wear the stickers and the shirts. It is not the substance of what you put up in the council chambers, it is where you place it. This is a beautifully historic restored building. And you simple can't start affixing things to the wall and attaching it to sign property without asking permission. So, I encourage you to bring the sign back and carry it around and wave it. But unless you have permission from the City to attach it to City property, you cannot attach it to City property."

Council Member Cuthbert stated, "To follow up on what Mr. Williams just said. Mr. Williams would it be helpful if we clarify our Rules of Council to add a prohibition and explications prohibition for the reasons that you have said about affixing signs to City property."

Mr. Williams stated, "You certainly could for purpose of clarity. I think that the fact that it is City owned property, unless you have permission. Yes, it would not be a bad idea for council to take that action."

Council Member Cuthbert stated, "Would you please draft such a clarification to our rules and include it in the packet for council's consideration at our next meeting."

\*Audio available upon request.

Mr. Williams stated, "Yes, sir."

Council Member Cuthbert stated, "Thank you. And I want to through a bouquet to my fellow Councilman Mr. Howard Myers. And thank him for his initiative in pushing House Bill 755 in order to help get the City additional options in fighting the light that plagues our City. Councilman Myers I very much appreciate. I told someone that my only regret about that bill is that I did not think of it myself. Mr. Mayor, I don't have any other comments. Thank you."

Council Member Wilson-Smith stated, "I basically have nothing tonight. I would like to say to Mr. Williams that I think that there is already an ordinance about affixing signs and things to public properties. Perhaps, before creating something you might want to look at that."

Mr. Williams stated, "Yes, I will check before bringing it to council."

Council Member Myers stated, "I have nothing at this time."

Council Member Hill stated, "Well I have something. I would like us to continue to pray for our Vice Mayor in your prayers. Can you spread that it is important for us to register and sign up for the 2020 Census? You see the signs up in the back. So, that is very important when it comes to the federal dollars to our community. As you all know we have not had a lot of snow or anything and you notice that the grass is starting to grow. So, I want us to get on the grass early and go ahead and do one quick cut and clean up as soon as we can. Because the grass is starting to grow now. Spring is coming fast. To our public works please do so. There is a plaque. The Buffalo Soldiers called me on yesterday and said that there is a plaque in People's Cemetery and that the stone had been knocked over or damaged. Can we get someone to take a look at that and get someone to repair that? I hate to pick on any particular business. But we have particular businesses, and I am glad that the Marshal is sitting in front of me, that as far as Code Compliance, we need to look at some of the businesses that have a lot of trash that is being blown around on Crater Road. I just noticed that it is one on Halifax Street. There is one on Washington Street. It seems like these particular businesses, because people frequent them a lot, they do not have the necessary bins for trash. If we can get someone to write them a kind letter to let them know that they are responsible for trash that is coming in and out their business. We would appreciate that. Some of this is because we do not have adequate bins going in and coming out. So, if we can get someone to get on that. I want to thank the Petersburg Police for apprehending the someone in Berkeley Manor with the issue there. I have been working with sense the issue came and someone with the administration and chief and City Manager and others. I want to thank them for their sting operation. We knew of it, but we could not say anything about it. So, that was something that was going on for a while and I am glad the investigation has gone the way that it has gone. Kudos to our police department. We do not want to offend anybody 2<sup>nd</sup> Amendment Rights. But Mr. City Attorney, if we have something stating code or anything. I know that we cannot supersede the federal government or the state government about people bringing weapons in the galley. We need to try to enforce that. But if it is legal then so be it. And that is pretty much it. Thank you."

Mr. Williams stated, "And Mr. Mayor on that issue just for a point of clarification, currently the state code does not authorize localities to regulate the open carry of firearms in local government owned buildings. There may be some legislation at the General Assembly. But current time there is no authority in the locality to do that. So, even if council wanted to create an ordinance to restrict that they could not."

Council Member Hill asked, "What is the difference in a courthouse and coming here?"

Mr. Williams stated, "There is a specific statutory for courthouses that allow them to regulate technically state facilities that are City operated."

\*Audio available upon request.

Council Member Hill stated, "Okay. Thank you."

Mayor Parham stated, "First, I want to piggyback on Council Member Hill on our Petersburg Police Department because you guys are amazing. You apprehended that suspect out there in Berkeley Manor and I am so proud and thankful for the efforts that you all make each and every day. You all go above and beyond. And that was some excellent work to apprehend that guy and to keep our neighborhood safe. I want to also start the conversation to look in the possibility of upgrading our lighting in a lot of our areas. I know Berkeley Manor is an area that has lights that are pretty. If we can get someone to work on the cost of upgrading the light throughout the City to LED. It would help all throughout the City. We need to look at finding somewhere and looking at the cost factor. And get together as a council to decide which locations we need to make that investment in. I seen those numbers of LED significantly drop our energy cost that we pay to Dominion. And also, it gives us better lighting. Coming up on this Saturday, I ask everyone to join us at 11AM at First Baptist Church for the Unveiling of the Marker. It is Black History Month in the City and that is one of the cornerstones of the African American community in Petersburg and throughout the country. Also, Councilwoman Smith-Lee had to leave out. I just want to plug her ward meeting that she is having next Tuesday. That is going to be at Cool Springs Elementary at 6PM. And it was a joint meeting with her and Ward 7, Vice Mayor John Hart, who is still recuperating. I plan on being there with Councilwoman Smith-Lee along with Councilman Hill. We look at having a productive ward meeting. And ask all those who can to come out and attend. I have no other items so we will move on to '13A'."

a. Consideration of reappointment / appointment to the Planning Commission.

**BACKGROUND:** The Planning Commission consists of 4 at-large members and 7 members appointed by City Council.

The duties of the Board include, but are not limited to, the following: Promote the orderly development of the City and its environs; serves primarily in an advisory capacity to the City Council in matters pertaining to land use, future development and capital improvements

**RECOMMENDATION:** Recommend Council make re/appointments to the Planning Commission.

Council Member Cuthbert made a motion to appoint James Norman (at-large) to the Planning Commission. The motion was seconded by Council Member Hill. The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Hill and Parham; Absent: Hart and Smith-Lee

Council Member Myers made a motion to reappoint William Irvin (at-large) and appoint Thomas Hairston to the Planning Commission. The motion was seconded by Council Member Hill. There was discussion on the motion.

Council Member Cuthbert made a substitute motion to table anymore appointments until the next meeting. The motion was seconded by Council Member Wilson-Smith. The motion was not approved on roll call vote. On roll call vote, voting yes: Cuthbert and Wilson-Smith; Voting No: Myers, Hill, and Parham; Absent: Hart and Smith-Lee

Original motion goes back on the floor made by Council Member Myers.

The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Hill and Parham; Absent: Hart and Smith-Lee

**20-R-8 A RESOLUTION REAPPOINTING WILLIAM IRVING AND APPOINTING THOMAS S.**

\*Audio available upon request.

**HAIRSTON AND JAMES NORMAN TO THE PLANNING COMMISSION FOR A TERM EXPIRING SEPTEMBER 30, 2024.**

**14. ITEMS REMOVED FROM CONSENT AGENDA:**

\*No items for this portion of the agenda.

**15. UNFINISHED BUSINESS:**

\*No items for this portion of the agenda.

**16. NEW BUSINESS:**

a. Proposed amendments to the Rules of Council.

**BACKGROUND:** Rule III, Section 3 of the Rules of Council currently requires that "No ordinance or resolution appropriating money exceeding the sum of \$1,000; imposing taxes or authorizing borrowing of money shall pass on the date of introduction." The proposal would amend that language to "No ordinance or resolution appropriating money exceeding the sum of \$1000 imposing taxes or authorizing borrowing of money shall pass on the date of introduction."

**RECOMMENDATION:** Requested by Mayor.

Mr. Williams and Mrs. Benavides gave a briefing on the recommendation of an amendment to the Rules of Council.

Council Member Hill made a motion to approve recommendation of amendments to the Rules of Council by resolution. The motion was seconded by Council Member Myers.

Mayor Parham opened the floor for public comment.

Ron Flock, 1708 Pender Avenue, stated, "Thank you Mr. Cuthbert. Yes, \$1,000 is Ludacris. It is just way too much work. But I think \$100,000 might be a little bit too much. Maybe you might consider somewhere in the middle. Thank you."

Willie Noise, 1508 Circle Drive, stated, "You guys have to tell me if I am in line or not. I need clarity on the gun. And I am confused. I was told in the middle of last year to not bring a side arm in here. And now with what the attorney said I am really confused. Can you? I have to go back to my neighborhood and tell these people."

Mayor Parham stated, "Mr. Noise, we will get clarity on that. Right now, this is comments on the code change."

Seeing no further hands, Mayor Parham closed the public comments.

The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Myers, Hill and Parham; Voting No: Wilson-Smith; Absent: Hart and Smith-Lee

**20-R-9 A RESOLUTION TO AMEND RULE III, SECTION 3 OF THE RULES OF COUNCIL PERTAINING TO APPROPRIATIONS TO ALLOW ADOPTION OF SUCH LEGISLATION ON THE SAME DAY THEY ARE FIRST PRESENTED TO COUNCIL.**

\*Audio available upon request.

**17. CITY MANAGER'S AGENDA:**

Mrs. Benavides stated, "I think the clerk may mention this but also on March 3<sup>rd</sup>, there is a conflict for our regular council meeting. Because this is the site for polling and so council needs to make a decision on that as we start to plan for that day."

Mayor Parham stated, "At this time, we will get with the clerk to get some other options for the meeting on the 3<sup>rd</sup>."

There was discussion on polling at the train station.

**18. BUSINESS OR REPORTS FROM THE CLERK:**

\*No items for this portion of the agenda.

**19. BUSINESS OR REPORTS FROM CITY ATTORNEY:**

\*No items for this portion of the agenda.

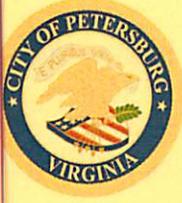
**20. ADJOURNMENT:**

City Council adjourned at 10:59p.m.

\_\_\_\_\_  
Clerk of City Council

APPROVED:

\_\_\_\_\_  
Mayor



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 18, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager – Development

**FROM:** Reginald Tabor, Economic Development Manager

**RE:** **A Request to schedule a Public Hearing on February 18, 2020 regarding a Proposal to Purchase and Develop City-owned property at 1203 W Washington Street and consideration of an Ordinance authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property**

**PURPOSE:** For the City Council to hold a public hearing February 18, 2020 regarding a Proposal to Purchase and Develop City-owned property at 1203 W Washington Street and, consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property.

**REASON:** To hold a public hearing and consider an Ordinance that authorizes the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**RECOMMENDATION:** It is recommended that the City Council holds a public hearing on February 18, 2020, and subsequently considers adoption of an Ordinance approving and authorizing the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**BACKGROUND:** The City has received a proposal from Ms. Katherine Patterson to purchase the following City-owned property:

Parcel ID	Premise	Street	Proposed Use
024-220019	1203	W Washington Street	Single Family Home

Ms. Katherine Patterson proposes to develop the property as an owner-occupied single family residence.

The parcel is located in a residential neighborhood and the building on the parcel has been vacant for several years. The building is a former single-family residence. The site includes a .144-acre parcel with a building that is 1,544 sf. Potential benefits include, a revitalized vacant residential building, increased value of the property, and revenue from a City-owned property back on the tax roll.

The assessed value of the property is \$32,700.00. The offer price is \$20,000, and the proposed private investment is \$35,000.

In accordance with applicable legal requirements, A public hearing is required prior to approving and authorizing the sale of City-owned property.

**COST TO CITY:** Conveyance of Real Property

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** Revenue from the sale of property and associated fees and taxes.

**CITY COUNCIL HEARING DATE:** March 3, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** City Manager, Economic Development, City Assessor

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Ordinance, Assessment, Property Report, Maps

**STAFF:** Reginald Tabor, Economic Development Manager

## **ORDINANCE**

This is an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property at 1203 W Washington Street

WHEREAS, the City of Petersburg has received a proposal from Katherine Patterson to purchase the City-owned property at 1203 W Washington Street for a single-family residential development; and

WHEREAS, the potential benefits to the City include a revitalized vacant residential building, increased value of the property, and revenue from a City-owned property back on the tax roll; and

WHEREAS, in accordance with applicable legal requirements, a public hearing was held prior to approving and authorizing the sale of City-owned property.

NOW THEREFORE BE IT ORDAINED, that the City Council of the City of Petersburg hereby authorizes the City Manager to execute a Purchase Agreement with Katherine Patterson toward the Sale and development of the City-owned property at 1203 W Washington Street.

# 1203 W Washington Street



03/13/2019

## Property Record Card - Petersburg, VA

### General Property Data

Parcel ID <b>024-220019</b>	Account Number <b>FOR SALE, Residence</b>
Prior Parcel ID <b>--</b>	Property Location <b>1203 WASHINGTON ST</b>
Property Owner <b>CITY OF PETERSBURG</b>	Property Use <b>CIP</b>
Mailing Address <b>135 N. Union St</b>	Most Recent Sale Date <b>9/12/2008</b>
City <b>Petersburg</b>	Legal Reference <b>2008-3756</b>
Mailing State <b>VA</b> Zip <b>23803</b>	Grantor
ParcelZoning <b>R-3</b>	Sale Price <b>40,100</b>
	Land Area <b>acres</b>

### Current Property Assessment

Card 1 Value Building Value <b>23,000</b>	Xtra Features Value <b>0</b>	Land Value <b>9,700</b>	Total Value <b>32,700</b>
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### Building Description

Building Style <b>1STORY</b>	Foundation Type	Flooring Type <b>CARPET</b>
# of Living Units <b>0</b>	Frame Type	Basement Floor <b>N/A</b>
Year Built <b>1921</b>	Roof Structure	Heating Type <b>HEATPUM</b>
Building Grade <b>FAIR</b>	Roof Cover <b>METAL</b>	Heating Fuel <b>N/A</b>
Building Condition <b>N/A</b>	Siding <b>VINYALALUM</b>	Air Conditioning
Finished Area (SF)	Interior Walls <b>N/A</b>	# of Bsmt Garages <b>0</b>
Number Rooms <b>0</b>	# of Bedrooms <b>0</b>	# of Full Baths
# of 3/4 Baths	# of 1/2 Baths	# of Other Fixtures

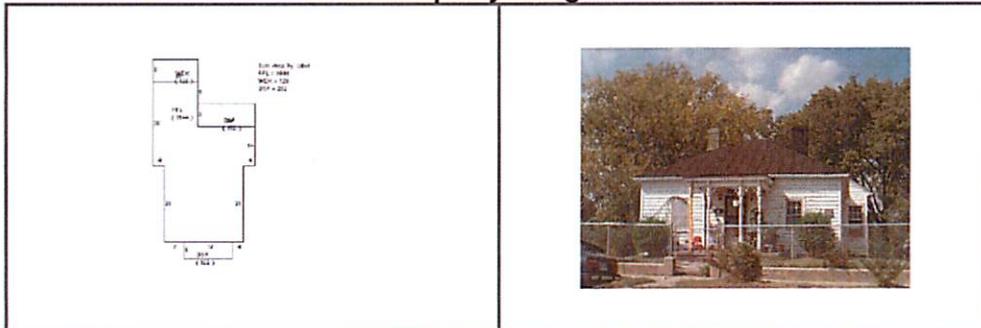
### Legal Description

PT LT 114 WELLS PLAT

### Narrative Description of Property

This property contains acres of land mainly classified as CIP with a(n) 1STORY style building, built about 1921 , having VINYL/ALUM exterior and METAL roof cover, with 0 unit(s), 0 room(s), 0 bedroom(s), bath(s), half bath(s).

### Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

# 1203 W Washington Street



# Proposal to Purchase City-Owned Property



Purchaser	
Project Name	1203 W Washington Street
Property Address	1203 W Washington Street
Parcel Number	024-220019
Year Constructed	1921
Project Developer	Katherine Patterson
Contact Name	Katherine Patterson
Address	1149 Farmer St Petersburg, VA 23803
Phone	(540) 273-3628
Email	<a href="mailto:pmgi.kp@gmail.com">pmgi.kp@gmail.com</a>
Experience/Qualifications	20 years investing/renovating properties. Owns 5 properties in Petersburg
Development Description	Owner-occupied Single-Family Residence
Offered Purchase Price	\$ 20,000
Total Investment	\$ 35,000
Description of Financing (%)	100% Owner Equity
Community Benefit	Occupancy of vacant property. New Residential Property. Revenue from fmr City Property
Due Diligence Period (months)	30 Days
Construction Start Date	
Completion Date	120 Days after Closing
Number of Projected Jobs	Temp/Const. Jobs: 5 Permanent Jobs:
Average Wage	
Contingencies	
City Assessment	
Outstanding Obligations	
Proposed Land Use	SF Residential
Comp Plan Land Use	SF Residential
Zoning	R-3
Enterprise Zone	N/A
Rehab/Abatement	
New Construction	
Historic District	N/A
Assessed Value	\$ 32,700
Appraised Value	\$ -
Date	
City Revenue from Sale	\$ (12,700)
Projected Tax Revenue	Abatement      Year 1      Year 5      Year 20
Real Estate Tax	\$ -    \$ 171.45    \$ 857.25    \$ 11,630,739.38
Personal Property Tax	\$ -    \$ -    \$ -    \$ -
Machinery and Tools Tax	\$ -    \$ -    \$ -    \$ -
Sales and Use Tax	\$ -    \$ -    \$ -    \$ -
Business License Fee	\$ -    \$ -    \$ -    \$ -
Lodging Tax	\$ -    \$ -    \$ -    \$ -
Meals Tax	\$ -    \$ -    \$ -    \$ -
Other Taxes or Fees	\$ -    \$ -    \$ -    \$ -
Total Tax Abatement	\$ -    \$ -    \$ -    \$ -
Total Tax Revenue	\$ -    \$ -    \$ -    \$ 11,630,739.38
Costs to the City	\$ -    \$ -    \$ -    \$ -
City ROI (Revenue - Cost)	\$ -    \$ -    \$ -    \$ -
Staff Recommendation	
Committee Recommendation	
Comm. Review Date	
Last Use (Public)	
Council Decision	
Council Review Date	
Disposition Ord #	
Ord Date	



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 18, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager – Development

**FROM:** Reginald Tabor, Economic Development Manager

**RE:** **A Request to schedule a Public Hearing on March 3, 2020 regarding a Proposal to Purchase and Develop City-owned property at 857 E Bank Street and consideration of an Ordinance authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property**

**PURPOSE:** For the City Council to schedule a public hearing on March 3, 2020 regarding a Proposal to Purchase and Develop City-owned property at 857 E Bank Street and, consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property.

**REASON:** To schedule a public hearing and consider an Ordinance that authorizes the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**RECOMMENDATION:** It is recommended that the City Council schedules a public hearing on March 3, 2020, and subsequently considers adoption of an Ordinance approving and authorizing the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**BACKGROUND:** The City has received a proposal from Ms. Katherine Patterson to purchase the following City-owned property:

Parcel ID	Premise	Street	Proposed Use
012-070015	857	E Bank Street	Single Family Home

Optimal Capital Resource, LLC proposes to develop the property as an owner-occupied single family residence.

The parcel is located in a residential neighborhood and the parcel has been vacant for several years. The site includes a 0.124-acre parcel. Potential benefits include, a revitalized vacant residential lot, increased value of the property, and revenue from a City-owned property back on the tax roll.

The assessed value of the property is \$10,700.00. The offer price is \$1,000, and the proposed private investment is \$140,000.

In accordance with applicable legal requirements, A public hearing is required prior to approving and authorizing the sale of City-owned property.

**COST TO CITY:** Conveyance of Real Property

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** Revenue from the sale of property and associated fees and taxes.

**CITY COUNCIL HEARING DATE:** March 3, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** City Manager, Economic Development, City Assessor

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Ordinance, Assessment, Property Report, Maps

**STAFF:** Reginald Tabor, Economic Development Manager

## ORDINANCE

This is an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property at 857 E Bank Street

WHEREAS, the City of Petersburg has received a proposal from Optimal Capital Resource, LLC to purchase the City-owned property at 857 E Bank Street for a single-family residential development; and

WHEREAS, the potential benefits to the City include a revitalized vacant residential lot, increased value of the property, and revenue from a City-owned property back on the tax roll; and

WHEREAS, in accordance with applicable legal requirements, a public hearing was held prior to approving and authorizing the sale of City-owned property.

NOW THEREFORE BE IT ORDAINED, that the City Council of the City of Petersburg hereby authorizes the City Manager to execute a Purchase Agreement with Optimal Capital Resource, LLC toward the Sale and development of the City-owned property at 857 E Bank Street.

# Proposal to Purchase City-Owned Property



Purchaser																																																																		
Project Name	Old Blandford Renovation																																																																	
Property Address	857 E Bank St Petersburg, VA 23803																																																																	
Parcel Number	012-070015 <span style="float:right">Acreage <u>0.124</u> Bldg SF _____</span>																																																																	
Year Constructed	_____																																																																	
Project Developer	Optimal Capital Resource, LLC																																																																	
Contact Name	Amanda Green																																																																	
Address	1210 W High St <span style="float:right">Phone <u>(804) 937-2007</u></span>																																																																	
	Petersburg, VA 23803																																																																	
Email	<a href="mailto:Optimalcapitalresourcecellc@comcast.net">Optimalcapitalresourcecellc@comcast.net</a>																																																																	
Experience/Qualifications	_____																																																																	
Development Description	Single Family Residence																																																																	
Offered Purchase Price	\$ <u>5,000</u> <span style="float:right">Total Investment \$ <u>140,000</u></span>																																																																	
Description of Financing (%)	Equity (10%), Bank Construction Financing (90%)																																																																	
Community Benefit	Appreciation of homes in the area based on sale. New tax revenue and new family.																																																																	
Due Diligence Period (months)	_____																																																																	
Construction Start Date	<u>May-20</u> <span style="float:right">Completion Date <u>Nov-20</u></span>																																																																	
Number of Projected Jobs	Temp/Const. Jobs <table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:50px; height:20px;"></td><td style="width:50px; text-align:center;">1</td></tr></table> <span style="float:right">Permanent Jobs <table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:50px; height:20px;"></td></tr></table></span>		1																																																															
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Average Wage	<table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:50px; height:20px;"></td></tr></table> <span style="float:right"><table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:50px; height:20px;"></td></tr></table></span>																																																																	
Contingencies	_____																																																																	
City Assessment																																																																		
Outstanding Obligations	_____																																																																	
Proposed Land Use	<u>SF Residential</u> <span style="float:right">Yes No</span>																																																																	
Comp Plan Land Use	<u>SF Residential</u> <span style="float:right">Conformance <table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:20px; height:15px; text-align:center;">x</td><td style="width:20px; height:15px;"></td></tr></table></span>	x																																																																
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Zoning	<u>R-3</u> <span style="float:right">Conformance <table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:20px; height:15px; text-align:center;">x</td><td style="width:20px; height:15px;"></td></tr></table></span>	x																																																																
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Enterprise Zone	<table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:20px; height:15px;"></td><td style="width:20px; height:15px; text-align:center;">x</td></tr></table>		x																																																															
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Rehab/Abatement	<table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:20px; height:15px;"></td><td style="width:20px; height:15px; text-align:center;">x</td></tr></table>		x																																																															
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New Construction	<table border="1" style="display:inline-table; vertical-align: middle;"><tr><td style="width:20px; height:15px;"></td><td style="width:20px; height:15px; text-align:center;">x</td></tr></table>		x																																																															
	x																																																																	
Historic District	_____																																																																	
Assessed Value	\$ <u>10,700</u> <span style="float:right">Appraised Value \$ <u>-</u> Date _____</span>																																																																	
City Revenue from Sale	\$ <u>(5,700)</u>																																																																	
Projected Tax Revenue	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Abatement</th> <th>Year 1</th> <th>Year 5</th> <th>Year 20</th> </tr> </thead> <tbody> <tr> <td>Real Estate Tax</td> <td>\$ -</td> <td>\$ 1,890.00</td> <td>\$ 9,450.00</td> <td>\$ 37,800.00</td> </tr> <tr> <td>Personal Property Tax</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Machinery and Tools Tax</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Sales and Use Tax</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Business License Fee</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Lodging Tax</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Meals Tax</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Other Taxes or Fees</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Total Tax Abatement</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>Total Tax Revenue</td> <td>\$ -</td> <td>\$ 1,890.00</td> <td>\$ 9,450.00</td> <td>\$ 37,800.00</td> </tr> <tr> <td>Costs to the City</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> <tr> <td>City ROI (Revenue - Cost)</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> <td>\$ -</td> </tr> </tbody> </table>		Abatement	Year 1	Year 5	Year 20	Real Estate Tax	\$ -	\$ 1,890.00	\$ 9,450.00	\$ 37,800.00	Personal Property Tax	\$ -	\$ -	\$ -	\$ -	Machinery and Tools Tax	\$ -	\$ -	\$ -	\$ -	Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	Business License Fee	\$ -	\$ -	\$ -	\$ -	Lodging Tax	\$ -	\$ -	\$ -	\$ -	Meals Tax	\$ -	\$ -	\$ -	\$ -	Other Taxes or Fees	\$ -	\$ -	\$ -	\$ -	Total Tax Abatement	\$ -	\$ -	\$ -	\$ -	Total Tax Revenue	\$ -	\$ 1,890.00	\$ 9,450.00	\$ 37,800.00	Costs to the City	\$ -	\$ -	\$ -	\$ -	City ROI (Revenue - Cost)	\$ -	\$ -	\$ -	\$ -
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## Property Record Card - Petersburg, VA

### General Property Data

Parcel ID	012-070015	Account Number	FOR SALE, Lot
Prior Parcel ID	-	Property Location	857 BANK ST
Property Owner	CITY OF PETERSBURG	Property Use	CIP
Mailing Address	135 N. Union St	Most Recent Sale Date	12/4/2008
City	Petersburg	Legal Reference	2008-4702
Mailing State	VA	Zip	23803
Parcel Zoning	R-3	Grantor	
		Sale Price	34,500
		Land Area	acres

### Current Property Assessment

Card 1 Value	Building Value	0	Xtra Features Value	0	Land Value	10,700	Total Value	10,700
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### Building Description

Building Style	N/A	Foundation Type	N/A	Flooring Type	N/A
# of Living Units	N/A	Frame Type	N/A	Basement Floor	N/A
Year Built	N/A	Roof Structure	N/A	Heating Type	N/A
Building Grade	N/A	Roof Cover	N/A	Heating Fuel	N/A
Building Condition	N/A	Siding	N/A	Air Conditioning	
Finished Area (SF)		Interior Walls	N/A	# of Bsmt Garages	0
Number Rooms	0	# of Bedrooms	0	# of Full Baths	
# of 3/4 Baths		# of 1/2 Baths		# of Other Fixtures	

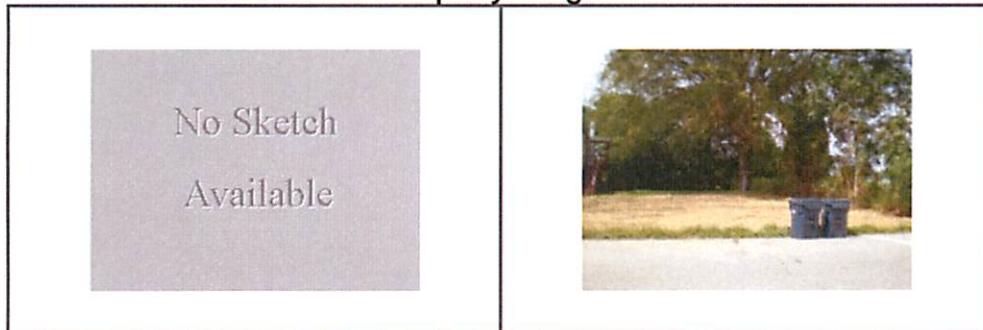
### Legal Description

PT LOT 9 OLD BLANDFORD PL 50X108

### Narrative Description of Property

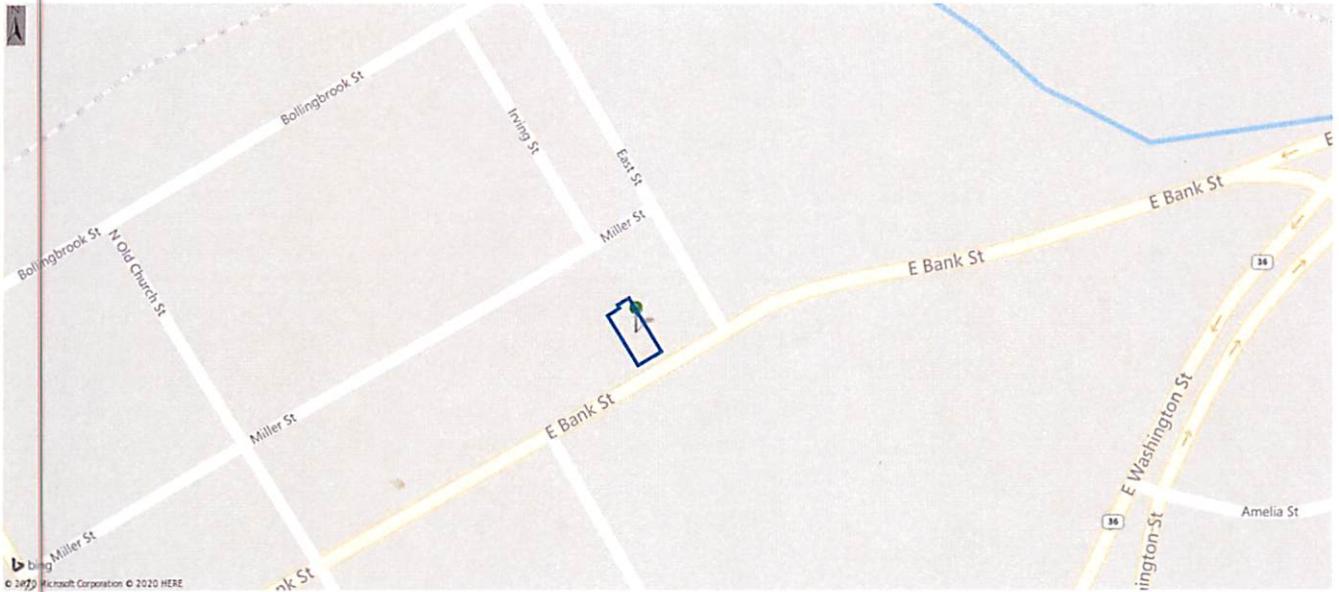
This property contains acres of land mainly classified as CIP with a(n) N/A style building, built about N/A, having N/A exterior and N/A roof cover, with N/A unit(s), 0 room(s), 0 bedroom(s), bath(s), half bath(s).

### Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

# 857 E Bank Street



# 857 E Bank Street



03/12/2019



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 11, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**FROM:** Robert A. Floyd, Director of Budget & Procurement

**RE:** **Request for a Public Hearing for the Fiscal Year 2019-20 Operating Budget Amendment.**

**PURPOSE:** Request a public hearing to receive public comments on the amendment to the FY 2019-20 Operating Budget.

**REASON:** To receive public comment.

**RECOMMENDATION:** Schedule the public hearing for March 3, 2020.

**BACKGROUND:** The proposed budget amends the General Fund, Special Revenue Funds, and Enterprise Funds. The Special Revenue Fund amendments include the Community Development Block Grant Fund, Grants Fund, and Street Funds, the Stormwater Fund and the Transit Fund. The Enterprise Funds amendment includes the Utilities Fund and the Golf Course Fund. Below is a list of proposed budget amounts in each fund.

Fund	Adopted Budget	Proposed Amendment
General Fund	\$76,120,754	\$76,129,474
Grants Fund	\$753,563	\$932,606
Streets Fund	\$5,981,699	\$5,981,729
CDBG Fund	\$805,000	\$1,411,071
Stormwater Fund	\$1,960,249	\$1,960,249
Transit Fund	\$4,975,845	\$4,942,039
Utilities Fund	\$14,722,754	\$15,433,335
Golf Course Fund	\$1,278,315	\$1,222,097

**COST TO CITY:** N/A

**BUDGETED ITEM:** Yes

**REVENUE TO CITY:** N/A

**CITY COUNCIL HEARING DATE:** March 3, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** None

**AFFECTED AGENCIES:** Budget & Procurement

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** None

**REQUIRED CHANGES TO WORK PROGRAMS:** None

**ATTACHMENTS:** FY2019-20 Budget Amendment Document

**STAFF:** Randall K. Williams, Assistant Director of Capital Budgeting  
Logan Tollison, Budget Analyst



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 18, 2020

**TO:** The Honorable Mayor and City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager of Development

**FROM:** India J. Adams- Jacobs, Assistant to the City Manager

**RE:** Commercial Property Assessed Clean Energy (C-PACE) Ordinance Amendment

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**PURPOSE:** To provide City Council with an amendment to the Commercial Property Assessed Clean Energy (C-PACE) ordinance adopted in July 2019.

**REASON:** The state legislation regarding C-PACE was updated on July 1, 2019 to include the inclusion of stormwater and resiliency projects as a use that could be eligible under the program. In addition, with the City Council electing a third-party as Program Administrator, language related to billing and collecting of payments and program administration needed to be amended.

**RECOMMENDATION:** Staff recommends the adoption of the ordinance as amended.

**BACKGROUND:** On July 2, 2019 City Council adopted an ordinance creating a Commercial Property Assessed Clean Energy (C-PACE) program and draft guidelines. City Council also chose to acquire a third-party administrator to administer the program. As a result, language in the original ordinance must be amended to allow for third-party administration and include the updated eligible uses under the program.

**COST TO CITY:** N/A

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** N/A

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** N/A

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** 19-ORD-37

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** N/A

**STAFF:** India J. Adams-Jacobs, Assistant to the City Manager; Reggie Tabor, Economic Development Manager

# **ORDINANCE**

**AN ORDINANCE TO ADOPT CHAPTER 107 OF THE PETERSBURG CODE OF ORDINANCES ENTITLED "COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY FINANCING PROGRAM"**

**Chapter 107**

**Commercial Property Assessed Clean Energy Financing Program.**

**Sec. 107-1. Commercial Property Assessed Clean Energy Financing Program; established; purpose.**

- A. City Council hereby establishes the Commercial Property Assessed Clean Energy Financing Program; (C-PACE), under the authority of Code of Virginia §15.2-958.3. Under C-PACE, the City may authorize contracts to provide loans for the initial acquisition and installation of clean energy improvements with free and willing property owners of both existing properties and new construction. In addition, private lending institutions shall be provided the opportunity to participate in C-PACE.
- B. The purpose of C-PACE is to promote the renovation and construction of commercial, non-profit and multi-family buildings and structures by incorporating renewable energy production and distribution facilities, energy usage efficiency improvements, or water usage efficiency improvements. City Council finds that this will promote the general health and welfare of the community. Water usage efficiency improvements, in particular, benefit the public water supply and wastewater treatment services provided by the City.
- C. In establishing C-PACE, the City Council finds that Petersburg has numerous older buildings with many years of remaining life, and that the renovation, retrofit, or rehabilitation of these buildings with qualifying clean energy improvements would make them more efficient and reduce their greenhouse gas emissions. The rehabilitation of commercial and industrial buildings and structures that are at least 40 years old, in particular, supports the same public purposes advanced by the historic preservation efforts of this City.
- D. City Council further finds that the promotion and development of new buildings and structures with energy efficient or water efficient features that exceed current building code requirements, or which use renewable energy will enhance the real property tax base of the

City, make these buildings, if rented, more attractive to tenants, and thereby promote employment and economic growth in the City.

**Sec. 107-2. Definitions.**

“Borrower” means the person, as defined in Code of Virginia §1-230, who owns an eligible property and voluntarily applies for and obtains a C-PACE loan, or that person’s successor in title.

“Borrower Certificate” means a notarized certificate from Borrower, certifying that (i) Borrower is (A) current on payments on all loans secured by a mortgage or deed of trust lien on the Property, (B) current on real 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 proceedings, and (ii) that the title of the benefitted property is not in dispute as evidenced by a title report or title insurance commitment from a title insurance company acceptable to Capital Provider and City.

“C-PACE Assessment and Financing Agreement” means the C-PACE Program Agreement between the Borrower, City, and Capital Provider, and their respective successors and assigns, which includes the terms and conditions for participation in the C-PACE Program; the Borrower’s acknowledgment and consent for the City to impose a voluntary special assessment and record a C-PACE Lien Certificate against the Borrower’s Eligible Property; and a summary of the terms of the C-PACE Loan.

“C-PACE Memorandum” means a Memorandum of C-PACE Assessment Lien, which shall (i) be executed by Borrower, Capital Provider, and the City, (ii) include the Amortization Schedule, and (iii) be recorded in the Clerk’s Office against the Property at closing to evidence the C-PACE voluntary special assessment lien and to secure the repayment of the C-PACE financing to the Capital Provider.

“Capital Provider” means the private lending institution that originates a C-PACE loan, or its successors or assigns in interest; or, if City Council appropriates funds for this purpose and if applicable, the City. The Capital Provider is the source of funding for, or the current holder of, C-PACE loans.

“Project Costs” as applied to “Eligible Improvements” shall include the cost of all (a) labor, (b) materials, machinery and equipment, (c) architectural, engineering, consulting (such as energy audits and assessments, feasibility studies and reports, and financial projections), financial and legal services, (d) plans, specifications and studies, (e) physical and building condition surveys, (f) commissioning expenses, (g) project management, (h) energy savings or performance guaranty or insurance, (i) post-installation evaluation, measurement and verification, and building accreditation, (j) permitting fees,

due diligence, financing, and closing costs for the C-PACE Loan, including administrative and Capital Provider fees that are directly attributable to an Eligible Improvement, and (l) reserves for construction period interest.

“Program” means the Commercial Property Assessed Clean Energy Financing Program created by this article.

“Program Administrator” means (i) an independent third party whose services are procured by the City, or (ii) the City Manager or his or her designee.

“Program Guidelines” means those procedures, rules, disclosures, and restrictions promulgated, imposed and enforced by the Program Administrator for the administration of the Program.

“Project” means the development of Qualifying Improvements on an Eligible Property.

“Property” means an Eligible Property as defined in Section 107-4 located within the City of Petersburg, for which a program loan is applied for or received.

### **Sec. 107-3. Eligible improvements.**

The Cost of the following types of Eligible Improvements to existing buildings and structures, or new construction, on Eligible Property, may be financed through C-PACE.

1. Renewable energy production and distribution facilities, including but not limited to, solar photovoltaic, solar thermal, geothermal, wind, fuel cells, biomass systems, biogas or methane recovery systems.
2. Energy usage efficiency systems reasonably expected to reduce the energy usage of the Eligible Property, including but not limited to, high efficiency lighting and building systems, heating, ventilation and air conditioning (HVAC) upgrades, air duct sealing, high efficiency boilers and furnaces, high efficiency hot water heating systems, combustion and burner upgrades, fuel switching, heat recovery and steam traps, cogeneration systems, building shell or envelope improvements, reflective roof, cool roof or green roof systems, weather-stripping, fenestration and door improvements and modifications, insulation (both in walls, roofs, floors and foundations and in HVAC systems' radiant barriers), building energy management systems, process equipment upgrades, and other forms of conservation; provided, that for Eligible Improvements that are part of a new building

or structure, such Eligible Improvements shall exceed the minimum energy efficiency requirements of then-applicable law, ordinance, regulation or code.

3. Water usage efficiency improvements, such as recovery, purification, recycling and other forms of water conservation. For new construction, these improvements qualify for C-PACE financing only if they exceed the minimum water usage efficiency requirements of then-applicable law, ordinance, regulation, or code.
4. Resiliency and stormwater management improvements. Resiliency improvements may include mitigation of flooding or the impacts of flooding or stormwater management improvements with a preference for natural or nature-based features and living shorelines as defined in § 28.2-104.1;
5. Construction, renovation or retrofitting of Eligible Property directly related to the accomplishment of any purpose listed in clauses 1, 2, 3, or 4 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.
6. Any other category of improvement approved by the City Manager as qualifying for financing under C-PACE, with the concurring written opinion of either the City Attorney or other legal counsel engaged to serve as counsel for C-PACE that such improvement is authorized by or consistent with the Commonwealth's authorizing legislation for C-PACE programs.
7. The Sample List of Eligible Improvements published by the Mid-Atlantic PACE Alliance dated June 2018 is non-exhaustive and may be used as a guide in determining which proposed improvements qualify for C-PACE funding.

#### **Sec. 107-4. Eligible Properties.**

Eligible Properties include all assessable real estate located within the City of Petersburg, 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 Code of Virginia §55-79.2, or (b) any residential property containing four or fewer dwelling units. Eligible Properties shall be eligible to participate in C-PACE.

#### **Sec. 107-5. Program arrangements.**

- A. The Capital Providers for C-PACE may be private lending institutions. Public funds may be the source of C-PACE funding to the extent appropriated for that purpose by City Council.
- B. The time period during which Borrowers shall repay the C-PACE loan shall not exceed the weighted average useful life of the Eligible Improvements or 30 years, whichever is less.

C-PACE Loans will be repaid by the Borrower through Loan Payments made in the amounts and at such times as set forth in the Loan Documents and Program Guide. Loan Documents shall be defined as and include: project application, borrower's certificate, financing agreement. The Capital Provider shall be responsible, subject to and in accordance with the terms of the C-PACE Program Agreement and other Loan Documents, for the servicing of the C-PACE Loans and the collection of Loan Payments. In the alternative, C-PACE Loans may be serviced by the Program Administrator. For Loans serviced by the Program Administrator, the Borrower shall remit all Loan Payments to the City. The City shall remit Loan Payments it receives from Borrowers to the Capital Provider within thirty (30) days of receipt.

- C. C-PACE loan payments shall be combined with the City's real property tax billing and collection, and payable into the treasury of the City. The ~~City~~ Collector of Taxes shall apply any loan payment first to the City's real estate taxes, penalties, and interest which are due and payable on the date of receipt of the payment, and second, upon having paid all real estate taxes due, to the C-PACE voluntary special assessment in accordance with the C-PACE loan documents. Borrower shall notify the Capital Provider and the ~~City~~ Collector of Taxes if any C-PACE loan payment is a prepayment, at the time the payment is made.
- D. The interest rate of a C-PACE loan shall be determined by mutual agreement of the Borrower and the Capital Provider.

- E. All of the costs incidental to the financing, administration, and collection of the C-PACE loan shall be borne by the Borrower. C-PACE is intended to be self-financed through fees that are designed to cover the costs to design and administer the program, including the compensation of any third-party administrator. The City Manager shall collect a non-refundable program application fee from the Borrower upon receipt of a Final Application for C-PACE financing with the remainder of the application fee due at closing. There may be a semi-annual fee to service the C-PACE Loans if required by the Program Administrator.
- F. The minimum amount of any single C-PACE loan shall be \$50,000. The maximum amount of any single C-PACE loan shall be \$5 million.
- G. If the City or other public body is originating a C-PACE loan, the maximum aggregate dollar amount that may be financed through C-PACE is \$15 million. In the event that applications that have been originated from the City or other public body for C-PACE financing appears likely to exceed the maximum aggregate dollar amount, priority shall be given to the applicants on a first-come, first-served basis.
- H. The Program Administrator is authorized and directed to prepare Program Guidelines for C-PACE loans. The Program Guidelines shall include, without limitation:
- a. disclosures about C-PACE fees, costs, and Program processes;
  - b. eligibility requirements for participation in the Program by Capital Providers, contractors and other PACE stakeholders;
  - c. eligibility requirements for Borrowers and C-PACE improvements and projects; and
- I. Additional requirements.

1. 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 (a) 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 the C-PACE voluntary special assessment, and (b) waive the right to occupy, possess, or use, either directly or indirectly, any Eligible Property for a period of five years after the date of the foreclosure auction.
  
2. Every Borrower shall:
  - a. Waive all defenses, affirmative or otherwise, to the foreclosure action related to any collection suit brought for the nonpayment of any C-PACE obligation. This waiver shall apply to any litigation action initiated under the laws of the Commonwealth of Virginia or any administrative collection action as afforded the City of Petersburg Collector of Taxes or their duly appointed collection agent;
  
  - b. Waive all defenses to the imposition of personal liability for corporate officers as permitted under Virginia Code §58.1-3965(F) and the collection thereof as stated in subparagraph (a) above;
  
  - c. Agree to provide a confession of judgment pursuant to Virginia Code §8.01-432, *et seq.*, if requested by the City or the Capital Provider to accompany any note related to the financing for any Qualifying Project.
  
  - d. These waiver provisions shall be a burden that runs with the land intended to bind successors or assigns in title while any C-PACE obligation remains outstanding.

**Sec. 107-6. City Manager authorization; loan agreements.**

- A. A draft contract specifying the terms and conditions of C-PACE Program Agreements is adopted as an appendix to this Chapter. Each C-PACE Program Agreement shall be in substantially the form established by the draft contract, with such additions, deletions or alterations as permitted by this article.
- B. The City Manager is authorized to enter into C-PACE Program Agreements on behalf of the City. The City Manager may procure Program administration services if needed, to the extent that funds for this purpose are appropriated.
- C. The parties to any C-PACE Program Agreement shall be the Borrower, the Capital Provider, and the City.
- D. The City Manager may not execute any C-PACE Program Agreement unless the conditions for the priority status of the voluntary special assessment lien are met, in addition to the underwriting requirements.
- E. The C-PACE loan documents shall include provisions for the amendment of the C-PACE loan agreement. No Capital Provider or Borrower may amend any C-PACE loan agreement without consent of the City, as evidenced by the signature of the City Manager, which shall not be unreasonably withheld, conditioned or delayed.

**Sec. 107-7. Voluntary special assessment lien.**

- A. A C-PACE loan shall be secured by a voluntary special assessment lien in the amount of the initial C-PACE loan amount, plus all interest, penalties, fees, costs and other amounts accrued or accruing thereon in accordance with the C-PACE loan documents against the property where the Eligible Improvements are being installed, the existence, terms and conditions of which shall be evidenced by the recordation of C-PACE Lien Certificate in the Clerk's Office of the Circuit Court of the City of Petersburg. The Capital Provider shall record the Certificate at closing. The Program Administrator or Capital Provider shall inform the Commissioner of Revenue of any changes to the anticipated yearly assessment, and the Collector of Taxes of any changes to the amortization schedule, on or before July 1<sup>st</sup> of each year for which C-PACE loan payments are due.
- B. The voluntary special assessment lien shall have the same priority status as a property tax lien against real property so long as (1) a written subordination agreement, in a form and substance acceptable to each prior lien holder in its sole and exclusive discretion, is executed by the holder of each mortgage or deed of trust lien on the property and recorded with the special assessment lien, and ~~(2) a Borrower Certificate is submitted to the City prior to recording the C-PACE Memorandum.~~
- C. The voluntary special assessment lien, and the C-PACE Lien Certificate, shall not be amended without the City's consent, except as provided in the C-PACE loan documents, including, without limitation Capital Provider's transfer, assignment, or sale as provided in this section. The City's consent shall not be unreasonably withheld, conditioned or delayed. C-PACE loans may be transferred, assigned or sold by a Capital Provider at any time during the loan term without consent from Borrower or 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 the Commissioner of Revenue, Collector of Taxes, and program administrator if applicable. The Collector of Taxes shall not be obligated to remit C-PACE payments to a new Capital Provider unless a recorded copy of the C-PACE

Assignment has been provided to the Collector of Taxes at least thirty days before the next installment payment due date. 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 loan documents.

- D. The voluntary special assessment lien shall run with the land. That portion of the assessment that has not yet become due shall not be eliminated by foreclosure of a property tax lien.
- E. The voluntary special assessment shall be payable in installments over a period of years, due at the same time as real property taxes. C-PACE loans shall not constitute a pledge of the faith and credit of the City.
- F. Delinquent payments shall be subject to all fees and collection methods permitted under the laws of the Commonwealth of Virginia for the collection of delinquent taxes.
- G. The Collector of Taxes shall enforce the voluntary special assessment lien in the same manner that a property tax lien against real property is enforced. The Collector of Taxes shall be entitled to recover costs and expenses, including attorneys' fees, in a suit to collect a delinquent installment of an assessment in the same manner as in a suit to collect delinquent property taxes, including utilizing any administrative remedies provided by Virginia law. The costs and expenses recovered by the Collector of Taxes shall be in addition to any costs, expenses, interest, or other amounts due and owing to the Capital Provider in accordance with the C-PACE loan documents. For the purposes of enforcement of the voluntary special assessment lien herein, any Eligible Property which has an outstanding voluntary special assessment imposed pursuant to this Article shall be enforceable after June 30<sup>th</sup> following the first anniversary of either the real estate tax or the special assessment having become due under the authority of Virginia Code §58.1-3965.1.

**Sec. 107-8. Role of the City; limitation of liability.**

Borrowers and Capital Providers participate in C-PACE 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 agreement or voluntary special assessment lien and Borrowers and Capital Providers agree to release and hold the City of Petersburg 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, breach or default of Borrowers or Capital Providers in relation to or under the performance of any C-PACE loan agreement.

# APPENDIX

**C-PACE ASSESSMENT AND FINANCING AGREEMENT**

by and among

\_\_\_\_\_  
as Borrower

and

**[CAPITAL PROVIDER NAME] (together with its successors, assigns and/or designees),**  
as Capital Provider

and

**[CITY/COUNTY] OF \_\_\_\_\_,**  
as **[CITY/COUNTY]**

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 [BORROWER NAME], a \_\_\_\_\_ organized under the laws of the [Commonwealth of Virginia] **[IF FOREIGN ENTITY ADD:** and authorized to do business in the Commonwealth of Virginia] (together with its successors and/or assigns, "**Borrower**"), [CAPITAL PROVIDER NAME], a \_\_\_\_\_ organized under the laws of the [Commonwealth of Virginia] **[IF FOREIGN ENTITY ADD:** and authorized to do business in the Commonwealth of Virginia] (together with its successors and/or assigns, "**Capital Provider**"), and the [City/County] of \_\_\_\_\_, Virginia ("**[City/County]**"). Borrower, Capital Provider and the [City/County] are referred to herein individually as a "**Party**" and collectively as the "**Parties.**" Any and all capitalized terms used in this Agreement, which are not specifically defined herein, shall have the meanings set forth in **Section 1.01** below.

### RECITALS

A. Pursuant to the C-PACE Act and the Ordinance, the [City/County] established the [City/County] 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 repayment of C-PACE financing in accordance with the C-PACE Act, the Ordinance, the Program Guidelines and the 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**").<sup>1</sup>

C. Borrower has applied to the Program to obtain C-PACE Financing from Capital Provider for the Improvements, which C-PACE Financing is further evidenced and 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 on the Property]. The C-PACE improvements to be constructed on the Property (1) are generally described in the Financing Schedule and more particularly described in the Construction Contract, (2) meet the requirements of the C-PACE Act and the Ordinance, and

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<sup>1</sup> *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/ County]. 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/ County].*

(3) shall be permanently affixed to the Property and installed in accordance with the Program Guidelines ("**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 amount of the C-PACE Financing.

F. Capital Provider has agreed to provide the C-PACE Financing for the Improvements on the condition of Borrower's agreement to repay the C-PACE Financing 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/County] has agreed to levy, assess, collect and enforce the C-PACE Lien in the same manner as the [City/County] levies, assesses, collects and enforces Real Estate Taxes on the Property, subject to the terms and conditions contained in the C-PACE Documents.

H. Borrower shall repay the C-PACE Financing in accordance with the C-PACE Documents, and the [City/County] will use the C-PACE Payments to make payments to Capital Provider and the [City/County] as provided in the Amortization Schedule and the Ordinance.

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 (i) Capital Provider funding the C-PACE Financing; (ii) Borrower acquiring, constructing, and installing the Improvements and timely making the C-PACE Payments to fully repay the C-PACE Financing to Capital Provider; and (iii) the [City/County] levying, collecting and enforcing the C-PACE Lien, including remitting all C-PACE Payments actually received by Borrower to Capital Provider.

J. Borrower, Capital Provider and the [City/County] desire to set forth their respective rights and obligations relating to the C-PACE Financing 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.** Any and all capitalized terms used in this Agreement, which are not specifically defined, shall have the meanings set forth below.

(a) **“Agreement”** is defined in the Preamble, and all references to the Agreement herein include all exhibits and schedules attached hereto.

(b) **“Amortization Schedule”** means that certain amortization schedule of C-PACE Payments necessary to repay the C-PACE Financing, which is attached to this Agreement, the C-PACE Note and the C-PACE Memorandum. The initial Amortization Schedule shall be established on the Closing Date and may be updated periodically in accordance with this Agreement.

(c) **“Assignment and Assumption Agreement”** is defined in **Section 4.14**.

(d) **“Borrower”** means [ \_\_\_\_\_ ] and includes any and all successors in title to Borrower.

(e) **“Borrower Certificate”** 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 Capital Provider.

(f) **“Budget”** means the detailed budget of all costs necessary to purchase, install, and/or construct the Improvements in accordance with the Plans.

(g) **“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.

(h) **“Capital Provider”** is defined in the Preamble.

(i) **“Capitalized Interest”** means the interest that accrues on the C-PACE Financing (at the Interest Rate) from the Closing Date to the Repayment Start Date, which shall be capitalized into the C-PACE Financing amount, as reflected on the Amortization Schedule.

(j) **“[City/County]”** means the [City/County] of [Insert Locality Name], Virginia, and its [City/County], collector of taxes, finance director, assessor, commissioner of revenue or other [City/County] officials responsible for levying, assessing, collecting and/or enforcing taxes (including Real Estate Tax) for the [City/County].

(k) **“Clerk’s Office”** means the Clerk’s Office of the Circuit Court of [City/County].

(l) **“Closing”** means the closing of the transactions contemplated by this Agreement, which shall take place on the Closing Date.

(m) **“Closing Conditions”** is defined in **Section 2.04**.

(n) **“Closing Date”** means the Effective Date.

(o) “**Code**” means the Code of Virginia of 1950, as amended to date and as it may hereafter be amended.

(p) “**Completion Certificate**” means a certificate of completion executed by Borrower and Contractor in substantially the form attached hereto and incorporated herein as **Exhibit C**, as may be modified by Capital Provider in its reasonable discretion.

(q) “**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/County] 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.

(r) “**Construction Contract**” means that certain fully-executed construction contract dated [\_\_\_\_\_, 20 ] between Borrower and Contractor.

(s) “**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.

(t) “**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.

(u) “**C-PACE**” means Commercial Property Assessed Clean Energy.

(v) “**C-PACE Act**” means Virginia’s clean energy financing law, codified at Section 15.2-958.3 of the Code.

(w) “**C-PACE Advance**” means an advance of the C-PACE Financing proceeds made by Capital Provider to Borrower during the Construction Period in accordance with the terms and conditions of this Agreement.

(x) “**C-PACE Advance Schedule**” means that certain schedule of C-PACE Advances, which is attached hereto and incorporated herein as **Schedule II**.

(y) “**C-PACE Amendment**” means a written amendment executed by Borrower, Capital Provider and [City/County], which shall be recorded in the Clerk’s Office

against the Property to evidence each amendment to the C-PACE Financing and the C-PACE Lien, a form of which C-PACE Amendment is attached hereto and incorporated herein as **Exhibit D**.

(z) “**C-PACE Assignment**” means a written assignment executed by Capital Provider from time to time without consent from Borrower or [City/County], which shall be recorded in the Clerk’s Office against the Property to evidence Capital Provider’s assignment of the C-PACE Financing and C-PACE Lien, a form of which C-PACE Assignment is attached hereto and incorporated herein as **Exhibit E**.

(aa) “**C-PACE Documents**” means this Agreement, the C-PACE Note, C-PACE Memorandum, 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 transactions contemplated by this Agreement.

(bb) “**C-PACE Financing**” means that certain C-PACE loan in the aggregate amount of [\_\_\_\_\_ and /100 Dollars (\$\_.)] made under the Program by Capital Provider to Borrower to finance the Improvements on the Property in accordance with the C-PACE Act, the Ordinance and the C-PACE Documents, which (i) includes principal, interest, Capitalized Interest, fees (including Program Fees), and transaction expenses (including 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 Financing amount may be modified by Capital Provider to reflect accrued interest, Default Interest, late fees, penalties, payments, prepayments and other adjustments that are contemplated by the C-PACE Documents.

(cc) “**C-PACE Lien**” means the voluntary, irrevocable, special assessment lien levied against the Property pursuant to the C-PACE Act, at Borrower’s request, to evidence and secure the C-PACE Financing, which (i) is of equal priority with the [City/County] 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 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 Memorandum, as such C-PACE Lien may be amended and assigned from time to time in accordance with the C-PACE Documents.

(dd) “**C-PACE Lien Certificate**” means that certain Certificate of C-PACE Assessment Lien, which shall (i) be executed by Borrower, Capital Provider, and the [City/County], (ii) include the Amortization Schedule, and (iii) be recorded in the Clerk’s Office against the Property at Closing to evidence the C-PACE Lien and to secure the repayment of the C-PACE Financing to Capital Provider, a form of which C-PACE Lien Certificate is attached hereto and incorporated herein as **Exhibit B**.

(ee) “**C-PACE Note**” means a promissory note evidencing Borrower’s obligation to repay the C-PACE Financing, executed by Borrower and made payable to Capital Provider in the original principal amount of the C-PACE Financing, a form of which is attached

hereto and incorporated herein as **Exhibit G**, and shall include without limitation, any and all modifications, restructurings, extensions, consolidations, amendments and/or assignments thereof.

(ff) “**C-PACE Payments**” means the periodic, installment payments of the C-PACE Financing, due and payable by Borrower to the Capital Provider or in the alternative to the [City/County] to repay the C-PACE Financing 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).

(gg) “**Default Interest**” means the interest that accrues 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.

(hh) “**Default Rate**” means the lower of [\_\_\_\_\_ percent (%)] per annum or the highest annual interest rate allowed by applicable law.

(ii) “**Delinquency**” is defined in **Section 5.01**.

(jj) “**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.

(kk) “**Disbursement Conditions**” is defined in **Section 2.05**.

(ll) “**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/County], a form of which is attached hereto and incorporated herein as **Exhibit L**.

(mm) “**DMME**” means the Virginia Department of Mines, Minerals and Energy.

(nn) “**DMME Guidelines**” means the Uniform Statewide Financial Underwriting Guidelines for C-PACE Financings, issued on December 1, 2015, by the PACE Stakeholder Committee organized by DMME.

(oo) “**Effective Date**” is defined in the Preamble.

(pp) “**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 (i) facilitate renewable energy production and distribution, (ii) reduce energy consumption, or (iii) 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.

(qq) “**Eligible Property**” means all assessable real estate located within the [City/County], 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/County], other than (a) any condominium project as defined in §55-79.2 of the Code, or (b) any residential property containing four (4) or fewer dwelling units.

(rr) “**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 (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) 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.

(ss) “**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 (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) 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.

(tt) “**Event of Default**” has the meaning given such term in **Section 5.01**.

(uu) “**Exclusivity Covenants**” means the covenants and undertakings of Borrower and its affiliates, for the benefit of Capital Provider, whereby Borrower shall not (i) solicit, initiate or encourage submission of proposals or offers from any third person, relating to any acquisition or purchase of the C-PACE Financing, 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 Financing.

(vv) “**Failure to Complete Fee**” is defined in **Section 2.11**.

(ww) “**Final Conditions**” is defined in **Section 2.06**.

(xx) “**Final Lien Waiver**” means a final lien waiver and release approved by Capital Provider in its reasonable discretion and executed by Contractor, which shall be in substantially the form attached hereto as **Exhibit I**.

(yy) “**Financing Schedule**” means that certain C-PACE Financing Schedule attached hereto and incorporated herein as **Schedule I**.

(zz) “**Financing Term**” means a period of [\_\_\_\_\_(.)] years, beginning on the Repayment Start Date and ending on the date on which the C-PACE Financing and any other amounts owed pursuant to the C-PACE Documents have been repaid in full in accordance with the C-PACE Documents and the Amortization Schedule (as may be amended from time to time).

(aaa) “**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.

(bbb) “**Hazardous Materials**” means any chemical, material or substance, exposure to which is prohibited, limited or otherwise regulated pursuant to any Environmental Law.

(ccc) “**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.

(ddd) “**Improvements**” is defined in **Recital D** of this Agreement.

(eee) “**Indemnified Party**” is defined in **Section 4.10**.

(fff) “**Interest Rate**” means the annual interest rate under the C-PACE Financing, as determined by Capital Provider, which equals [\_\_\_\_\_ percent (%)].

(ggg) “**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 F**), which shall be recorded in the Clerk’s Office at Closing to evidence Senior Lender’s consent to the C-PACE Financing 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.

(hhh) “**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 Lien Waiver shall be in substantially the form attached hereto as **Exhibit H**.

(iii) “**Material Adverse Effect**” means a material adverse effect on and/or material adverse developments with respect to (i) the business, operations, properties, assets or condition (financial or otherwise) of Borrower; (ii) the ability of Borrower to fully and timely perform its obligations pursuant to this Agreement; (iii) the legality, validity, binding effect or enforceability against Borrower of the C-PACE Documents; (iv) the rights, remedies and benefits available to, or conferred upon, Capital Provider under this Agreement or any related agreements; or (v) the construction, development, operation, leasing, use or value of the Improvements.

(jjj) “**Ordinance**” means the “[*Insert Locality Name*] Commercial Property Assessed Clean Energy (C-PACE) Ordinance,” adopted on [\_\_\_\_\_, 20\_], in accordance with the C-PACE Act, which establishes the Program.

(www) "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.

(vvv) "Real Estate Tax" means the local tax on real estate which the [City/County] levies pursuant to Title 58.1, Chapter 32 of the Code.

(uuu) "Property" is defined in Recital B of this Agreement.

(ttt) "Program Guidelines" means those procedures, rules, disclosures, and restrictions promulgated, imposed and enforced by Program Administrator for the governance of the Program.

(sss) "Program Fee" means the [City/County] fee for managing the Program (including levying the C-PACE Lien and collecting and disbursing the C-PACE Payments), which Program Fee shall be due and payable to the [City/County] in accordance with this Agreement.

(rrr) "Program Administrator" means (i) an independent third party (authorized by written contract with the [City/County]), or (ii) a designated [City/County] official, which, in either case, possesses the authority to administer the Program as provided by the Code, the Ordinance and the Program Guidelines.

(qqq) "Program" is defined in Recital A of this Agreement.

(ppp) "Plans" is defined in Section 3.05.

(ooo) "Permitted Title Exceptions" means the title exceptions set forth on Exhibit K attached hereto and incorporated herein.

(nnn) "Permitted Liens" means any of the following affecting Borrower or the Property: (i) the Permitted Title Exceptions; (ii) any lien, encumbrance or restriction permitted under any Senior Lender agreement evidencing or securing the debt obligations of Borrower to Senior Lender in connection with the Property; (iii) the C-PACE Lien as evidenced by the recorded C-PACE Memorandum; (iv) any other liens or encumbrances as Capital Provider may approve in writing from time to time; and (v) any subleases, concessions, occupancy agreements, use agreements and licenses in the ordinary course of business for the operation of the business on the Property, as approved by Capital Provider in its reasonable discretion.

(mmm) "Party" and "Parties" are defined in the Preamble.

(lll) "PACE Confirmation" is defined in Section 2.08.

(kkk) "PACE" means Property Assessed Clean Energy.

(xxx) "**Repayment Date**" means the due date for each of Borrower's C-PACE Payments during the Financing Term, which is the date that Real Estate Taxes are due to the [City/County] (i.e., [May 15 (for the period from January 1 through June 30) and November 15 (for the period from July 1 through December 31)]), as provided in the Amortization Schedule.

(yyy) "**Repayment Start Date**" means the first Repayment Date that occurs after the Completion Date.

(zzz) "**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.

(aaaa) "**Term**" is defined in **Section 2.01**.

(bbbb) "**Virginia**" means the Commonwealth of Virginia.

**Section 1.02 Conventions.** 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 FINANCING

**Section 2.01. C-PACE Financing of Improvements; Term; Interest.** Capital Provider will provide the C-PACE Financing to Borrower for the construction of the Improvements, and Borrower hereby agrees to (a) use the proceeds of the C-PACE Financing 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 Financing to be repaid on the terms and conditions contained in the C-PACE Documents. The C-PACE Financing will be provided for a term commencing on the Closing Date and ending on the expiration of the Financing Term ("**Term**"), unless the C-PACE Financing is prepaid (if permitted) in accordance with this Agreement. During the Term, interest shall accrue on the unpaid principal balance of the C-PACE Financing at the Interest Rate. The Interest Rate is not necessarily the lowest rate charged by Capital Provider. The C-PACE Financing 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 the provisions imposing the C-PACE Lien against the Property for the benefit of Capital Provider. The debt evidenced by the C-PACE Financing is a commercial (and not a consumer) loan for the specific purpose of financing the Improvements on the terms and conditions as set forth herein. Borrower hereby promises and agrees to repay the C-PACE Financing, 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, the Ordinance, the C-PACE Documents and other applicable law.

**Section 2.03. Security/Collateral for C-PACE Financing.** To secure the C-PACE Financing, Borrower hereby grants to Capital Provider the C-PACE Lien. Borrower and the [City/County] hereby consent to the C-PACE Lien being recorded against the Property for the benefit of Capital Provider to evidence and secure the C-PACE Financing. Borrower and [City/County] 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) to secure the C-PACE Financing, enforceable against the Property as provided in the C-PACE Act, the Ordinance and the C-PACE Documents.

**Section 2.04. Funding; Conditions Precedent to Closing.** On the Closing Date, Capital Provider shall disburse the C-PACE Financing (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 Financing 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. In connection with Closing and prior to Capital Provider funding the C-PACE Financing, 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.

(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's Certificate to Capital Provider and [City/County].

(g) Capital Provider shall have received the fully-executed Memorandum and confirmation that the Memorandum 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 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.

(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 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, 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 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).

(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/County] 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 Financing Disbursements.**

(a) 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.

(b) 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.

(c) 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

Financing shall be sufficient, in Capital Provider's sole discretion, to complete the Improvements (including, without limitation, all non-construction costs associated with the Improvements).

(d) 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.

(e) 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.

(f) The aggregate amount of all C-PACE Advances shall not exceed the amount of the C-PACE Financing, 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.

(g) ***[INSERT ADDITIONAL DISBURSEMENT PROVISIONS AS REQUIRED BY CAPITAL PROVIDER].***

#### **Section 2.08. Repayment of C-PACE Financing.**

(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, which will be substantially similar to the form attached hereto and incorporated herein as **Exhibit J** ("**PACE Confirmation**").

(b) Beginning on the Repayment Start Date and continuing on each Repayment Date during the Financing Term, in addition to paying Real Estate Taxes, Borrower shall pay the C-PACE Payment in the same manner as Real Estate Taxes are paid to the [City/County], in accordance with the Amortization Schedule. It is a material provision of the C-PACE Financing that Borrower timely makes each C-PACE Payment on or before its respective Repayment Date so that the [City/County] can timely distribute each C-PACE Payment in accordance with the C-PACE Documents.

(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 Financing is paid in full and the C-PACE Lien is released by Capital Provider in accordance with the C-PACE Documents and the C-PACE Act; and (ii) the C-PACE Financing may not be prepaid, in whole or in part, except as follows:

(i) ***[INSERT PREPAYMENT TERMS/ PREPAYMENT PREMIUM, IF ALLOWED]***

(d) Within [ten (10)] days after each Repayment Date, provided that Borrower has remitted funds sufficient to pay each C-PACE Payment (and related fees detailed below), the

[City/County] shall pay to Capital Provider each C-PACE Payment, less the Program Fee, which shall be retained by the [City/County] (and shall be in addition to the amount of the C-PACE Payment due to Capital Provider), in accordance with the Amortization Schedule. Upon receipt of each C-PACE Payment from the [City/County], Capital Provider shall apply each C-PACE Payment as follows:

(i) First, to pay Capital Provider for any shortfall with respect to interest payments, penalties, late fees and other charges (including Default Interest and costs of collection) due but unpaid in prior months;

(ii) Second, to pay Capital Provider for any shortfall with respect to principal due but unpaid in prior months;

(iii) Third, to pay to pay Capital Provider for current interest; and,

(iv) Fourth, to pay Capital Provider for current principal.

**Section 2.09. Commitment Fee; Deposit.** Borrower shall pay to Capital Provider in readily available funds, a commitment fee equal to [\$\_\_\_\_\_] and payable as follows:

(a) a [\$\_\_\_\_\_] deposit upon acceptance of Capital Provider's term sheet, which has been received by Capital Provider; and

(b) the remaining commitment fee balance in the amount of [\$\_\_\_\_\_] to be paid to Capital Provider at Closing.

**Section 2.10. Expenses of Capital Provider.** Borrower shall pay all reasonable, documented out-of-pocket costs associated with the C-PACE Financing, 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 Financing at Closing as shown on the Amortization Schedule.

**Section 2.11. Failure to Complete the Improvements.** Borrower hereby freely and willingly agrees to forfeit the payment of the commitment fee to Capital Provider and to pay the additional fee identified in the Financing Schedule if Borrower fails to draw down the C-PACE Financing to complete the Improvements under the provisions of the C-PACE Documents ("**Failure to Complete Fee**"). Borrower 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 the [City/County] in processing Borrower's application and filing (and releasing) the C-PACE Memorandum.

**Section 2.12. Borrower's Failure to Repay C-PACE Financing.** If Borrower fails to pay all or part of the C-PACE Financing when due, the Parties hereby acknowledge and agree to the following:

(a) Default Interest on any unpaid C-PACE Payments (or portions thereof) shall accrue 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.

(b) The Default Interest shall be added to the C-PACE Financing balance and shall continue to accrue Default Interest thereafter unless and until all accrued and unpaid Default Interest is paid in full.

(c) The Default Interest shall be in addition to any and all penalties and interest that may be imposed by or accrue in favor of the [City/County] as a result of Borrower's failure to pay Real Estate Taxes or other taxes or assessments on the Property. In addition, C-PACE Payments shall continue to be levied as special assessments in accordance with the existing Amortization Schedule, notwithstanding Borrower's failure to pay all or part of any past C-PACE Payment. From time to time during the Term, Capital Provider may request the [City/County] and Borrower to approve and execute a C-PACE Amendment, which contains an amended Amortization Schedule that includes then-current accrued and unpaid interest, Default Interest, penalties, expenses and collection costs due to Capital Provider in connection with the C-PACE Financing. Capital Provider will record the C-PACE Amendment in accordance with the provisions of this Agreement.

(d) Borrower hereby acknowledges and agrees that failure to pay any C-PACE Payment will result in penalties and interest accruing in favor of Capital Provider on the amounts due, in addition to penalties and interest that may accrue in favor of the [City/County].

(e) Borrower's failure to pay each C-PACE Payment on or before the respective Repayment Date shall result in a late fee to Capital Provider in the amount of [ten percent (10%)] of the delinquent C-PACE Payment, without regard to the number of months such C-PACE Payment has been delinquent. A delinquent C-PACE Payment will also accrue Default Interest at the Default Rate. The late fee and the 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/County].

### ARTICLE III

#### BORROWER'S REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to and for the benefit of Capital Provider and the [City/County] that the following statements 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 Financing 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 legal, valid and binding

obligations of Borrower, each enforceable in accordance with its respective terms. Borrowers 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, the Improvements 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 completion of the Improvements, Borrower shall preserve and retain title to the Property. When completed, Borrower will be the only owner of the Improvements and all equipment related to the Improvements.

**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 Financing 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 Improvements (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 the 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. Compliance With Documents.** The execution and delivery of this Agreement by Borrower 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 it is a party or by which it is bound. No 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 this Agreement.

**Section 3.08. No Misrepresentation or Material Nondisclosure.** The information provided by Borrower to Capital Provider and the [City/County] in the C-PACE application and other C-PACE Documents was true and correct as of the effective date of each documents and remains true and correct as of the Effective Date and during the Term. Borrower has not made and will not make to Capital Provider or the [City/County], in this Agreement, the 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.

**Section 3.09. Insurance.** Borrower has provided to Capital Provider and the [City/County] satisfactory evidence of current insurance policies on the Property, which meet the requirements of this **Section 3.09**, and Borrower has provided evidence that such insurance shall be maintained in force during the Term, which meets the requirements set forth below:

(a) *Property Insurance:* Insurance against loss or damage to the Property by fire, windstorm, tornado and hail and against loss and damage by such other, further and additional risks as may be now or hereafter included on a "Special Form" or "Special Cause of Loss" insurance policy. Such policy will name Capital Provider as mortgagee/loss payee on the improvements and the personal property at the Property: (i) in an amount equal to one hundred percent (100%) of the "Full Replacement Cost," which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation (the determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Capital Provider's election, by reference to such indices, appraisals or information as Capital Provider determines in its sole discretion); (ii) containing an agreed amount endorsement with respect to the improvements and personal property at the Property or waiving all co-insurance provisions; (iii) providing for no deductible in excess of [\$10,000] for all such insurance coverage other than the coverage provided for water damage and coverages for which deductibles are measured in days instead of monetary value; (iv) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses; and (v) containing such other insurance as Capital Provider may reasonably require from time to time during the Term. This coverage is to be evidenced on Acord 27.

(b) *Commercial General Liability Insurance:* Insurance against liability arising on the Property and out of the ownership, use, occupancy, or maintenance of the Property or the business conducted on the Property, including liability arising from the negligence or other acts or omissions of all insured and additional insured parties, with limits of [\$2,000,000] per occurrence (or such other amount as Capital Provider may reasonably require from time to time during the

Term, naming each of Capital Provider and the [City/County] as an additional insured. This coverage is to be evidenced on Acord 25.

(c) Each insurance policy must provide for thirty (30) days' notice to Capital Provider in the event of cancellation or nonrenewal.

(d) Such insurance shall be maintained in force during the Term, and all insurance policies must be issued by insurance companies admitted in the Virginia having a Best rating of "A-" or better, and in form and content reasonably acceptable to Capital Provider and the [City/County].

(e) If Borrower fails to maintain the required insurance, Capital Provider may obtain the required insurance in amounts and limits sufficient to protect Capital Provider's interests, and Borrower shall be obligated to pay Capital Provider for the cost of such insurance.

(f) During the Construction Period, Borrower shall provide to Capital Provider evidence of any additional insurance coverage required to be maintained by Capital Provider.

**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 Program, the C-PACE Act, the Ordinance, and the C-PACE Documents.

**Section 3.12. No Damage or Condemnation.** 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 a 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. There is no proceeding pending or, to the knowledge of Borrower, threatened for the total or partial condemnation of the Property.

**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. To Borrower's knowledge, no Lender Consent has been withdrawn or revoked.

**Section 3.14. Repayment of C-PACE Financing.** Borrower shall pay the C-PACE Financing and all other amounts due hereunder and under the C-PACE Note at the times and in the amounts required by this Agreement, the Note and the Amortization Schedule.

**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.

## ARTICLE IV

### ADDITIONAL COVENANTS AND AGREEMENTS

**Section 4.01. Compliance With C-PACE Act.** Borrower has read the C-PACE Act and the Ordinance and covenants and agrees to comply in all respects with the provisions of the C-PACE Act and the Ordinance, including without limitation the following:

(a) The repayment obligation of the C-PACE Financing shall constitute and secure the C-PACE Lien against the Property until paid in full.

(b) The C-PACE Financing (and each C-PACE Payment) shall be collected in the same manner as the Real Estate Taxes are collected by the [City/County]. The C-PACE Lien shall be enforced in the same manner as the Real Estate Taxes are enforced by the [City/County], including the collection of any penalties or fees and the exercise of any remedies. The C-PACE Lien shall be evidenced by the C-PACE Memorandum, which shall be recorded against the Property in the Clerk's Office. The C-PACE Lien shall be released when all amounts due thereunder are paid in full in the manner provided for by the C-PACE Act.

**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 and the [City/County] 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 and 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, which is estimated to be [\_\_\_\_\_, 20\_\_].

**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/County] 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/County] 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 reasonably necessary to confirm compliance with the C-PACE Act, the Ordinance and the C-PACE Documents.

**Section 4.06. Periodic Reports/Certifications.** During the Construction Period, Borrower shall provide to Capital Provider and the [City/County] 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 the Borrower and such other information as Capital Provider and/or the [City/County] may reasonably require.

**Section 4.07. Notice of Claims; Adverse Matters.** Borrower shall promptly notify Capital Provider and the [City/County] in writing of all pending or threatened litigation or other matters that may materially adversely affect the Property or Borrower's ability to meet its obligations under this Agreement or otherwise with respect to the Improvements.

**Section 4.08. Damage or Destruction.** Borrower shall promptly notify Capital Provider and the [City/County] if the Improvements or 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 Financing. 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.

**Section 4.09. Condemnation.** If the Improvements or the Property or any part thereof are taken by condemnation or subject to an imminent threat of condemnation, Capital Provider's obligation to make additional C-PACE Advances shall immediately terminate unless, in Capital Provider's sole discretion, the Property and the Improvements can be replaced and restored in a manner which will enable the Improvements to be functionally and economically utilized and occupied as originally intended. If Capital Provider determines in its sole discretion that the Improvements can be so restored, then the rights and obligations of Borrower, Capital Provider and the [City/County] subsequent to a taking by condemnation or imminent threat thereof and the disbursement of any condemnation proceeds actually paid to Capital Provider and undisbursed C-PACE Advances, shall be the same as described in Section 3.08 with regard to insurance proceeds.

**Section 4.10. Indemnification.** Without limitation of any other obligation or liability of Borrower or any right or remedy of Capital Provider or the [City/County] contained herein, Borrower agrees to indemnify and hold harmless Capital Provider and the [City/County], 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 such Indemnified Party (except any of the foregoing which result from the negligence or willful misconduct of the 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, 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 or any such other documents are ultimately consummated, resulting from any conduct, act or failure to act by Borrower or its affiliates or related parties. In any investigation, proceeding or litigation, or the preparation therefor, Capital Provider and the [City/County] 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/County]. This section shall survive the execution, delivery, performance and repayment of this Agreement and the C-PACE Financing, and the extinguishment of the C-PACE Lien.

**Section 4.11. Further Assurances.** Upon request of Capital Provider and/or the [City/County], Borrower shall provide such additional information and execute such additional documents as Capital Provider and/or the [City/County] deem reasonably necessary or appropriate (in their sole discretion) to carry out the purposes of this Agreement, the C-PACE Documents and/or the Program in relation to the Improvements.

**Section 4.12. Assignment of C-PACE Financing 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/County]’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 Financing. 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 the Improvements in its possession from time to time to prospective assignees. 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 the [City/County].

**Section 4.13. 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/County], which consent may be withheld in Capital Provider's or the [City/County]'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/County], which consent may be withheld in Capital Provider's or the [City/County]'s sole and absolute discretion.

**Section 4.14. 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 Improvements construction (as evidenced by the Completion Certificate), and then only if such transfer is fully subject to the C-PACE Financing, the C-PACE Lien and the provisions of the C-PACE Documents. Any and all transfers of the Property shall be subject automatically to this Agreement and the C-PACE Lien. 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 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 (other than a leasehold interest for a term) 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 as **Exhibit O** ("**Assignment and Assumption Agreement**") and shall promptly deliver the fully-executed Assignment and Assumption Agreement to Capital Provider, which Capital Provider shall cause to be recorded in the Clerk's Office.

**Section 4.15. Exclusivity Covenants; New C-PACE Projects.** 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 an application with respect to a new C-PACE project, Borrower shall immediately notify Capital Provider and provide to Capital Provider copies of all application materials and other information reasonably requested by Capital Provider regarding each new C-PACE project. Capital Provider shall have a period of 30 days after receipt of notice to elect to provide additional C-PACE financing 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 additional C-PACE financing for a new project, then the Exclusivity Covenants shall apply with respect to each new project. If Capital Provider does not timely provide notice of its election to provide additional C-PACE financing for the new C-PACE project, then Capital Provider shall be

deemed to have waived its rights under this Section 4.15 with respect to such new 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 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 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 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/County] 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 Improvements;

(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 C-PACE Documents; (ii) the business or financial condition of Borrower; or (iii) the timely repayment of the C-PACE Financing;

(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 it bankrupt or insolvent; (ii) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, composition of it 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 it 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 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/County] 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/County] seeking to recover damages or other affirmative recovery against Capital Provider or the [City/County], 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 Financing or C-PACE Documents;

(n) ***[INSERT ADDITIONAL EVENTS OF DEFAULT REQUIRED BY CAPITAL PROVIDER].***

(o) Borrower ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation, or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties; or

(p) Borrower attempts to remove, sell, transfer, encumber, part with possession or sublet the Property, the 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 shall have the remedy provided in [Section [58.1-3915] of the Code, which includes, among other remedies, Borrower's payment to [City/County] (for the benefit of Capital Provider) a penalty equal to [ten percent (10%) of the unpaid C-PACE Financing and one and one-half percent (1.5%) interest accrued monthly on the outstanding C-PACE Financing balance]. Following a Delinquency, Capital Provider shall also have any and all foreclosure and tax sale rights provided in the C-PACE Act, the Ordinance and Section [58.1-3915.1] of the Code. 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 Financing in subsequent years as provided in the C-PACE Act. A failure to repay the C-PACE Financing 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. There is no right of acceleration with respect to the C-PACE Financing, however Capital Provider shall have all other rights and remedies at law and in equity. All fees and expenses of the [City/County] Collector of Taxes in collecting the C-PACE Financing shall be included and paid for by Borrower.

(b) If a Delinquency occurs, all Parties to this Agreement shall be notified in accordance with the notice requirements contained in this Agreement.

(c) If an Event of Default occurs prior to Borrower's completion of the Improvements, 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 Financing and/or to any other obligations of Borrower under the C-PACE Documents.

(d) If an Event of Default occurs prior to Borrower's completion of the Improvements, Capital Provider may enter the Property and complete construction of the Improvements 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.

(e) If any proceedings are instituted by or against Borrower related to the C-PACE Financing, 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.

(f) Capital Provider may exercise any and all remedies available under the C-PACE Act, the Ordinance and/or the C-PACE Documents and may exercise any other rights and remedies available to it at law or in equity.

(d) All remedies of Capital Provider provided for herein are cumulative.

**Section 5.03. C-PACE Enforceability.** If (a) the C-PACE Act, 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 Financing and/or C-PACE Lien are not enforceable or otherwise not collectible in the manner set forth in the C-PACE Act or the C-PACE Documents for any reason, or (b) an action is brought by any person to have the C-PACE Act, the C-PACE Documents and/or the C-PACE Lien challenged, nullified or overturned, and during the pendency of the action, the C-PACE Documents and/or the 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/County].

**ARTICLE VI**

**MISCELLANEOUS**

**Section 6.01. No Waiver.** No waiver of any default or breach by Borrower hereunder shall be implied from any failure by Capital Provider or the [City/County] 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/County], and their 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 read-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/County]:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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.** THE BORROWER HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THE C-PACE FINANCING, THIS AGREEMENT OR ANY TRANSACTION DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED 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/County], 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/County], its officials, employees, contractors, or agents, or any other person acting on behalf of the [City/County] 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 Financing and all amounts due and owing in connection with the C-PACE Financing have been paid in full, as evidenced by the recordation of the termination of the C-PACE Memorandum.

**Section 6.11. Virginia FOIA.** Borrower understands and agrees that all data created, collected, received, stored, used, maintained or disseminated by the [City/County] in connection with the Program, including that related to Borrower's use of the C-PACE Financing funds, may be subject to the [Virginia Freedom of Information Act]

**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 Financing 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 6.11** 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 - Financing Schedule
- Schedule II - C-PACE Advance Schedule
  
- Exhibit A - Property Description
- Exhibit B - Form of C-PACE Memorandum
- Exhibit C - Form of Completion Certificate
- Exhibit D - Form of C-PACE Amendment

- Exhibit E - Form of C-PACE Assignment
- Exhibit F - Form of Lender Consent
- Exhibit G - Form of C-PACE Note
- Exhibit H - Form of Lien Waiver
- Exhibit I - Form of Final Lien Waiver
- Exhibit J - Form of PACE Confirmation
- Exhibit K - Permitted Exceptions
- Exhibit L - Form of Disbursement Memorandum
- Exhibit M - Confession of Judgment
- Exhibit N - Miscellaneous Waivers

***{THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.  
SIGNATURES APPEAR ON THE FOLLOWING PAGES.}***

IN WITNESS WHEREOF, Borrower, Capital Provider and the [City/County] have executed this Agreement as of the Effective Date by and through their duly authorized representatives.

[CITY/COUNTY]

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/County] of \_\_\_\_\_, Virginia.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Registration No.: \_\_\_\_\_

IN WITNESS WHEREOF, Borrower, Capital Provider and the [City/County] have executed this Agreement as of the Effective Date by and through their duly authorized representatives.

[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, Borrower, Capital Provider and the [City/County] have executed this Agreement as of the Effective Date by and through their duly authorized representatives.

**[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 FINANCING SCHEDULE**

[PENDING]

1. **Failure to Complete Fee:**

[TBD]

2. **Improvements:**

The Improvements are generally described as follows:

[\_\_\_\_\_].

**SCHEDULE II**

**C-P ACE Advance Schedule**

**EXHIBIT A**

**PROPERTY DESCRIPTION**

**EXHIBIT B**

**FORM OF C-PACE MEMORANDUM**

**EXHIBIT C**

**form of completion certificate**

**EXHIBIT d**

**form of c-PACE AMENDMENT**

**EXHIBIT E**

**form of C-PACE assignment**

**EXHIBIT f**

**form of lender consent**

**EXHIBIT G**

**FORM OF C-PAGE NOTE**

**EXHIBIT H**  
**FORM OF LIEN WAIVER**

**EXHIBIT I**

**FORM OF FINAL LIEN WAIVER**

**EXHIBIT J**

**FORM OF PACE CONFIRMATION**

**EXHIBIT K**

**PERMITTED EXCEPTIONS**

**EXHIBIT L**

**FORM OF DISBURSEMENT MEMORANDUM**

# **DRAFT PROGRAM GUIDELINES**

**DRAFT - City of Petersburg C-PACE Program Guidelines**

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### **Introduction and purpose of the program.**

Petersburg City Council adopted a program for financing clean energy and water efficiency improvements, known as “C-PACE,” by adopting Chapter 17 of the City Code.<sup>2</sup> C-PACE is a special loan program that promotes both renovation and new construction of commercial, non-profit, and multi-family buildings and structures by incorporating renewable energy production and distribution facilities, energy usage efficiency improvements, or water usage efficiency improvements. The program is authorized by [Virginia Code §15.2-958.3](#).

In authorizing C-PACE, City Council determined that it would serve several public purposes. Water usage efficiency improvements, for example, benefit the public water supply and wastewater treatment services provided by the City. But the public benefits of C-PACE go beyond the benefits to the City’s own utility facilities. Petersburg has numerous older buildings with many years of remaining life; the renovation, retrofit, or rehabilitation of these buildings with qualifying clean energy improvements would make them more energy efficient and reduce their associated greenhouse gas emissions. The rehabilitation of commercial and industrial buildings and structures located in the Old and Historic Petersburg District (“HFD”), that are at least 40 years old, in particular, supports the same public purposes advanced by the City’s partial real estate tax exemption provided for this activity. A project that qualifies for both programs could use both the partial real estate tax exemption and the C-PACE financing.

City Council also determined that private investment in the renovation or rehabilitation of existing buildings, and the construction of new buildings, with energy efficient or water efficient features that exceed current building code requirements, or which use renewable energy, will enhance the real property tax base of the City, make these buildings, if rented, more attractive to tenants, and thereby promote employment and economic growth in the City.

The United States Department of Energy (DOE) advises that most C-PACE projects are expected to reduce a building’s energy use, which in turn should lead to cost savings on the utility bill. But the benefits of C-PACE go beyond cost savings, according to the DOE – “there are other benefits associated with efficiency investments for building owners, tenants, the servicing energy utilities, and society as a whole . . . [including] lower water costs, increased property values, and higher rents and better retention (landlord benefits); improvements in comfort and productivity (tenant benefits); avoided transmission and distribution costs, energy price and reliability effects (utility system benefits); and local economic development and jobs (societal benefits).<sup>3</sup>

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<sup>2</sup>This ordinance is codified as City Code Chapter 107.

<sup>3</sup>US DOE p. 27.

Chapter 107 of the City Code directs the City Manager to prepare C-PACE Program Guidelines to inform interested borrowers and capital providers on the City's program. This booklet was prepared in response to this direction. These Program Guidelines are for informative purposes and reflect the City staff's best effort to translate the C-PACE ordinance into a practical guide. If any statement in these Guidelines conflicts with Chapter 107 of the City Code, then the ordinance clearly prevails. Participants are urged to read Chapter 107 of the City Code, which is available online, in full for more information.

**Borrowers:**

To be eligible to participate in C-PACE, a Borrower must own or lease an Eligible Property. The Borrower must be (A) current on payments on all loans secured by an existing mortgage or deed of trust lien on the Property, (B) current on real and personal property tax payments, (C) current on all federal, state, and local taxes (additionally, there may be no federal income tax lien, judgment lien, or other involuntary lien against the Property), and (D) not insolvent or in bankruptcy proceedings. The Borrower must be able to certify that the title of the benefitted property is not in dispute, as evidenced by a title report certifying the state of title performed and signed by a certified title examiner duly certified by the Virginia Land and Title Association or a title insurance commitment from a title insurance company acceptable to the Capital Provider and the City.

**Eligible Properties:**

C-PACE is flexible with regard to what types of properties may participate.<sup>4</sup> Eligible Properties include:

- All assessable real estate whether it is currently improved (with a building or structure) or unimproved;
- All buildings, vacant or occupied, located or to be located on assessable real estate;
- Property owned by a non-profit organization, or even a tax-exempt organization or church. The C-PACE loan is secured by a voluntary special assessment lien, which a tax-exempt land owner may choose to place on its property. The will still bill and collect loan payments during the regular real estate billing/collection cycle.

All assessable real estate in the City is eligible for participation in C-PACE with these exceptions:

- Any condominium project as defined in Code of Virginia §55-79.2;
- Any residential property with four or fewer dwelling units.

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<sup>4</sup> See US DoE page 24 for more information on the implications of property type for the feasibility of C-PACE financing.

## Qualifying Improvements:

- Generally:

“Qualifying Improvements” qualify for C-PACE financing. They include improvements for energy efficiency, renewable energy production and distribution, or water efficiency.

The C-PACE voluntary special assessment lien runs with the land, and loan payments are collected with the real estate tax billing cycle. Therefore, all Qualifying Improvements must be affixed to the Eligible Property. That way, any subsequent owner, who will be responsible for paying the remaining loan payments, will also own and benefit from the Qualifying Improvements.

Qualifying Improvements for the City’s program are restricted to those that have a solid track record and, where possible, an independent verification of their ability to save energy or reduce water use.

Qualifying Improvements, ultimately, must align closely with the purpose of the program, discussed in the introduction to these Guidelines.

- Sample List:

The Mid-Atlantic PACE Alliance published a “Sample List of Eligible Improvements” in its June, 2018 Regional C-PACE Toolkit, on pages 41 – 44. This sample list is a starting point for identifying Qualifying Improvements. City Council specifically referenced this list as a guide in Chapter 107 of the City Code. ENERGY STAR® and WaterSense certified improvements are featured in this sample list because equipment or products obtaining these certifications exceed minimum federal efficiency requirements.

Qualifying Improvements to an Eligible Property may be improvements to existing structures, or they may be incorporated into new construction. Chapter 107 of the City Code includes a list of categories of Qualifying Improvements. Note that for energy usage efficiency systems and water usage efficiency improvements, the Qualifying Improvements must exceed the minimum energy efficiency or water usage efficiency standards of the Building Code. Qualifying Improvements include:

7. Renewable energy production and distribution facilities, including but not limited to, solar photovoltaic, solar thermal, geothermal, wind, fuel cells, biomass systems, biogas or methane recovery systems.
8. Energy usage efficiency systems reasonably expected to reduce the energy usage of the Eligible Property, including but not limited to, high efficiency lighting and building systems, heating, ventilation and air conditioning (HVAC) upgrades, air duct sealing, high

efficiency boilers and furnaces, high efficiency hot water heating systems, combustion and burner upgrades, fuel switching, heat recovery and steam traps, cogeneration systems, building shell or envelope improvements, reflective roof, cool roof or green roof systems, weather-stripping, fenestration and door improvements and modifications, insulation (both in walls, roofs, floors and foundations and in HVAC systems' radiant barriers), building energy management systems, process equipment upgrades, and other forms of conservation; provided, that for Qualifying Improvements that are part of a new building or structure, such Qualifying Improvements shall exceed the minimum energy efficiency requirements of then-applicable law, ordinance, regulation or code.

9. Water usage efficiency improvements, such as recovery, purification, recycling and other forms of water conservation. For new construction, these improvements qualify for C-PACE financing only if they exceed the minimum water usage efficiency requirements of then-applicable law, ordinance, regulation, or code.
10. Construction, renovation or retrofitting of Eligible Property directly related to the accomplishment of any purpose listed in clauses 1, 2, or 3, above, whether such Qualifying Improvement was erected or installed in or on a building or on the ground, it being the express intention of the City to allow Qualifying Improvements that constitute, or are part of, the construction of a new structure or building to be financed with a C-PACE Loan.

- Application of historic preservation regulations:

If the Eligible Property is in the Historic Petersburg District, (HFD), then any proposed new construction or exterior alterations must be approved by the City's Architectural Review Board. C-PACE does not exempt these improvements or alterations from this historic preservation law. Instead, City Council believes that C-PACE improvements should enhance the City's historic preservation goals by promoting private investment, consistent with the HFD regulations, in historic buildings.

- Technical Assessments:

For Qualifying Improvements, Borrowers are required to obtain and submit a technical assessment or audit that is based on the size and type of the building and the size and scope of the project, and which identifies potential energy and/or water-saving measures. The City will use the recommendations of the Investor Confidence Project (ICP) Efficiency Project Framework to

determine which protocols are suitable for a particular building type, or size or scope of a project. For larger projects, and independent third-party assessment is required.<sup>5</sup> For projects that include solar PV or solar thermal systems, a feasibility study to include estimated system production and associated reductions to utility bills must be provided.

[get help writing this portion of the Guidelines.]

### **Capital Providers**

A “Capital Provider” is the lender that originates a C-PACE loan. Under C-PACE, either the City or a private lending institution may act as the Capital Provider. City Council is authorized to appropriate funds for this program, but has not done so at the time of this writing. Therefore, private lending institutions will provide the capital – act as lenders – for C-PACE loans.

C-PACE adopts the “Open Market Model,” where Borrowers may choose among multiple private financial institutions for their loans. This model creates competition among lenders, which is attractive to property owners and allows them to negotiate the best market-based terms. Under this model, a first mortgage-holder (or other lender a property owner has an existing relationship with) may capitalize a C-PACE project.<sup>6</sup>

“Financial institutions” include banks or other institutional lenders. At this time, C-PACE is not open to “specialty capital providers” – i.e. non-institutional firms that specialize in providing capital for C-PACE projects or firms that may have been created specifically for this purpose. [Non-institutional lenders – including private individuals – are not eligible to act as Capital Providers for the City’s program.]<sup>7</sup> Interested Capital Providers should file the Lender Application at no cost for approval to participate in the program. [Adapt MAPA page 74.]

The duties of the Capital Provider include making the loan, recording the C-PACE Memorandum at loan closing, informing the Commissioner of Revenue of any changes to the anticipated yearly assessment, providing updated amortization schedules to the for billing and collection, and notifying the whenever an assignment of a loan takes place. The deadline for notifications to the of changes to the amortization schedule is on or before July 1<sup>st</sup> of each year for which C-PACE loan payments are due.<sup>8</sup>

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<sup>5</sup> See recommendations of Virginia Department of Mines, Minerals, and Energy, page 6.

<sup>6</sup> US DoE page 20. MAPA strongly recommends that jurisdictions maintain an open market for capital. MAPA page 32.

<sup>7</sup> *Need advice here – MAPA application includes certain really big and experienced non-institutional lenders.*

<sup>8</sup> See City Code §107-7.

### **C-P ACE Loan:**

- Costs that may be financed:

The “Costs” of a Qualifying Improvement may be financed through the C-PACE loan. C-PACE defines “Costs” broadly, to encompass a number of expenses that may arise from developing and constructing a C-PACE project. “Costs” include all:

(a) labor, (b) materials, machinery and equipment, (c) architectural, engineering, consulting (such as energy audits and assessments, feasibility studies and reports, and financial projections), financial and legal services, (d) plans, specifications and studies, (e) physical and building condition surveys, (f) commissioning expenses, (g) project management, (h) energy savings or performance guaranty or insurance, (i) post-installation evaluation, measurement and verification, and building accreditation, (j) permitting fees, (k) due diligence, financing, and closing costs for the C-PACE Loan, including administrative and Capital Provider fees that are directly attributable to a Qualifying Improvement, and (l) reserves for construction period interest.<sup>9</sup>

- Minimum and maximum loan amounts:

The City Council established a minimum C-PACE loan amount of \$20,000 so that the program would be accessible to owners of smaller properties and non-profits who may be interested in participating.<sup>10</sup> City Council wants to provide the opportunity for small business to use C-PACE financing if they are able to find a willing Capital Provider, for example, local banks.

The maximum C-PACE loan amount is \$5 million.<sup>11</sup>

- Maximum aggregate loan amount:

Chapter 107 of the City Code establishes a maximum aggregate loan amount, as required by state law. The maximum aggregate dollar amount that may be financed through C-PACE at any one time is \$15 million. In the event that applications for C-PACE financing appear likely to exceed the maximum aggregate dollar amount, priority shall be given to applicants on a first-come, first-served basis.

- Loan term:

The maximum term of a C-PACE loan is the weighted average useful life of the Qualifying Improvements, or 20 years, whichever is less. However, a C-PACE loan for solar improvements

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<sup>9</sup> City Code §107-2.

<sup>10</sup> City Code §107-5(F).

<sup>11</sup> City Code §107-5(F).

may have a longer maximum term – up to 25 years. [Need to provide direction on how to calculate weighted average useful life or cross-reference.]

- Loan interest rate:

The interest rate of a C-PACE loan is established by agreement between the Borrower and Capital Provider. Fixed interest rates are typical for C-PACE loans.<sup>12</sup>

- Loan payment schedule:

C-PACE loan payments are due at the same time as the City's real estate taxes, which are billed and collected twice each year. The due dates for the City's real estate taxes are May 15 and November 15 of each year.<sup>13</sup> The will include the bill for the installment of the C-PACE loan (plus a \$250 processing fee) on the real estate tax bill for the property.

- Non-acceleration:

The non-acceleration clause is an important feature of all C-PACE loan arrangements. If there is a foreclosure, the owner is only obligated to pay the arrearages (i.e. late payments); the subsequent owner is responsible for future remaining C-PACE assessment payments.<sup>14</sup> The non-acceleration clause is regarded as one of the key benefits of C-PACE for commercial real estate.<sup>15</sup>

- Underwriting criteria:

[Chapter 107 of the City Code](#) requires the Program Guidelines to include suggested underwriting criteria for C-PACE loans.<sup>16</sup> In preparing these suggested criteria, the City consulted underwriting guidelines established by the Virginia Department of Mines, Minerals, and Energy; and the Mid-Atlantic PACE Alliance Regional C-PACE Toolkit, published in June 2018.

Underwriting criteria are important to the integrity of C-PACE and to the interests of the Borrowers, Capital Providers, and the City. However, if underwriting criteria are too stringent or too inflexible, they may have the unintended effect of limiting program participation. Flexibility is particularly appropriate for the City's program, where private lending institutions are the Capital Providers, and where the required consent of existing lien holders provide some assurances of sound underwriting.

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<sup>12</sup> MAPA pp. 6, 7.

<sup>13</sup> City Code §70-93.

<sup>14</sup> DOE pp. vii and 6. This Program Guideline may not be relied upon as legal advice or any guarantee of the nature or characteristics of the C-PACE voluntary special assessment lien. All interested parties are advised to seek their own counsel.

<sup>15</sup> DOE p. 6 n. 9.

<sup>16</sup> City Code §107-5(G)(d).

The program requires the following underwriting criteria, which are based in part on the guidelines developed by the Virginia Department of Mines, Minerals, and Energy and best practices in the C-PACE industry.

The **Total Loan to Value (LTV) Ratio** is the ratio of the total debt secured by the property (including the C-PACE financing) to the assessed or appraised property value. The purpose of setting a maximum LTV ratio is to ensure that there is sufficient collateral to secure the C-PACE assessment in the event of a default. The loan value should include the amount of C-PACE financing. The City will accept LTVs determined using either assessed value or appraised value. MAPA advises that it is important to accept property appraisals, and not rely solely on tax assessments, because assessment values may not reflect the actual saleable market value of a property with the proposed improvements.<sup>17</sup> If the Capital Provider obtains an appraisal during the loan approval process, then that appraisal will be used by the City for purposes of determining the LTV. The program's maximum allowable LTV is 90% consistent with DMME's recommendation. MAPA advises that, since the consent of existing mortgage lenders to the C-PACE assessment is required, it is highly unlikely that any property with a mortgage will obtain such consent if the property leverage poses a financial risk of default; and that C-PACE lenders' underwriting criteria typically take careful consideration that a property owner will be in good financial position to pay taxes as well as debt service each year.<sup>18</sup>

The **C-PACE assessment to value ratio** is the ratio of the C-PACE assessment to the value of the property, as determined by a recent appraisal, market study, or tax assessment.<sup>19</sup> The City's benchmark is set at 30%.

**Savings to investment ratio (SIR)** refers to the ratio of overall project savings to overall project costs. An SIR greater than one indicates a project whose savings are greater than the costs. DOE notes two primary benefits of calculating and disclosing the SIR in C-PACE projects:

- Increases net operating income (NOI). NOI is a property's revenue minus its operating expenses, including utility expenses and property taxes. If utility bill savings from a C-PACE project are greater than the loan payment, NOI will increase, all else being equal. NOI is used to determine a property's capitalization rate, or rate of return. A higher NOI results in a higher capitalization rate, which makes the property more attractive to potential buyers.
- Helps facilitate mortgage holder consent. Demonstrating to mortgage holders the potential for a C-PACE project to generate savings in excess of annual operating expenses (thus

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<sup>17</sup> MAPA p. 47.

<sup>18</sup> MAPA p. 47.

<sup>19</sup> MAPA p. 47.

increasing the building's NOI) provides an incentive to consent to the project because the owner is likely to be in an improved cash flow position. Even for projects in which expected savings do not exceed increased property taxes, C-PACE's long terms will probably impact NOI less negatively than other financing options. As a general principle, however, mortgage holders will need to be convinced that energy savings and utility bill projections have been produced by a professional and unbiased source.<sup>20</sup>

DOE also cautions that increased NOI is not the only reason for using C-PACE and not the only criteria that building owners and managers use to invest in energy projects.<sup>21</sup> According to DOE, there is no formal evidence that SIR requirements correlate to improved loan performance, though having an independent party-calculated SIR that is presented to the owner and the mortgage holder falls into the category of responsible due diligence.<sup>22</sup> DOE recommends that local programs consider giving borrowers the ability to move forward with a project regardless of whether the SIR is greater than one, requiring only the disclosure of the SIR without making SIR > 1 a requirement of financing eligibility.

MAPA also cautions that strict SIR requirements may have unintended consequences on program participation.<sup>23</sup>

The City recognizes that the many public and private benefits of energy efficiency improvements intended to be achieved through the program go beyond simple cost savings. Accordingly, it will follow DOE's and MAPA's recommendation. The program will require the disclosure to the Capital Provider, Borrower, and City of an independently-calculated SIR as part of the loan due diligence process, but will not make an SIR > 1 a requirement of program eligibility.

**Debt service coverage ratio (DSCR)** is defined as the net operating income (yearly gross revenue minus operating expenses including the C-PACE financing) divided by the total debt service.<sup>24</sup> The City will/will not require a minimum debt service coverage ratio for the following reasons: DMME recommends a DSCR equal to or greater than one, which indicates that a property generates enough revenue to cover its debt service. Together with the LTV, the DSCR should provide sufficient risk mitigation for lenders and borrowers. Likewise, DOE observes that properties with a DSCR greater than one should be able to cover their current debt obligations.<sup>25</sup>

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<sup>20</sup> DOE p. 25.

<sup>21</sup> DOE p. 25 n. 42.

<sup>22</sup> DOE p. 29.

<sup>23</sup> MAPA pp. 48 – 49.

<sup>24</sup> DMME p. 5.

<sup>25</sup> DOE p. 25.

MAPA does not recommend a specific DSCR, because Capital Providers should ensure that the property demonstrates sufficient cash flow to pay the C-PACE assessment.<sup>26</sup>

- **Draft loan agreement:**

Virginia law requires localities to adopt a draft loan agreement for C-PACE loans, and City Council did so as an appendix to Chapter 107 of the City Code. Each C-PACE loan agreement shall be in substantially the form established by the Ordinance, with such additions, deletions, or alterations as permitted by Chapter 107 of the City Code.

The key feature of the City's draft loan agreement is that it is a three-party agreement between the Capital Provider, Borrower, and the City. The purpose of adopting this approach is to achieve clarity, and to eliminate the potential for conflict that arises when several legal instruments govern the same transaction. The City's program requires this loan agreement structure.<sup>27</sup> The draft loan agreement puts all three parties literally on the same page.

Another key feature is the incorporation of protections for the City and the Capital Provider in the event of a Borrower default. As required by the ordinance, the draft loan agreement includes the Borrower's waiver of its right to bid at a foreclosure auction on the property, and waives several legal defenses to a foreclosure auction or collection suit.

The City recognizes that private lending institutions have pre-approved loan documents that they prefer, and that these documents may vary from institution to institution. The City will work with Capital Providers to adapt the draft loan agreement to their various institutional practices, within the parameters of the program.

### **Voluntary Special Assessment Lien**

The C-PACE loan is secured by a voluntary special assessment lien on the Eligible Property. Relative to third-party liens, the voluntary special assessment lien has the same priority as the City's real estate tax lien. The Capital Provider records the C-PACE Memorandum in the office of the Clerk of the Circuit Court so there is notice of this lien in the record to any subsequent buyer, tenant, or lender. The C-PACE voluntary assessment lien runs with the land. If the property is sold to a new owner, the lien remains in place to secure the remainder of the loan payments, and the new owner will be liable for these future payments. Even in the event of a foreclosure on the property by the for unpaid real estate taxes, the C-PACE lien remains in place, and the portion of the loan that has not yet become due survives the foreclosure.<sup>28</sup>

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<sup>26</sup> MAPA p. 48.

<sup>27</sup> City Code §107-6(C).

<sup>28</sup> City Code §107-7(E).

Because the C-PACE voluntary special assessment lien will “outrank” pre-existing mortgages and liens on the Eligible Property, the Borrower is required to obtain the consent of the holders of these existing mortgages and liens before the C-PACE application is approved. This consent will take the form of a written subordination agreement, which must be executed by the holder of each mortgage, deed of trust or other lien on the Eligible Property. The written subordination agreement(s) are to be recorded with the C-PACE Memorandum and all recorded documents are to be provided to the City Attorney.

**The role of the City Commissioner of Revenue and the City :**

The Commissioner of Revenue and are elected public officials whose duties include real estate tax assessment (Commissioner of Revenue) and real estate tax billing, collection, and enforcement ( . ) Thus, each official has a role to play in the C-PACE program.

The Capital Provider must provide the Commissioner of Revenue with the original C-PACE voluntary special assessment amount for recordation in her land book records. If there are any changes to the anticipated yearly assessment, the Capital Provider must inform the Commissioner of Revenue on or before [date] so that she may update the land book, which is the basis of the ’s billing and collection efforts.<sup>29</sup> If there is an assignment of the C-PACE loan, the Capital Provider must deliver a copy of the recorded C-PACE Assignment to the Commissioner of Revenue.<sup>30</sup>

Once the Commissioner of Revenue has recorded the C-PACE assessment in her land books, she delivers the books to the for use in billing and collection of real estate taxes and assessments, including the C-PACE voluntary special assessment. The will include the C-PACE loan installment in the real estate tax bill sent to the landowner, and collect the C-PACE loan payment. The will promptly process, deposit, and credit C-PACE installment payments no later than 45 days after receipt.

The has the duty to enforce the C-PACE voluntary assessment lien if the Borrower fails to make loan payments when they are due and owing. The has extraordinary powers of collection, including, if necessary, bringing a lawsuit to foreclose on the property in the Petersburg Circuit Court. The is authorized to foreclose on the property after June 30<sup>th</sup> following the first anniversary of any unpaid portion of the C-PACE assessment having become due.<sup>31</sup>

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<sup>29</sup> City Code §107-6(A).

<sup>30</sup> City Code §107-6(D).

<sup>31</sup> City Code §107-7(H); Code of Virginia §58.1-3965.1.

**Application process; fees.**

The application fee for participation in the City’s C-PACE program is 0.5% of the C-PACE loan amount, up to \$10,000.<sup>32</sup> The City will not begin to process the application until this payment is received. The application process is broken down into three steps, but the Borrower may provide all of the required information at any time.

The Borrower should file the C-PACE Project Application with the following documentation with the City Manager’s office:

**Step 1: Preliminary review and qualification:**

- C-PACE Project Application
- Title insurance commitment
- Written subordination agreements
- Description of the Qualifying Improvements
- Independent third party technical energy assessment; weighted average useful life assessment;
- Lender Application, if applicable.

**Step 2: Detailed review and qualification:**

- Documentation of project costs
- Proposed loan amount and term
- Any proposed revisions to the draft loan agreement
- Property appraisal, if available (**Question: how to protect confidentiality?**)
- Savings to investment ratio
- Debt service coverage ratio. **Same question - FOIA**

**Step 3: Final review:**

- Borrower Certificate
- C-PACE Memorandum
- Yearly assessment
- Amortization schedule

Record	Reviewer
Project application	City Manager
Title insurance commitment	City Attorney
Written subordination agreement	City Attorney

<sup>32</sup> City Council may update these fees from time to time, upon recommendation of the City Manager.

Description of Qualifying Improvements	Building Code Official
Technical assessment; weighted average useful life assessment	Building Code Official
Lender application	City Manager
Documentation of project costs	Building Code Official
Proposed loan amount and term	City Manager
Any proposed revisions to the draft loan agreement	City Attorney
Property appraisal, if available	Commissioner of Revenue
Savings to investment ratio	Building Code Official
Debt service coverage ratio	Commissioner of Revenue
C-PACE Memorandum	City Attorney
Borrower Certificate	City Attorney
Yearly assessment	Commissioner of Revenue
Amortization schedule	



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 18, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager – Development

**FROM:** Reginald Tabor, Economic Development Manager

**RE:** **A Request to hold a Public Hearing on February 18, 2020 regarding a Proposal to Purchase and Develop City-owned property at 1000 Diamond Street and consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property**

**PURPOSE:** For the City Council to hold a public hearing February 18, 2020 regarding a Proposal to Purchase and Develop City-owned property at 1000 Diamond Street and, consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property.

**REASON:** To hold a public hearing and consider an Ordinance that authorizes the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**RECOMMENDATION:** It is recommended that the City Council holds a public hearing on February 18, 2020, and subsequently considers adoption of an Ordinance approving and authorizing the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**BACKGROUND:** The City has received a proposal from PB Petersburg Owner LLC to purchase the following City-owned property:

Parcel ID	Premise	Street	Proposed Use
044-080006	1000	Diamond Street	Mixed Use

During the February 4, 2020 City Council meeting, the City Council approved the consent agenda item to schedule a public hearing on February 18, 2020 regarding a Proposal to Purchase and Develop City-owned property at 1000 Diamond Street, and consideration of an Ordinance

authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property

PB Petersburg Owner LLC proposes to develop the property to include a Community Space and 50 one- and two-bedroom apartments.

The parcel is located in a residential neighborhood and the building on the parcel has been vacant for several years. The building is the former Virginia Avenue School. The site includes a 3.93-acre parcel with a building that is 56,000 sf. Potential benefits include, a revitalized vacant school building, housing opportunities for middle income families, and a community center.

The assessed value of the property is \$5,168,100.00. The offer price is \$10, and the proposed private investment is \$6,000,000. Proposed financing includes Owner Equity (11%), Tax Credit Equity (43%), Bank Debt (46%).

They are currently proposing 25 1-bedroom units and 25 2-bedroom units but will need to confirm once an architect has provided a report. The first-floor gym and office area would be community space available to non-residents.

Development would have to comply with the zoning of the parcel. The current zoning is R-2. A change in zoning would be required to permit the proposed use.

In accordance with applicable legal requirements, A public hearing is required prior to approving and authorizing the sale of City-owned property.

**COST TO CITY:** Conveyance of Real Property

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** Revenue from the sale of property and associated fees and taxes.

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** City Manager, Economic Development, City Assessor

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Ordinance, Assessment, Property Report, Maps

**STAFF:** Reginald Tabor, Economic Development Manager

# Proposal to Purchase City-Owned Property



Purchaser			
Project Name	1000 Diamond St		
Property Address	1000 Diamond St		
Parcel Number	044-080006	Acreage	3.93 Bldg SF 56,000
Year Constructed	1963		
Project Developer	PB Petersburg Owner LLC		
Contact Name	Tom Heinemann		
Address	24851 Quimby Oaks Pl.	Phone	(202)276-0455
	Aldie VA 20105		
Email	<a href="mailto:Tom@HeinemannConsulting.com">Tom@HeinemannConsulting.com</a>		
Experience/Qualifications			
Development Description	Community space, 50 one and two bedroom apartments.		
Offered Purchase Price	\$ 10	Total Investment	\$ 6,000,000
Description of Financing (%)			
Community Benefit	Revitalized school building, housing opportunities for middle income families, community center		
Due Diligence Period (months)			
Construction Start Date	July / Aug 2020	Completion Date	July / Aug 2022
Number of Projected Jobs	Temp/Const. Jobs 25	Permanent Jobs	
Average Wage	\$ 40,000		
Contingencies			

City Assessment			
Outstanding Obligations			
Proposed Land Use	Mixed Use	Yes	No
Comp Plan Land Use		Conformance	
Zoning	R-2	Conformance	x
Enterprise Zone		x	
Rehab/Abatement		x	
New Construction			x
Historic District			
Assessed Value	\$ 5,168,100.00	Appraised Value	\$ - Date
City Revenue from Sale	\$ (5,168,090.00)		
Projected Tax Revenue	Abatement	Year 1	Year 5 Year 20
Real Estate Tax	TBD	\$ 69,769.35	\$ 348,846.75 \$ 1,563,846.75
Personal Property Tax	\$ -	\$ -	\$ - \$ -
Machinery and Tools Tax	\$ -	\$ -	\$ - \$ -
Sales and Use Tax	\$ -	\$ -	\$ - \$ -
Business License Fee	\$ -	\$ -	\$ - \$ -
Lodging Tax	\$ -	\$ -	\$ - \$ -
Meals Tax	\$ -	\$ -	\$ - \$ -
Other Taxes or Fees	\$ -	\$ -	\$ - \$ -
Total Tax Abatement	\$ -	\$ -	\$ - \$ -
Total Tax Revenue	\$ -	\$ 69,769.35	\$ 348,846.75 \$ 1,563,846.75
Costs to the City	\$ -	\$ -	\$ - \$ -
City ROI (Revenue - Cost)	\$ -	\$ -	\$ - \$ -
Staff Recommendation			
Last Use (Public)	Yes		
Council Decision			
Disposition Ord #	Council Review Date Ord Date		

# 1000 Diamond Street



## Property Record Card - Petersburg, VA

### General Property Data

Parcel ID <b>044-080006</b>	Account Number <b>Virginia Avenue Elem</b>
Prior Parcel ID <b>--</b>	Property Location <b>1000 DIAMOND ST</b>
Property Owner <b>CITY OF PETERSBURG</b>	Property Use <b>CIP</b>
Mailing Address <b>135 N. Union St</b>	Most Recent Sale Date <b>12:00:00 AM</b>
City <b>Petersburg</b>	Legal Reference <b>0-0</b>
Mailing State <b>VA</b> Zip <b>23803</b>	Grantor
ParcelZoning <b>R-2</b>	Sale Price <b>0</b>
	Land Area <b>acres</b>

### Current Property Assessment

Card 1 Value	Building Value <b>4,982,600</b>	Xtra Features Value <b>0</b>	Land Value <b>185,500</b>	Total Value <b>5,168,100</b>
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### Building Description

Building Style <b>2STORY</b>	Foundation Type	Flooring Type <b>CARPET</b>
# of Living Units <b>0</b>	Frame Type	Basement Floor <b>N/A</b>
Year Built <b>1963</b>	Roof Structure	Heating Type <b>HEATPUM</b>
Building Grade <b>AVERAGE</b>	Roof Cover <b>BUILTUP</b>	Heating Fuel <b>N/A</b>
Building Condition <b>N/A</b>	Siding	Air Conditioning
Finished Area (SF)	Interior Walls <b>N/A</b>	# of Bsmt Garages <b>0</b>
Number Rooms <b>0</b>	# of Bedrooms <b>0</b>	# of Full Baths
# of 3/4 Baths	# of 1/2 Baths	# of Other Fixtures

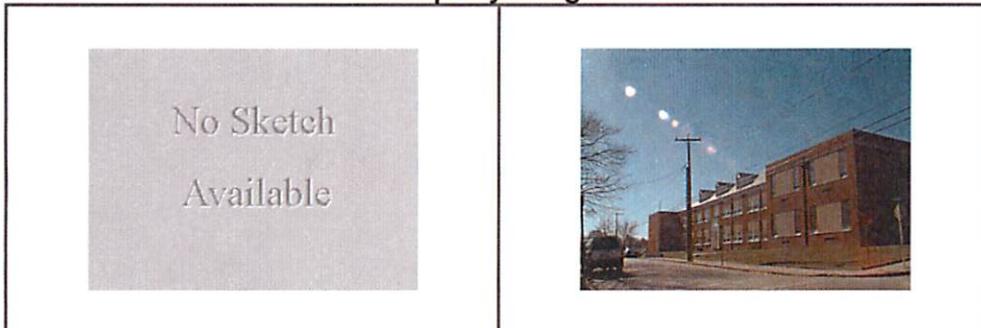
### Legal Description

PT. THE HEIGHTSBRUNER & DUNN PLATS

### Narrative Description of Property

This property contains acres of land mainly classified as CIP with a(n) 2STORY style building, built about 1963 , having exterior and BUILTUP roof cover, with 0 unit(s), 0 room(s), 0 bedroom(s), bath(s), half bath(s).

### Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

# 1000 Diamond Street



03/13/2019

# PB Petersburg Owner LLC

Equity Plus • President Street Development • MH Advisors

---

January 14, 2020

Mr. Reggie Tabor  
Economic Development Manager  
Economic Development Authority  
City of Petersburg  
135 N Union St  
Petersburg, VA 23803

Re: PBP Commitments on Ward 5 Lots and Virginia Ave Elementary School

Dear Mr. Tabor:

We would like to share the commitments that PB Petersburg Owner LLC (PBP) is making to the City of Petersburg for the proposed purchase of approximately 110 vacant lots in Ward 5 and the Virginia Ave. Elementary School. The commitments fall into the following areas: 1) opportunities for Homeownership through a lease to purchase program and 2) supporting the Petersburg school system.

This Ward 5 development represents a \$23 million investment in the city of Petersburg with approximately 110 vacant lots returning to the tax rolls, as well 50 new apartments and community space at the Virginia Ave. Elementary School. The Ward 5 Lots will consist of 2, 3 and 4-bedroom single family homes, and will be centrally managed by a property manager with offices at the revitalized Virginia Ave Elementary School. The homes and apartments will be marketed to teachers, public service employees, and working families, such as nurses assistants, office managers, and administrative professionals. The property manager will maintain the front and back yards of all the homes and the common elements of the Virginia Ave Elementary School.

## PBP Commitments to the City of Petersburg, VA

### **1. Lease to Purchase -Establishing a Path to Homeownership:**

PBP will offer a lease to purchase program that will provide residents the option to purchase their home 15-years following Eagles Landing's completion. This lease to purchase program is modeled after a successful lease to purchase program in Cleveland, OH<sup>1</sup> where within 3-years of transitioning to homeownership, 85-90% of residents took title to their home, and 99% were current on their mortgage after five years.

The program will be structured as follows:

- At the time of lease signing, residents will be given the option to purchase their home 15-years after the development's completion.

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<sup>1</sup> <https://www.enterprisecommunity.org/download?fid=1401&nid=3568>

- Monthly apartment rents will likely start from \$800 for a one bedroom, to \$1,000 for a two bedroom.
- Homes will rent for approximately \$1,200 per month.
- For every year of tenancy, residents would be eligible to earn a \$1,000 credit towards the purchase of their home.

2. *Commitment to the Community and Schools:*

PBP is committed to becoming a strong civic partner with the City of Petersburg. This means supporting the Petersburg City Public Schools (PCPS) in their efforts to modernize school facilities and improve educational outcomes.

PBP is working with PCPS to establish a Memorandum of Understanding that would provide \$10,000 to PCPS for every certificate of occupancy issued for a completed home, and \$5,000 per completed and occupied apartment. Under the current development plan of 110 homes, and 50 apartments, contributions to PCPS could reach \$1,350,000.

3. *Creating an Attractive In-Fill Development, Anchored by a Revitalized Virginia Ave. Elementary School:*

- PBP is committed to creating a vibrant infill community characterized by distinctive single-family homes that have varying architectural facades and foster a strong neighborhood dynamic. Homes will feature:
- PBP will renovate Virginia Ave. Elementary School to provide ample community space for meetings, after school programs, and other civic activities. In addition, the building will provide 50 one and two-bedroom apartments. The building will house an on-site property manager for the apartments and nearby homes.

Finally, the community will be subject to all applicable real estate taxes. We strongly believe that Eagles Landing, through attracting service members, veterans, public servants and working families can help strengthen the economic vitality of Petersburg. We hope that the Office of Planning and the City can support this effort. We would welcome discussions to further memorialize these commitments in the coming week

Sincerely;



Thomas E. Heinemann  
Partner

# PB Petersburg Owner LLC

*Equity Plus • President Street Development • MH Advisors*

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January 14, 2020

Mr. Reginald Tabor  
Economic Development Manager  
Economic Development Authority  
City of Petersburg  
135 N Union St  
Petersburg, VA 23803

Re: Letter of Intent - Ward 5 Properties / Virginia Ave. Elementary School

Dear Mr. Tabor:

This Letter of Intent (LOI) serves to open discussion on the purchase by PB Petersburg Owner LLC of the Virginia Elementary School, and approximately 110 vacant properties from the City of Petersburg. The purchase of these properties represents an over \$23 million investment in the City of Petersburg, and return to the property tax rolls over approximately 110 vacant properties. We understand that the City Council will need to approve the sale of these properties, and we hope that this LOI be considered during the February 4<sup>th</sup> Council meeting.

***Planned Uses:***

- Virginia Avenue Elementary School (VES): In consultation with the City, the Purchasers will redevelop this building into a community space with one- and two-bedroom apartments.
- Scattered Ward 5 Properties: The Purchasers will place single family homes on qualifying parcels.

Both developments will be rental properties for an initial fifteen-year period. After the fifteenth year, tenants will have the opportunity to purchase their home either at price that will be set when they sign their initial lease. The exact prices will be outlined in the final development agreement between the City and the Developer. In addition, both projects will be professionally managed by the same property manager. This means, for the scattered site lots, all yard and exterior home maintenance will be covered by the property management firm.

***Property Description:***

- Virginia Avenue Elementary School, located at 1000 Diamond Street; parcel ID: 044-080006
- Up to approximately 109 vacant parcels located throughout Petersburg's Ward 5, as listed on the attached spreadsheet.

***Consideration:***

The purchase price shall be approximately \$1,100, broken down as follows:

- Virginia Ave. Elementary School: \$10.00
- Ward 5 Scattered vacant lots: \$10.00 per lot.

In addition to the aforementioned consideration, the purchaser will enter into a Memorandum of Understanding with the Petersburg Public Schools to support their capital improvements. The MOU

will provide for a one-time payment to the schools system for each issuance of a Certificate of Occupancy. Payments structured as follows:

1. \$5,000 per unit in the Virginia Ave. Elementary School (anticipated total of \$250,000)
2. \$10,000 per home in the Ward 5 Vacant Lots. (anticipated total of \$1,090,000)

***Purchase Money Deposit:***

Within five businesses (5) days of the execution of a Purchase and Sale Agreement, Purchaser shall deposit \$1,100 (the "Deposit") with Purchaser's title insurance company, as escrow agent ("Escrow Agent"). The Deposits shall be applied to the Purchase Price at Closing or shall be fully refundable without further action required by Purchaser in the event the Purchaser terminates prior to Closing (as hereinafter defined). The Deposit shall be retained by Seller as liquidated damages and as its sole remedy if Purchaser defaults under the Purchase Agreement.

***Inspection Periods***

***1. Between Execution of LOI and Purchase Sale Agreement:***

Seller will work with purchaser to scrub the attached list of Ward 5 properties to ensure that each are appropriately zoned, and are free of liens and other encumbrances.

***2. Purchase and Sale Agreement Plus 45 days:***

The Purchaser shall have forty-five (45) days from the date a fully executed Purchase and Sale Agreement is executed by Purchaser and Seller to complete any and all investigations deemed necessary to the acquisition of the Property (the "Inspection Period"). Within three business (3) days of contract execution, Seller will be required to deliver to Purchaser all reports and records available to Seller's possession which may include, evidence of zoning compliance, ALTA survey, environmental, mechanical, electrical, warranty's, operational expenses, copy of Seller's title insurance, leases, easements, etc. that Purchaser may deem necessary to their evaluation of the property. The Purchaser shall have full and immediate access to the Property during the Inspection Period for its investigations and will restore any damage caused by such investigations. If Purchaser is not satisfied in its sole discretion for any reason or no reason, Purchaser may terminate the Purchase and Sale Agreement with written notice to Seller at any time prior to the expiration of the Inspection Period, in which case the Deposit shall be returned to Purchaser without further action required. Such notice shall be deemed acceptable if received electronically.

***3. Virginia Avenue Elementary School Considerations:***

- Purchase of Virginia Ave Elementary School will be contingent on proper zoning approvals to permit the conversion of the property to community space and apartments.
- Virginia Ave. Elementary School will be redeveloped through Historic Preservation Tax Credits, and will apply for a 5 year tax abatement from the City of Petersburg.

***Closings:***

All of the closings shall occur no later than twenty-four (24) months following the end of the Inspection Period unless mutually extended by Purchaser and Seller. The closings are anticipated to be on a continuous and rolling basis. The quantity of lots and or buildings closed at any given time is at the sole and absolute discretion of the Purchaser. Considerations:

- Purchaser may close on Ward 5 properties in “tranches” to facilitate construction timing.
- Virginia Ave Elementary School closing will be contingent on proper zoning approvals.

*Closing Costs:*

The Seller will pay its own attorneys' fee, Grantors tax, brokerage fees, pro rata share of real estate tax, and any other expenses customarily paid by the Seller. The Purchaser will pay for its own attorneys' fees, title insurance, recording fees, pro-rata share of real estate taxes and any other expenses customarily paid by the Purchaser. Purchaser and Seller will split evenly the costs of the Escrow Agent.

*Title:*

- For the Ward 5 properties, seller shall transfer title to Purchaser by General Warranty Deed showing good and marketable title, free and clear of any and all encumbrances, liens, restrictions and easements, except for those approved in writing by Purchaser.
- For the Virginia Ave Elementary School, seller shall transfer title to Purchaser by Deed of Gift showing good and marketable title, free and clear of any and all encumbrances, liens, restrictions and easements, except for those approved in writing by Purchaser.

*Contract Documentation:*

A Purchase and Sale Agreement will be negotiated by the parties immediately after full execution of this Letter of Intent.

Immediately upon the execution of this Letter of Intent, the Seller and Purchaser will begin and pursue in good faith the negotiation of the Purchase and Sale Agreement. Purchaser shall deliver a draft of the Purchase and Sale Agreement to Purchaser within five (5) business days after complete execution of this Letter of Intent. The intent is to conclude such negotiations and execute the appropriate documentation within ten (10) business days of the execution of this Letter of Intent by all parties. This Letter of Intent is intended solely to set forth the understandings of the Purchaser and Seller with respect to the transaction contemplated above, and no party shall be under any legal obligation with respect to the transaction contemplated by this Letter of Intent until a definitive Purchase and Sale Agreement has been executed by the parties and until all conditions which may be set forth in such agreement have been satisfied.

We would welcome favorable consideration of this proposal by your office, and look forward to a vote of support from the City Council on February 4<sup>th</sup>.

Please confirm that the foregoing basic business terms are acceptable by signing and returning a copy of this letter. This offer shall remain valid if accepted by Seller by 5:00 on February 5<sup>th</sup>, 2020.

Sincerely,



Thomas E. Heinemann  
Partner

**AGREED, ACCEPTED & CONSENTED TO:**

**SELLER:**

**City of Petersburg**

**TITLE:**

**DATE:**

**PURCHASER:**

**TITLE:**

**DATE**

# PB Petersburg Owner LLC

*Equity Plus • President Street Development • MH Advisors*

## Principal Bios

### **President Street Development**

*Matthew Summers, President of President Street Development.*

President Street Development is a service-disabled veteran owned real estate company focused on developing high-quality neighborhoods in the Mid-Atlantic. They work closely with communities to understand their unique needs and create customized neighborhoods for retired and working Americans. President Street Development has projects underway in VA, MD, NC, and SC. Matt knows firsthand about the military, serving our country and coming home after deployment. Matt is a decorated service-disabled veteran who left college and gave up his real estate development company after 9/11, joined the Army and became a Green Beret. He spent five years in Afghanistan and Eastern Europe fighting the Global War on Terrorism. By the end of his military career, he had earned three bronze stars (two for valor) two Army Commendation Medals with V, a Purple Heart, and other awards. After he fulfilled his contract with the US Army, he returned to school and earned a Master of Real Estate Development from Clemson University. He is truly honored to use those skills and his background to create a unique multi-generational community, especially for active and retired service members.

### **MH Advisors**

*Tom Heinemann, Principal at MH Advisors*

MH Advisors provides advisory services to clients on housing finance and housing regulations. They have developed modernized criteria on the aesthetics, build quality, and energy efficiency of higher end manufactured homes for clients. MH Advisors is also a development partner on multiple LIHTC single family rental developments in Maryland and Virginia with over 400 planned units. They are responsible for home selection, construction standards, and regulatory compliance as well as relationships with state and local planning and housing finance officials, and LIHTC application compliance. Before founding MH Advisors, Tom held roles at the U.S. Department of Housing and Urban Development, the U.S. Department of the Treasury, the Manufactured Housing Institute, PMI Group, and the National Association of Realtors. He has a Master's in Public Policy from Georgetown University and a Bachelor's in Political Science from Fordham University.

### **EquityPlus**

*Avram Fechter, Managing Director of EquityPlus*

EquityPlus works with both investors and project developers to structure, underwrite, close, develop, and manage tax-advantaged development projects across the country. Before co-founding EquityPlus, Avi worked for the District of Columbia Government underwriting and closing over \$400 million in LIHTC and NMTC financed projects while deploying \$3 million of 9% LIHTC Allocation, and \$80 million of District of Columbia Government loans. Avi has closed over \$800 million in NMTC/HTC/LIHTC financing and has served as an NMTC Allocation Application reader for the CDFI Fund. He has a Master's in Public Policy from Rutgers University.



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 18, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager – Development

**FROM:** Reginald Tabor, Economic Development Manager

**RE:** **A Request to hold a Public Hearing on February 18, 2020 regarding a Proposal to Purchase and Develop Fifty Four (54) parcels in Ward 5 of City-owned property and consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property**

**PURPOSE:** For the City Council to hold a public hearing February 18, 2020 regarding a Proposal to Purchase and Develop Fifty Four (54) parcels in Ward 5 of City-owned property and, consideration of an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of the City-owned property.

**REASON:** To hold a public hearing and consider an Ordinance that authorizes the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**RECOMMENDATION:** It is recommended that the City Council holds a public hearing on February 18, 2020, and subsequently considers adoption of an Ordinance approving and authorizing the City Manager to execute a Purchase Agreement and proceed with the sale of City-owned property in accordance with applicable legal requirements.

**BACKGROUND:** The City has received a proposal from PB Petersburg Owner LLC to purchase the following City-owned property:

	Parcel ID	Premise	Street	Total Assessed Value	Gross Building Area (Sf)	Land Area (ac)	Zoning	Current Use	City Council Disposition of Property Date
1	044-320003	101	North Blvd	\$45,900		16.6	R-1		3/19/2019
2	044-100035	105	North Carolina Av	\$11,000		2.4	R-2		3/19/2019

3	044-300001	300	St John St	\$10,800		2.31	R-2		3/19/2019
4	044-200001	52	North Carolina Av	\$9,800		2.15	R-2		3/19/2019
5	044-210001	246	St Luke St	\$8,400		1.84	R-2		3/19/2019
6	031-050038	115	Jolly Alley	\$13,600		1.11	R-3		3/19/2019
7	023-110001	522	Hinton St	\$38,400		1.07	R-3		3/19/2019
8	044-280002	500	St John St	\$1,900		0.79	R-2		3/19/2019
9	030-090003	612	Pegram St	\$14,400		0.43	R-3		3/19/2019
10	044-090016	151	St Mark St	\$34,100		0.39	R-2		11/21/2017
11	030-180009	709	Ann St	\$25,800		0.31	R-3		3/19/2019
12	030-200011	735	Halifax St	\$17,400		0.31	R-3		3/19/2019
13	022-350010	334	Harrison St	\$6,900		0.29	R-5		11/21/2017
14	030-200018	803	Jones St S	\$18,100		0.29	R-3		3/19/2019
15	030-250003	604	Shore St	\$17,300		0.27	R-2		11/21/2017
16	029-150006	425	West St S	\$15,700		0.27	R-3		3/19/2019
17	030-090035	715	West St S	\$10,300		0.24	R-3		3/19/2019
18	031-040057	449	Harding St	\$6,300		0.23	R-3		3/19/2019
19	030-260005	517	St Matthew St	\$9,400		0.23	R-2		11/21/2017
20	031-310011	980	Sycamore St S	\$10,900		0.23	R-2		3/19/2019
21	031-250012	716	Harding St	\$7,400		0.22	R-3		3/19/2019
22	045-380033	708-10	Kirkham St	\$6,800		0.22	R-2		11/21/2017
23	031-250014	724	Harding St	\$9,600		0.21	R-3		3/19/2019
24	044-110020	249	North Carolina Av	\$6,600		0.21	R-2		11/21/2017
25	030-250011	808	Halifax St	\$10,400		0.2	R-2		11/21/2017
26	030-240007	811	Halifax St	\$8,000		0.2	R-3		3/19/2019
27	045-060002	839-41	Jones St S	\$11,800		0.2	R-3		3/19/2019
28	045-380031	716	Kirkham St	\$6,300		0.2	R-2		11/21/2017
29	030-220012	742	Mount Airy St	\$7,800		0.2	R-3		3/19/2019
30	030-240011	829	Jones St S	\$11,129		0.19	R-3		3/19/2019
31	031-230009	742	Blick St	\$9,000		0.18	R-3		3/19/2019
32	031-200046	627	Harding St	\$9,000		0.18	R-3		3/19/2019
33	023-110002	516	Hinton St	\$16,500		0.18	R-3		3/19/2019
34	030-230012	804	Jones St S	\$7,400		0.17	R-3		3/19/2019
35	031-200028	135	Kentucky Ave	\$11,000		0.17	R-3		3/19/2019
36	031-260022	230	Kentucky Ave Rea	\$2,800		0.16	R-3		3/19/2019
37	045-380032	712-14	Kirkham St	\$5,000		0.16	R-2		11/21/2017
38	031-040003	436	Byrne St	\$4,500		0.15	R-3		3/19/2019
39	030-240014	809	Jones St S	\$10,100		0.15	R-3		3/19/2019
40	031-390005	408	Shore St	\$6,900		0.15	R-2		11/21/2017
41	031-390009	415	St Matthew St	\$11,800		0.15	R-2		11/21/2017
42	030-040002	1004	Farmer St	\$6,500		0.14	R-3		3/19/2019
43	023-400025	852	Rome St	\$7,400		0.14	R-3		3/19/2019
44	031-380003	328	Shore St	\$6,600		0.14	R-2		11/21/2017
45	031-380004	322	Shore St	\$6,000		0.13	R-2		11/21/2017

46	031-260036	204	Kentucky Ave	\$5,400		0.12	R-3		3/19/2019
47	044-050011	521	St Mark St	\$5,000		0.12	R-2		11/21/2017
48	031-250024	725	Sterling St	\$2,800		0.12	R-3		3/19/2019
49	030-090029	731	West St S	\$3,000		0.12	R-3		3/19/2019
50	024-270022	919	Wythe St W	\$6,300		0.12	R-3		3/19/2019
51	044-070009	1022	High Pearl St	\$39,800	1,216	0.11	R-2	Vacant House	11/21/2017
52	031-260037	202	Kentucky Ave	\$4,500		0.11	R-3		3/19/2019
53	031-320023	151	Virginia Ave	\$6,900		0.11	R-2		11/21/2017
54	023-110025	539	Washington St W	\$16,600		0.11	R-3		3/19/2019

PB Petersburg Owner LLC proposes to develop the property as infill development of single-family homes. Homes will be lease to purchase.

The parcels are located in residential neighborhoods and they include vacant lots and one parcel with an existing structure. The parcels total 37.20 acres and the single-family structure totals 1,216 sf. Potential benefits include, infill development, population growth, increased tax base, and future homeownership.

The total assessed value of the property is \$623,029. The offer price is \$540.00, and the proposed private investment is \$12,000,000.

Development would have to comply with the zoning of each parcel, and related height, area and bulk requirements. In accordance with applicable legal requirements, A public hearing is required prior to approving and authorizing the sale of City-owned property.

The proposed financing is defined in the following table:

<b>Funding Sources</b>	<b>Total</b>	<b>Per Unit (88 Units)</b>
Bank Debt	\$ 11,619,659	\$ 84,200
Tax Credit Equity	\$ 10,802,697	\$ 78,280
Developer Equity	\$ 2,761,720	\$ 20,012
	\$ 25,184,076	\$ 182,492
<b>Funding Uses</b>		
Construction Costs	\$ 15,650,775	\$ 113,411
Soft Costs (Design/Permits/Etc.)	\$ 2,340,575	\$ 16,961
School Construction Impact Fee	\$ 1,130,000	\$ 8,188
Financing Costs	\$ 5,368,758	\$ 38,904
Reserves	\$ 693,968	\$ 5,029
	\$ 25,184,076	\$ 182,493

**COST TO CITY:** Conveyance of Real Property

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** Revenue from the sale of property and associated fees and taxes.

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** City Manager, Economic Development, City Assessor

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Ordinance, Assessment, Property Report, Maps

**STAFF:** Reginald Tabor, Economic Development Manager

## **ORDINANCE**

This is an Ordinance Authorizing the City Manager to execute a Purchase Agreement toward the Sale of Fifty Four (54) parcels in Ward 5 of City-owned property

WHEREAS, the City of Petersburg has received a proposal from PB Petersburg Owner LLC to purchase Fifty Four (54) parcels in Ward 5 of City-owned property to development single-family homes; and

WHEREAS, the potential benefits to the City include infill development, population growth, increased tax base, and future homeownership; and

WHEREAS, in accordance with applicable legal requirements, a public hearing was held prior to approving and authorizing the sale of City-owned property.

NOW THEREFORE BE IT ORDAINED, that the City Council of the City of Petersburg hereby authorizes the City Manager to execute a Purchase Agreement with PB Petersburg Owner LLC toward the Sale and development of Fifty Four (54) parcels in Ward 5 of City-owned property.

# PB Petersburg Owner LLC

*Equity Plus • President Street Development • MH Advisors*

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January 14, 2020

Mr. Reginald Tabor  
Economic Development Manager  
Economic Development Authority  
City of Petersburg  
135 N Union St  
Petersburg, VA 23803

Re: Letter of Intent - Ward 5 Properties / Virginia Ave. Elementary School

Dear Mr. Tabor:

This Letter of Intent (LOI) serves to open discussion on the purchase by PB Petersburg Owner LLC of the Virginia Elementary School, and approximately 110 vacant properties from the City of Petersburg. The purchase of these properties represents an over \$23 million investment in the City of Petersburg, and return to the property tax rolls over approximately 110 vacant properties. We understand that the City Council will need to approve the sale of these properties, and we hope that this LOI be considered during the February 4<sup>th</sup> Council meeting.

***Planned Uses:***

- **Virginia Avenue Elementary School (VES):** In consultation with the City, the Purchasers will redevelop this building into a community space with one- and two-bedroom apartments.
- **Scattered Ward 5 Properties:** The Purchasers will place single family homes on qualifying parcels.

Both developments will be rental properties for an initial fifteen-year period. After the fifteenth year, tenants will have the opportunity to purchase their home either at price that will be set when they sign their initial lease. The exact prices will be outlined in the final development agreement between the City and the Developer. In addition, both projects will be professionally managed by the same property manager. This means, for the scattered site lots, all yard and exterior home maintenance will be covered by the property management firm.

***Property Description:***

- Virginia Avenue Elementary School, located at 1000 Diamond Street; parcel ID: 044-080006
- Up to approximately 109 vacant parcels located throughout Petersburg's Ward 5, as listed on the attached spreadsheet.

***Consideration:***

The purchase price shall be approximately \$1,100, broken down as follows:

- Virginia Ave. Elementary School: \$10.00
- Ward 5 Scattered vacant lots: \$10.00 per lot.

In addition to the aforementioned consideration, the purchaser will enter into a Memorandum of Understanding with the Petersburg Public Schools to support their capital improvements. The MOU

will provide for a one-time payment to the schools system for each issuance of a Certificate of Occupancy. Payments structured as follows:

1. \$5,000 per unit in the Virginia Ave. Elementary School (anticipated total of \$250,000)
2. \$10,000 per home in the Ward 5 Vacant Lots. (anticipated total of \$1,090,000)

***Purchase Money Deposit:***

Within five businesses (5) days of the execution of a Purchase and Sale Agreement, Purchaser shall deposit \$1,100 (the "Deposit") with Purchaser's title insurance company, as escrow agent ("Escrow Agent"). The Deposits shall be applied to the Purchase Price at Closing or shall be fully refundable without further action required by Purchaser in the event the Purchaser terminates prior to Closing (as hereinafter defined). The Deposit shall be retained by Seller as liquidated damages and as its sole remedy if Purchaser defaults under the Purchase Agreement.

***Inspection Periods***

***1. Between Execution of LOI and Purchase Sale Agreement:***

Seller will work with purchaser to scrub the attached list of Ward 5 properties to ensure that each are appropriately zoned, and are free of liens and other encumbrances.

***2. Purchase and Sale Agreement Plus 45 days:***

The Purchaser shall have forty-five (45) days from the date a fully executed Purchase and Sale Agreement is executed by Purchaser and Seller to complete any and all investigations deemed necessary to the acquisition of the Property (the "Inspection Period"). Within three business (3) days of contract execution, Seller will be required to deliver to Purchaser all reports and records available to Seller's possession which may include, evidence of zoning compliance, ALTA survey, environmental, mechanical, electrical, warranty's, operational expenses, copy of Seller's title insurance, leases, easements, etc. that Purchaser may deem necessary to their evaluation of the property. The Purchaser shall have full and immediate access to the Property during the Inspection Period for its investigations and will restore any damage caused by such investigations. If Purchaser is not satisfied in its sole discretion for any reason or no reason, Purchaser may terminate the Purchase and Sale Agreement with written notice to Seller at any time prior to the expiration of the Inspection Period, in which case the Deposit shall be returned to Purchaser without further action required. Such notice shall be deemed acceptable if received electronically.

***3. Virginia Avenue Elementary School Considerations:***

- Purchase of Virginia Ave Elementary School will be contingent on proper zoning approvals to permit the conversion of the property to community space and apartments.
- Virginia Ave. Elementary School will be redeveloped through Historic Preservation Tax Credits, and will apply for a 5 year tax abatement from the City of Petersburg.

***Closings:***

All of the closings shall occur no later than twenty-four (24) months following the end of the Inspection Period unless mutually extended by Purchaser and Seller. The closings are anticipated to be on a continuous and rolling basis. The quantity of lots and or buildings closed at any given time is at the sole and absolute discretion of the Purchaser. Considerations:

- Purchaser may close on Ward 5 properties in “tranches” to facilitate construction timing.
- Virginia Ave Elementary School closing will be contingent on proper zoning approvals.

*Closing Costs:*

The Seller will pay its own attorneys' fee, Grantors tax, brokerage fees, pro rata share of real estate tax, and any other expenses customarily paid by the Seller. The Purchaser will pay for its own attorneys' fees, title insurance, recording fees, pro-rata share of real estate taxes and any other expenses customarily paid by the Purchaser. Purchaser and Seller will split evenly the costs of the Escrow Agent.

*Title:*

- For the Ward 5 properties, seller shall transfer title to Purchaser by General Warranty Deed showing good and marketable title, free and clear of any and all encumbrances, liens, restrictions and easements, except for those approved in writing by Purchaser.
- For the Virginia Ave Elementary School, seller shall transfer title to Purchaser by Deed of Gift showing good and marketable title, free and clear of any and all encumbrances, liens, restrictions and easements, except for those approved in writing by Purchaser.

*Contract Documentation:*

A Purchase and Sale Agreement will be negotiated by the parties immediately after full execution of this Letter of Intent.

Immediately upon the execution of this Letter of Intent, the Seller and Purchaser will begin and pursue in good faith the negotiation of the Purchase and Sale Agreement. Purchaser shall deliver a draft of the Purchase and Sale Agreement to Purchaser within five (5) business days after complete execution of this Letter of Intent. The intent is to conclude such negotiations and execute the appropriate documentation within ten (10) business days of the execution of this Letter of Intent by all parties. This Letter of Intent is intended solely to set forth the understandings of the Purchaser and Seller with respect to the transaction contemplated above, and no party shall be under any legal obligation with respect to the transaction contemplated by this Letter of Intent until a definitive Purchase and Sale Agreement has been executed by the parties and until all conditions which may be set forth in such agreement have been satisfied.

We would welcome favorable consideration of this proposal by your office, and look forward to a vote of support from the City Council on February 4<sup>th</sup>.

Please confirm that the foregoing basic business terms are acceptable by signing and returning a copy of this letter. This offer shall remain valid if accepted by Seller by 5:00 on February 5<sup>th</sup>, 2020.

Sincerely,



Thomas E. Heinemann  
Partner

**AGREED, ACCEPTED & CONSENTED TO:**

**SELLER:**

**City of Petersburg**

**TITLE:**

**DATE:**

**PURCHASER:**

**TITLE:**

**DATE**

# PB Petersburg Owner LLC

Equity Plus • President Street Development • MH Advisors

## Principal Bios

### **President Street Development**

*Matthew Summers, President of President Street Development.*

President Street Development is a service-disabled veteran owned real estate company focused on developing high-quality neighborhoods in the Mid-Atlantic. They work closely with communities to understand their unique needs and create customized neighborhoods for retired and working Americans. President Street Development has projects underway in VA, MD, NC, and SC. Matt knows firsthand about the military, serving our country and coming home after deployment. Matt is a decorated service-disabled veteran who left college and gave up his real estate development company after 9/11, joined the Army and became a Green Beret. He spent five years in Afghanistan and Eastern Europe fighting the Global War on Terrorism. By the end of his military career, he had earned three bronze stars (two for valor) two Army Commendation Medals with V, a Purple Heart, and other awards. After he fulfilled his contract with the US Army, he returned to school and earned a Master of Real Estate Development from Clemson University. He is truly honored to use those skills and his background to create a unique multi-generational community, especially for active and retired service members.

### **MH Advisors**

*Tom Heinemann, Principal at MH Advisors*

MH Advisors provides advisory services to clients on housing finance and housing regulations. They have developed modernized criteria on the aesthetics, build quality, and energy efficiency of higher end manufactured homes for clients. MH Advisors is also a development partner on multiple LIHTC single family rental developments in Maryland and Virginia with over 400 planned units. They are responsible for home selection, construction standards, and regulatory compliance as well as relationships with state and local planning and housing finance officials, and LIHTC application compliance. Before founding MH Advisors, Tom held roles at the U.S. Department of Housing and Urban Development, the U.S. Department of the Treasury, the Manufactured Housing Institute, PMI Group, and the National Association of Realtors. He has a Master's in Public Policy from Georgetown University and a Bachelor's in Political Science from Fordham University.

### **EquityPlus**

*Avram Fechter, Managing Director of EquityPlus*

EquityPlus works with both investors and project developers to structure, underwrite, close, develop, and manage tax-advantaged development projects across the country. Before co-founding EquityPlus, Avi worked for the District of Columbia Government underwriting and closing over \$400 million in LIHTC and NMTC financed projects while deploying \$3 million of 9% LIHTC Allocation, and \$80 million of District of Columbia Government loans. Avi has closed over \$800 million in NMTC/HTC/LIHTC financing and has served as an NMTC Allocation Application reader for the CDFI Fund. He has a Master's in Public Policy from Rutgers University.

# PB Petersburg Owner LLC

Equity Plus • President Street Development • MH Advisors

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January 14, 2020

Mr. Reggie Tabor  
Economic Development Manager  
Economic Development Authority  
City of Petersburg  
135 N Union St  
Petersburg, VA 23803

Re: PBP Commitments on Ward 5 Lots and Virginia Ave Elementary School

Dear Mr. Tabor:

We would like to share the commitments that PB Petersburg Owner LLC (PBP) is making to the City of Petersburg for the proposed purchase of approximately 110 vacant lots in Ward 5 and the Virginia Ave. Elementary School. The commitments fall into the following areas: 1) opportunities for Homeownership through a lease to purchase program and 2) supporting the Petersburg school system.

This Ward 5 development represents a \$23 million investment in the city of Petersburg with approximately 110 vacant lots returning to the tax rolls, as well 50 new apartments and community space at the Virginia Ave. Elementary School. The Ward 5 Lots will consist of 2, 3 and 4-bedroom single family homes, and will be centrally managed by a property manager with offices at the revitalized Virginia Ave Elementary School. The homes and apartments will be marketed to teachers, public service employees, and working families, such as nurses assistants, office managers, and administrative professionals. The property manager will maintain the front and back yards of all the homes and the common elements of the Virginia Ave Elementary School.

## PBP Commitments to the City of Petersburg, VA

### **1. Lease to Purchase -Establishing a Path to Homeownership:**

PBP will offer a lease to purchase program that will provide residents the option to purchase their home 15-years following Eagles Landing's completion. This lease to purchase program is modeled after a successful lease to purchase program in Cleveland, OH<sup>1</sup> where within 3-years of transitioning to homeownership, 85-90% of residents took title to their home, and 99% were current on their mortgage after five years.

The program will be structured as follows:

- At the time of lease signing, residents will be given the option to purchase their home 15-years after the development's completion.

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<sup>1</sup> <https://www.enterprisecommunity.org/download?fid=1401&nid=3568>

- Monthly apartment rents will likely start from \$800 for a one bedroom, to \$1,000 for a two bedroom.
- Homes will rent for approximately \$1,200 per month.
- For every year of tenancy, residents would be eligible to earn a \$1,000 credit towards the purchase of their home.

2. *Commitment to the Community and Schools:*

PBP is committed to becoming a strong civic partner with the City of Petersburg. This means supporting the Petersburg City Public Schools (PCPS) in their efforts to modernize school facilities and improve educational outcomes.

PBP is working with PCPS to establish a Memorandum of Understanding that would provide \$10,000 to PCPS for every certificate of occupancy issued for a completed home, and \$5,000 per completed and occupied apartment. Under the current development plan of 110 homes, and 50 apartments, contributions to PCPS could reach \$1,350,000.

3. *Creating an Attractive In-Fill Development, Anchored by a Revitalized Virginia Ave. Elementary School:*

- PBP is committed to creating a vibrant infill community characterized by distinctive single-family homes that have varying architectural facades and foster a strong neighborhood dynamic. Homes will feature:
- PBP will renovate Virginia Ave. Elementary School to provide ample community space for meetings, after school programs, and other civic activities. In addition, the building will provide 50 one and two-bedroom apartments. The building will house an on-site property manager for the apartments and nearby homes.

Finally, the community will be subject to all applicable real estate taxes. We strongly believe that Eagles Landing, through attracting service members, veterans, public servants and working families can help strengthen the economic vitality of Petersburg. We hope that the Office of Planning and the City can support this effort. We would welcome discussions to further memorialize these commitments in the coming week

Sincerely;



Thomas E. Heinemann  
Partner

# Proposal to Purchase City-Owned Property



Purchaser					
Project Name	Scattered Ward 5 Lots				
Property Address	List of 54 Properties Attached				
Parcel Number	List of 54 Properties Attached	Acreage	37.2	Bldg SF	1,216
Year Constructed	1897				
Project Developer	PB Petersburg Owner LLC				
Contact Name	Tom Heinemann				
Address	24851 Quimby Oaks Pl	Phone	(202) 276-0455		
	Aldie, VA 20105				
Email	<a href="mailto:tom@heinemannconsulting.com">tom@heinemannconsulting.com</a>				
Experience/Qualifications					
Development Description	In fill residential development of 88 single-family homes. Homes will be lease to purchase.				
Offered Purchase Price	\$ 1,100	Total Investment	\$ 12,000,000		
Description of Financing (%)	Owner Equity (11%), Tax Credit Equity (43%), Bank Debt (46%)				
Community Benefit	New Homes on vacant property, new residents, homeownership, increase tax revenue				
Due Diligence Period (months)	Varies/PSA+45 Days				
Construction Start Date	July/August 2020		Completion Date	July/August 2022	
Number of Projected Jobs	Temp/Const. Jobs	25	Permanent Jobs		
Average Wage	\$	40,000			
Contingencies					
City Assessment					
Outstanding Obligations					
Proposed Land Use	Residential		Yes	No	
Comp Plan Land Use	Residential	Conformance	x		
Zoning	Residential	Conformance	x		
Enterprise Zone	N/A				
Rehab/Abatement			x - 1 Unit		
New Construction					
Historic District					
Assessed Value	\$ 623,029	Appraised Value	\$ -	Date	
City Revenue from Sale	\$ (621,929)				
Projected Tax Revenue	Abatement	Year 1	Year 5	Year 20	
Real Estate Tax	\$ -	\$ 8,410.89	\$ 818,411	\$ 3,248,410.89	
Personal Property Tax	\$ -	\$ -	\$ -	\$ -	
Machinery and Tools Tax	\$ -	\$ -	\$ -	\$ -	
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	
Business License Fee	\$ -	\$ -	\$ -	\$ -	
Lodging Tax	\$ -	\$ -	\$ -	\$ -	
Meals Tax	\$ -	\$ -	\$ -	\$ -	
Other Taxes or Fees	\$ -	\$ -	\$ -	\$ -	
Total Tax Abatement	\$ -	\$ -	\$ -	\$ -	
Total Tax Revenue	\$ -	\$ -	\$ -	\$ 3,248,410.89	
Costs to the City	\$ -	\$ -	\$ -	\$ -	
City ROI (Revenue - Cost)	\$ -	\$ -	\$ -	\$ -	
Staff Recommendation					
Committee Recommendation				Comm. Review Date	
Last Use (Public)					
Council Decision				Council Review Date	
Disposition Ord #					
				Ord Date	



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 5, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**FROM:** Kenneth A. Miller – Managing Director of Public Safety  
Bobby L. Harvell – Deputy Fire Chief

**RE:** **Virginia Department of Emergency Management – Radiological Preparedness Grant.**

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**PURPOSE:** The Commonwealth of Virginia, Department of Emergency Management allocates funding from Dominion Energy for the purpose of radiological preparedness. This funding is a result of the City's close proximity to the Surry Nuclear Power Station and the potential for radiological emergencies resulting from transportation incidents.

**REASON:** To provide training and equipment for firefighters and hazardous material response in and around our jurisdictions.

**RECOMMENDATION:** Recommend that Council accept and appropriate the Virginia Department of Emergency Management – Radiological Preparedness grant funding in the amount of \$1,830.00 for year 2020.

**BACKGROUND:** The City of Petersburg receives grants annually to assist with training and equipment to assist in response to radiological emergencies. These funds are programmed for calibration of current equipment and additional monitoring equipment for responders in hazardous environments.

**COST TO CITY:** No Cost to City

**BUDGETED ITEM:** N/A (Grant)

**REVENUE TO CITY:** \$1,830.00

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** None

**AFFECTED AGENCIES:** Department of Fire, Rescue and Emergency Services.

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** None.

**REQUIRED CHANGES TO WORK PROGRAMS:** None

**ATTACHMENTS:** Code of Virginia Title §44-146.33, Radiological Emergency Preparedness letter from Virginia Department of Emergency Management.

**STAFF:** Kenneth A. Miller – Managing Director of Public Safety  
Bobby L. Harvell – Deputy Chief of Fire



## City of Petersburg

Office of the City Manager  
135 North Union Street  
Petersburg, Virginia 23803

(804) 733-2301  
Fax 732-9212  
TDD 733-8003

November 1, 2019

Virginia Department of Emergency Management  
10501 Trade Court  
Richmond, VA 23236

Dear REPP Grant Specialist:

The City of Petersburg has deemed the planning and mitigation of a radiological event in our area a priority of the Emergency Services Coordinator in the Emergency Manager. An event is a realistic possibility that poses a potential threat and hazard to our City. In developing this process, we will accept and utilize the fiscal year 2020 radiological emergency preparedness funds, in the amount of \$1,830.00, to establish the organizational framework and operational concepts and procedures designed to minimize the loss of life and property and to expedite the restoration of essential services following a radiological emergency. This project will require updating of the plan for distribution, addendums and amendments to the City of Petersburg's Emergency Operations Plan and Preparedness procedures.

Once finalized, the revisions and procedures will be incorporated into our Emergency Operations Plan and awareness training will be conducted with our emergency responder leaders.

There is an extreme amount of work to be done on this preparedness project, but with the radiological emergency preparedness funds we will be able to accomplish the revisions and updates as necessary.

Sincerely,

A handwritten signature in cursive script, reading "Aretha R. Ferrell-Benavides".

Aretha R. Ferrell-Benavides  
City Manager  
City of Petersburg

Code of Virginia

Title 44. Military and Emergency Laws

Chapter 3.4. Funding for State and Local Government Radiological Emergency Preparedness

### **§ 44-146.33. Radiological Emergency Preparedness Fund**

All moneys received by the Department under this chapter shall be deposited in the state treasury and set apart in a special fund to be known as the "Radiological Emergency Preparedness Fund." Moneys deposited in this fund shall be expended by the Department to the extent appropriated only to support the activities of state agencies and the local governments in establishing, maintaining and operating such emergency plans, programs and capabilities to deal with nuclear accidents as are required by the Nuclear Regulatory Commission and the Federal Emergency Management Agency with respect to nuclear power stations.

1982, c. 222.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

**AN ORDINANCE, AS AMENDED, SAID ORDINANCE  
MAKING APPROPRIATIONS FOR THE FISCAL YEAR  
COMMENCING JULY 1, 2019, AND ENDING JUNE 30, 2020  
FOR THE GRANTS FUND.**

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BE IT ORDAINED by the City Council of the City of Petersburg, Virginia:

I. That appropriations for the fiscal year commencing July 1, 2019, in the Grants Fund are made for the following resources and revenues of the city, for the fiscal year ending June 30, 2020.

<b>Previously adopted</b>	<b>\$2,369.98</b>
ADD:	
3-200-XXXXX-X-XXX Radiological Preparedness Grant	<u><b>1,830.00</b></u>

<b>Total Revenues</b>	<u><b>\$4,199.98</b></u>
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II. That there shall be appropriated from the resources and revenues of the City of Petersburg for the fiscal year commencing July 1, 2019 and ending June 30, 2020, the following sums for the purposes mentioned:

<b>Previously adopted</b>	<b>\$2,369.98</b>
ADD:	
4-200- XXXXX-X-XXX Radiological Preparedness Grant	<b>1,830.00</b>

<b>Total Expenses</b>	<u><b>\$4,199.98</b></u>
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# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** January 24, 2020

**TO:** The Honorable Mayor and Members of City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**FROM:** Michelle B. Peters, Director of Planning & Community Development

**RE:** Request for approval to carry forward prior year Jarratt House project funding from the Cameron Foundation to Fiscal Year 2019-2020

**PURPOSE:** To carry forward the Cameron Foundation Grant for the Jarratt House into the Fiscal Year 2020.

**REASON:** This project is on-going and requires City Council approval to bring forth the funds and allocate these funds for the Jarratt House project. The original grant amount was \$81,060.00 the remaining funds total \$22,650.00

**RECOMMENDATION:** Staff recommends the City Council's approval

**BACKGROUND:** The Cameron Foundation funding of the Jarratt House is continuous to pay invoices for the stabilization of the Jarratt House.

**COST TO CITY:** None

**BUDGETED ITEM:** Yes

**REVENUE TO CITY:** Yes, the remaining grant funds to pay project related invoices

**CITY COUNCIL HEARING DATE:** February 4, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** Finance and Budget

**AFFECTED AGENCIES:** Planning and Community Development, Budget, and Finance.

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** None

**ATTACHMENTS:** None

STAFF: Planning & Community Development

**AN ORDINANCE, AS AMENDED, SAID ORDINANCE  
MAKING APPROPRIATIONS FOR THE FISCAL YEAR  
COMMENCING JULY 1, 2019, AND ENDING JUNE 30, 2020  
"THE CAMERON FOUNDATION GRANT FOR THE STABILIZATION OF THE  
JARRATT HOUSE IN THE CITY OF PETERSBURG".**

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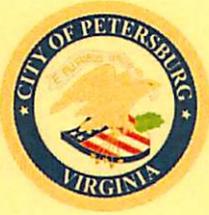
BE IT ORDAINED by the City Council of the City of Petersburg, Virginia:

I. That appropriations for the fiscal year commencing July 1, 2019, in the General Fund are made for the following resources and revenues of the city, for the fiscal year ending June 30, 2020. It should be noted that this appropriation is carrying over the balance of the grant from the previous fiscal year which ended on June 30, 2019.

<b>Previously adopted</b>	<b>\$ 0.00</b>
ADD: Cameron Foundation Grant for the Stabilization of the Jarratt House, City of Petersburg	<b><u>\$22,650.00</u></b>
<b>Total Revenue</b>	<b>\$22,650.00</b>

II. That there shall be appropriated from the resources and revenues of the City of Petersburg for the fiscal year commencing July 1, 2019 and ending June 30, 2020, the following sums for the purposes mentioned:

<b>Previously adopted</b>	<b>\$ 0.00</b>
ADD: Cameron Foundation Grant for the Stabilization of the Jarratt House, City of Petersburg	<b><u>\$22,650.00</u></b>
<b>Total Expenses</b>	<b>\$22,650.00</b>



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 5, 2020  
**TO:** The Honorable Mayor and Members of City Council  
**THROUGH:** Aretha R. Ferrell-Benavides, City Manager  
**FROM:** Robert A. Floyd, Director of Budget & Procurement  
**RE:** Supplemental Appropriations for Community Corrections

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**PURPOSE:** To appropriate grant funds awarded to the City of Petersburg. The City has received notice of award that exceeds the amount that was adopted in the Fiscal Year 2019-20 Operating Budget.

**REASON:** The Commonwealth of Virginia via the Virginia Department of Criminal Justice Services has awarded the City of Petersburg Community Corrections funding totaling \$418,955. The Adopted Fiscal Year 2019-20 Operating Budget approved the funding amount for Community Corrections to be \$409,445. Since the adoption of the FY2019-20 Operating Budget, the City Council has appropriated an additional \$6,998. The Commonwealth of Virginia has subsequently authorized an additional increase of \$1,959.

**RECOMMENDATION:** Recommend City Council approve the attached appropriation ordinance in the amount of \$1,959

**BACKGROUND:** Community Corrections in Petersburg is responsible for local probation and pretrial services for individuals in Petersburg and Dinwiddie County. The Commonwealth of Virginia via the Virginia Department of Criminal Justice Services has authorized the following increase to Petersburg Community Corrections.

- \$1,959 for "Supplies and Other" for staff development and/or the advancement of evidence based practices.

**COST TO CITY:** \$1,959

**BUDGETED ITEM:** Yes

**REVENUE TO CITY:** \$1,959

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** Community Corrections

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Appropriation Ordinance

**STAFF:** Robert A. Floyd, Director of Budget & Procurement

**AN ORDINANCE, AS AMENDED, SAID ORDINANCE  
MAKING APPROPRIATIONS FOR THE FISCAL YEAR  
COMMENCING JULY 1, 2019, AND ENDING JUNE 30, 2020  
FOR THE GRANTS FUND.**

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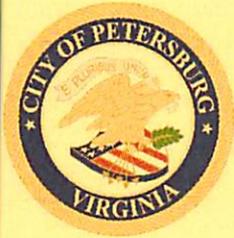
BE IT ORDAINED by the City Council of the City of Petersburg, Virginia:

I. That appropriations for the fiscal year commencing July 1, 2019, in the Grants Fund are made for the following resources and revenues of the city, for the fiscal year ending June 30, 2020.

<b>Previously adopted</b>	<b>\$416,443.00</b>
ADD:	
Community Corrections	<u><b>1,959.00</b></u>
<b>Total Revenues</b>	<u><b>\$418,402.00</b></u>

II. That there shall be appropriated from the resources and revenues of the City of Petersburg for the fiscal year commencing July 1, 2019 and ending June 30, 2020, the following sums for the purposes mentioned:

<b>Previously adopted</b>	<b>\$416,443.00</b>
ADD:	
Community Corrections	<u><b>1,959.00</b></u>
<b>Total Expenses</b>	<u><b>\$418,402.00</b></u>



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 10, 2020

**TO:** The Honorable Mayor and Members of City Council

**FROM:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Anthony Williams, City Attorney  
Michelle B. Peters, Planning Director

**RE:** **Appomattox River Trail -Phase I Construction and Maintenance Agreement**

---

**PURPOSE:** To allow the City Manager to enter into an agreement with the Cameron Foundation for the construction and maintenance of the Appomattox River Trailhead.

**REASON:** The Cameron Foundation has allocated monies for the design and construction of the Appomattox River Trailhead and has awarded grants to FOLAR and the City of Petersburg for the build out of the trail, accessory parking, the cleaning of the railroad abutments and the installation of lighting.

**RECOMMENDATION:** Recommend City Council allow the City Manager to enter into the Construction and Maintenance Agreement with the Cameron Foundation.

**BACKGROUND:** The City of Petersburg in collaboration with the Cameron Foundation, and Friends of the Lower Appomattox River (FOLAR) have been working since 2016 to develop the area along University Boulevard, the Appomattox River and Grove Avenue into a passive park which ties into the trail along the Appomattox River (“the Appomattox River Trailhead Project”) which will connect to the Appomattox River Trail described in the FOLAR MOU; and

The City recognized the need to connect this trail and recreations area to neighborhoods throughout the City and have been working with Sports Backers/ Bike/Walk RVA, the Crater Health Department, FOLAR, Petersburg Healthy Options Partnership (PHOP) to create the network to bring people to the trail and to get people from the trail to the neighborhoods; and

The City also recognizes the need to promote exercise and encourage residents to take advantage of the natural resource of the Appomattox River as a means of improving health and wellness of the families in our City.

Bicycle and pedestrian facilities can help curb a national epidemic of chronic obesity and weight related diseases by providing a safe alternative than travel by car; and

Bicycle, pedestrian and water activities cultivate economic development and create jobs, attract events and visitors to our City, connect communities and encourage a better and more enjoyable and equitable quality of life for all citizens.

**COST TO CITY:** \$50,000.00 budgeted and allocated

**BUDGETED ITEM:** Yes

**REVENUE TO CITY:** Grant from the Cameron Foundation

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** N/A

**AFFECTED AGENCIES:** Planning, Recreation and Leisure Services, Department of Public Works (Facilities).

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** 20-R-6

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Appomattox River Trail Construction and Maintenance Agreement

**STAFF:** Anthony Williams, City Attorney and Michelle Peters, Planning Director

## Appomattox River Trail – Phase I CONSTRUCTION AND MAINTENANCE AGREEMENT

THIS AGREEMENT ("this Agreement") is made and entered into this \_\_\_\_ day of September, 2019, by and between the CITY OF PETERSBURG, VIRGINIA ("the City"), a municipal corporation formed and operating under the laws of the Commonwealth of Virginia, and THE CAMERON FOUNDATION ("Cameron"), a Virginia non-stock corporation (SCC Entity ID No.: 05928593) whose principal office address is 228 South Sycamore Street, Petersburg, VA 23803 and whose President is J. Todd Graham.

### RECITALS

- A. The City has agreed to Manage the construction of Appomattox River Trail at Patton Park - Phase I ("the Project") and perform subsequent maintenance for this phase. The Project includes a multi-use trail segment (between University Boulevard and Squaw Alley), a parking lot, lighting ("the Lighting"), landscaping ("the Landscaping") and associated site improvements, all of which shall be constructed on land ("the Site") that extends in an easterly direction from the easterly line of University Boulevard, with the "LIMIT OF WORK" on the Project being outlined on the EXHIBIT A that is attached to and made a part of this Agreement.
- B. The Project will create an important trailhead for the planned Appomattox River Trail system for which coordination is being provided by Friends of the Lower Appomattox River, Inc. ("FOLAR"). It also will be constructed so that it can become part of the proposed Ashland to Petersburg (ATP) Trail being studied by the Virginia Department of Transportation ("VDOT").
- C. On October 17, 2017, the City Council of the City adopted a Resolution, a copy of which has been marked EXHIBIT B and is attached to and made a part of this Agreement, supporting a request to fund the project through the Commonwealth of Virginia Transportation Board ("CTB") revenue sharing grant, , with the City providing the required matching funds.
- D. As indicated on the VDOT Revised Appendix A dated July 9, 2019, a copy of which has been marked EXHIBIT C and is attached to and made a part of this Agreement, the City has been awarded revenue sharing funding for the Project from VDOT in an amount not to exceed \$926,675.00. This award requires matching funding by the City.
- E. The Project shall be funded as described in this MOU, which funding shall include a grant from the Cameron Foundation ("the Grant") as described in in this MOU.
- F. Cameron agrees to make a the Grant which shall be used to cover the cost of (1) design services, professional engineering services, construction administration and management services (with such management services to be performed by an independent construction manager retained in accordance with applicable procurement regulations with participation and input from the Cameron Foundation to the extent permissible by law), and (2) the construction of the Project pursuant to a contract for construction ("the Contract") between the City and a contractor ("the Contractor") that has not yet been selected. The City will follow its statutory procurement policies in advertising the Project and negotiating the Contract. To the extent permissible by law, Cameron Foundation shall retain Douglas A. Lamson of

Chroma Design, Inc. ("Chroma"), or another representative or representatives of Chroma designated by Douglas A. Lamson, who will be permitted to participate in the drafting of the request for proposal and also will be permitted to review and comment on the Contract, and any general and supplementary conditions of the Contract before it is advertised. Chroma will also be retained by Cameron to provide the sealed final construction drawings and specifications for bidding subject to approval by the City. Changes to the final construction drawings and specifications, before or after the bidding, must be mutually approved by the City and Chroma and made by Chroma. Chroma will participate in the formation of qualification requirements that must be met by each entity permitted to bid on the Contract, and Chroma will be permitted to participate in the resolution of any issues relating to the qualifications of the low bidder, as permitted by the City of Petersburg Procurement procedures and policies.

- G. Any Cameron Grant to the City for the Project will be paid to the City contingent upon the following:
1. Any Cameron Grant to the City for the Project will be paid to the City contingent upon the following:
    - a. The City agrees to maintain separate account(s) in the general ledger for the Project and to credit to the account all funds associated with the Project, including but not limited to the Cameron Grant funds and VDOT matching funds.
    - b. The City agrees to provide reports representing the revenue for this account to Cameron by the 20<sup>th</sup> day of the following month, as well as details of all disbursements from the corresponding expenditure account established for this purpose, through completion of the Project.
    - c. Cameron reserves the right to inspect all accounts and records of the City relating to the Project, and to request additional information if indicated.

After the execution of this Agreement, and subject to the provisions of paragraph 3 of this Agreement, Cameron shall distribute to the City \$300,000.00 of a Cameron Grant and advance the remaining grant funds in amounts and at times based on expenditure projections agreed upon by the City and Cameron.

- H. Cameron has paid or will pay directly for all design work on the Project by or at the direction of Chroma. These payments will be considered an in kind donation to the project which shall be in addition to the grant funds referenced in this MOU. The City shall not be responsible for any charges, fees, costs, or expenses of Chroma for the performance of any work described in this MOU.
- I. Notwithstanding any other provision of this Agreement, Cameron will issue the Cameron Grant which may be used as matching funds to the VDOT Grant for the Project will not exceed \$1,000,000.00 unless the Board of Directors of Cameron approves additional funds, and said Board of Directors will have no obligation to approve any such higher amount except as otherwise provided in this MOU.
- J. The City has paid Dominion Virginia Power \$243,686.00 to relocate overhead power lines on the Site. The City acknowledges that, because of its timing, this payment does not qualify for any payment or reimbursement by VDOT. The Cameron Foundation will

consider this a match to the project from the City and because of the expending of these funds the advancement of up to \$300,000.00 as mentioned above in subsection G paragraph 2 will be permitted

- K. In addition to the funds identified in paragraph (J), the City shall pay an additional \$50,000 of City funds toward the acquisition of CSX property associated with this project. In no event shall additional funds be required of the City to complete this project. In the event of cost overruns, or unforeseen circumstances requiring additional funds for completion of this project, Cameron agrees that it shall approve and provide grants to the City to cover such costs.
- L. The City has entered into a Programmatic Project Administration Agreement with the Commonwealth of Virginia, Department of Transportation, dated October 1, 2018, and relating to the Project. The City agrees to perform its obligations pursuant to that agreement.

#### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Cameron hereby agree as follows:

1. Recitals A through K above are made part of this Agreement.
2. The City represents to Cameron that the City will secure all necessary state and federal approvals for the construction and maintenance of the Project.
3. The City represents to Cameron that, before the commencement of any new construction on the Project or any payments from the Cameron Grant, the City will, at its expense, (A) acquire fee simple ownership of the entire Site to the extent it has not already done so, with this acquisition to be from CSX Transportation, Inc. and any other entities or persons, as necessary, (B) take all action necessary to cause the vacation or relocation of any easements or other rights to the use of any portion or portions of the Site that might have a negative impact on the Project, (C) cause to be performed all necessary remediation of the soil on the entire Site and any other necessary remediation on the entire site, and (D) furnish to Cameron evidence that the obligations created by (A), (B) and (C) of this paragraph have been accomplished.
4. The City will construct the Project with funding from the following sources: City resources, Cameron Foundation Grant, and VDOT revenue sharing grant. in accordance with the construction plans and specifications, as such plans and specifications may be completed.
5. The City will have all of the risk of loss or damage to the Project, including, without limitation, the multi-use trail, the Lighting, the parking lot, the Landscaping and associated site improvements. The City will maintain, at its expense, full coverage property damage insurance on the Project and associated improvements for their full insurable values and will furnish to Cameron, within 15 days after the annual renewal of the insurance policy, a certificate of such insurance prepared by the insurance company. The City will review the amount of such insurance every two years to determine whether the amount of the coverage accurately reflects such value. Any proceeds of such insurance will be used by the City to repair or replace the Project.

6. The City agrees that, after the Project is completed, it will be maintained by the City.
7. This document represents the entire agreement between the parties concerning the matters described herein. Any prior or subsequent agreement regarding these matters that is not incorporated into a written addendum and signed by all parties is hereby declared to be null and void.
8. The parties agree that this MOU shall be construed solely under the laws of the Commonwealth of Virginia.
9. Any dispute arising from the performance or non-performance of any term described in this MOU shall be litigated solely in the Circuit Court for the City of Petersburg, VA or the U.S. District Court in Richmond, Virginia.
10. This document was prepared by Cameron through legal counsel of their choice and has been reviewed by the City through their legal counsel.

WITNESS the following signatures pursuant to due authority:

CITY OF PETERSBURG, VIRGINIA

THE CAMERON FOUNDATION

By \_\_\_\_\_  
Aretha R. Ferrell - Benavides  
City Manager

By \_\_\_\_\_  
J. Todd Graham  
President

APPROVED AS TO FORM:

\_\_\_\_\_  
Anthony C. Williams  
City Attorney



# City of Petersburg

## Ordinance, Resolution, and Agenda Request

**DATE:** February 7, 2020

**TO:** The Honorable Mayor and City Council

**THROUGH:** Aretha R. Ferrell-Benavides, City Manager

**THROUGH:** Lionel D. Lyons, Deputy City Manager of Development

**FROM:** Charles L. Koonce, Jr. Director of Mass Transit

**RE: Consideration of a Resolution to Approve the Transportation Development Plan for Petersburg Area Transit**

---

**PURPOSE:** Petersburg Area Transits Transportation Development Plan (TDP) requires approval by the City Council

**REASON:** Kimley-Horn consulted with Petersburg Area Transit to develop a Transportation Development Plan (TDP). Support to develop the plan was provided by the Department of Rail and Transportation.

**RECOMMENDATION: Recommend City Council approve the attached resolution to adopt Petersburg Area Transit's Transportation Development Plan.**

**BACKGROUND:** The Transportation Development Plan is mandated by the Virginia Department of Rail and Public Transportation (DRPT), in order to provide technical guidance for PAT's capital and operating program needs in the Six-Year Improvement Program (SYIP), Statewide Transportation Improvement Program (STIP), and Transportation Improvement Program (TIP). Through these efforts, the plan helps maximize the investment of public transit funds to achieve the greatest possible public benefit.

**COST TO CITY:** N/A

**BUDGETED ITEM:** N/A

**REVENUE TO CITY:** N/A

**CITY COUNCIL HEARING DATE:** February 18, 2020

**CONSIDERATION BY OTHER GOVERNMENT ENTITIES:** Department of Rail and Public Transportation

**AFFECTED AGENCIES:** Petersburg Area Transit (PAT)

**RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:** N/A

**REQUIRED CHANGES TO WORK PROGRAMS:** N/A

**ATTACHMENTS:** Resolution

**STAFF:** Stephanie B. Harris, Deputy Director of Transit; Darius Mason, Operations Manager

**A RESOLUTION TO ADOPT THE  
TRANSPORTATION DEVELOPMENT PLAN FOR  
PETERSBURG AREA TRANSIT**

---

**WHEREAS**, the TDP is mandated by the Virginia Department of Rail and Public Transportation (DRPT), in order to provide technical guidance for PAT's capital and operating program needs in the Six-Year Improvement Program (SYIP), Statewide Transportation Improvement Program (STIP), and Transportation Improvement Program (TIP). Through these efforts, the plan helps maximize the investment of public transit funds to achieve the greatest possible public benefit.

**WHEREAS**, the Transportation Development Plan identified the need and required resources to enhance transportation services over the next 10 years. The plan includes an analysis of financial resources, programming, capital needs and fee structures.

**WHEREAS**, Petersburg Area Transit conducted a survey of riders and non-riders in October 2018 to gauge their service priorities and their priorities were included in the development of this plan.

**WHEREAS**, Petersburg Area Transit provides Transportation Development Plan progress updates annually.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Petersburg, this 28th day of February 2020, formally adopts the Transportation Development Plan for Petersburg Area Transit.

**ADOPTED** this \_\_\_\_ day of February 2020.

ATTEST:

CITY OF PETERSBURG CITY COUNCIL

\_\_\_\_\_  
Nykesha Jackson, Clerk

\_\_\_\_\_  
Mayor

# Transit Development Plan

## Petersburg Area Transit

December 2019

Prepared By:

Kimley»Horn



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# 1 Overview of Petersburg Area Transit

## 1.1 History

The City of Petersburg has been operating public transportation service in Petersburg and the surrounding region since 1977. Privately operated bus service was available prior to 1977, however by the early 1970's ridership was declining and operation of the service was no longer profitable. To avoid the loss of service to the community, the City of Petersburg took over privately operated service from Tri Cities Coaches, which consisted of nine bus routes that served the cities of Petersburg, Colonial Heights, and Hopewell, as well as parts of Chesterfield and Prince George counties. By the early 1990's, Petersburg Area Transit (PAT) had reduced its service area to only include the City of Petersburg and the Ettrick area of Chesterfield County and was operating highly productive routes, averaging 38 passenger trips per revenue hour for fixed-route service, and over one million annual riders. By the late 1990's however, annual ridership had decreased to about 630,000 and the productivity of the routes decreased to 21 passenger trips per revenue hour. As a response, PAT's 1999 Transit Development Plan (TDP) discussed the need for regional service. The addition of several routes outside the City, including Ettrick, Southpark Mall, Blandford/Hopewell, and Washington routes followed in the coming years.

More recently, PAT has endeavored to improve mobility in the area through increasing transit options. In 2009, PAT opened the Petersburg Multimodal Passenger Station (Petersburg Station) in downtown Petersburg. The Petersburg Station offers a centralized location for connections among local buses, as well as regional connections via Greater Richmond Transit Company (GRTC), Blackstone Area Bus System (BABS), and Greyhound. Shortly after, in 2010, service was added to the City of Hopewell via the Hopewell Circulator, funded with Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds. When CMAQ funding ended after three years, the City of Hopewell began providing funding to continue operation of the route.

## 1.2 Governance

The City of Petersburg has a council/manager form of government and PAT is administered as a city governmental service, governed by the City Council. For representation the city is divided into seven wards (geographically contiguous areas of similar population size), each of which elects a city council member for a term of four years. The City Council has the responsibility of electing one of its members as Mayor and one as Vice Mayor, as well as hiring a City Manager. Operation of PAT falls under the responsibility of the Deputy City Manager for Development, who reports to the City Manager.

Names of councilmembers, as well as position and term dates, are listed in Table 1-1. City Council terms end in 2020 for even ward numbers and 2022 for odd ward numbers.

Table 1-1. Petersburg City Council

Ward	Member	Position	Term End Date
Ward 1	Treska Wilson-Smith	Councilwoman	2022
Ward 2	Darrin Hill	Councilman	2020
Ward 3	Samuel Parham	Mayor	2022
Ward 4	Charlie Cuthbert	Councilman	2020
Ward 5	W. Howard Myers	Councilman	2022
Ward 6	Annette Smith-Lee	Councilwoman	2020
Ward 7	John A. Hart, Sr.	Vice Mayor	2022

There are currently no advisory committees in place specifically for transit purposes.

### 1.3 Organizational Structure

PAT operates under the Deputy City Manager for Development, Lionel Lyons. PAT Director is Charles Koonce Jr., Deputy Director is Stephanie B. Harris, and there are five additional management-level staff. In total there are 59 employees of PAT, most of which are full-time. The PAT organizational chart is shown in Figure 1-1, which reveals a current vacancy for the Safety Coordinator position. The City of Petersburg directly operates PAT, without any outside contracted transportation services, except for facility security contractors.

### 1.4 Transit Services Provided and Areas Served

PAT provides fixed-route transit service as well as ADA paratransit services in the cities of Petersburg, Colonial Heights, and portions of the counties of Prince George, Dinwiddie, and Chesterfield. PAT directly operates twelve fixed routes, which are detailed in Section 1.4.1. In addition, paratransit services are discussed in Section 1.4.2 and bicycle and pedestrian accommodations are described in Section 1.4.3.

#### 1.4.1 Fixed Route Service

PAT's fixed routes operate Monday through Friday from 5:15 am until 7:05 pm, and on Saturday from 6:15 am until 7:05 pm. Route headways are 60 minutes for all routes except for the Lee Avenue route, which operates on a 30-minute headway. Most routes run 13 trips on weekdays and 12 trips on Saturdays, requiring a single vehicle to operate. Together, the Etrick/VSU/Amtrak and Mall Plaza Routes can be operated by one vehicle, thereby only needing 0.5 vehicles each. The same can be said for the Halifax Street and Virginia Avenue Routes via an operational technique called interlining. Table 1-2 summarizes PAT's fixed-route service, which is followed by individual descriptions for each route.

Figure 1-1. Petersburg Area Transit Organizational Chart

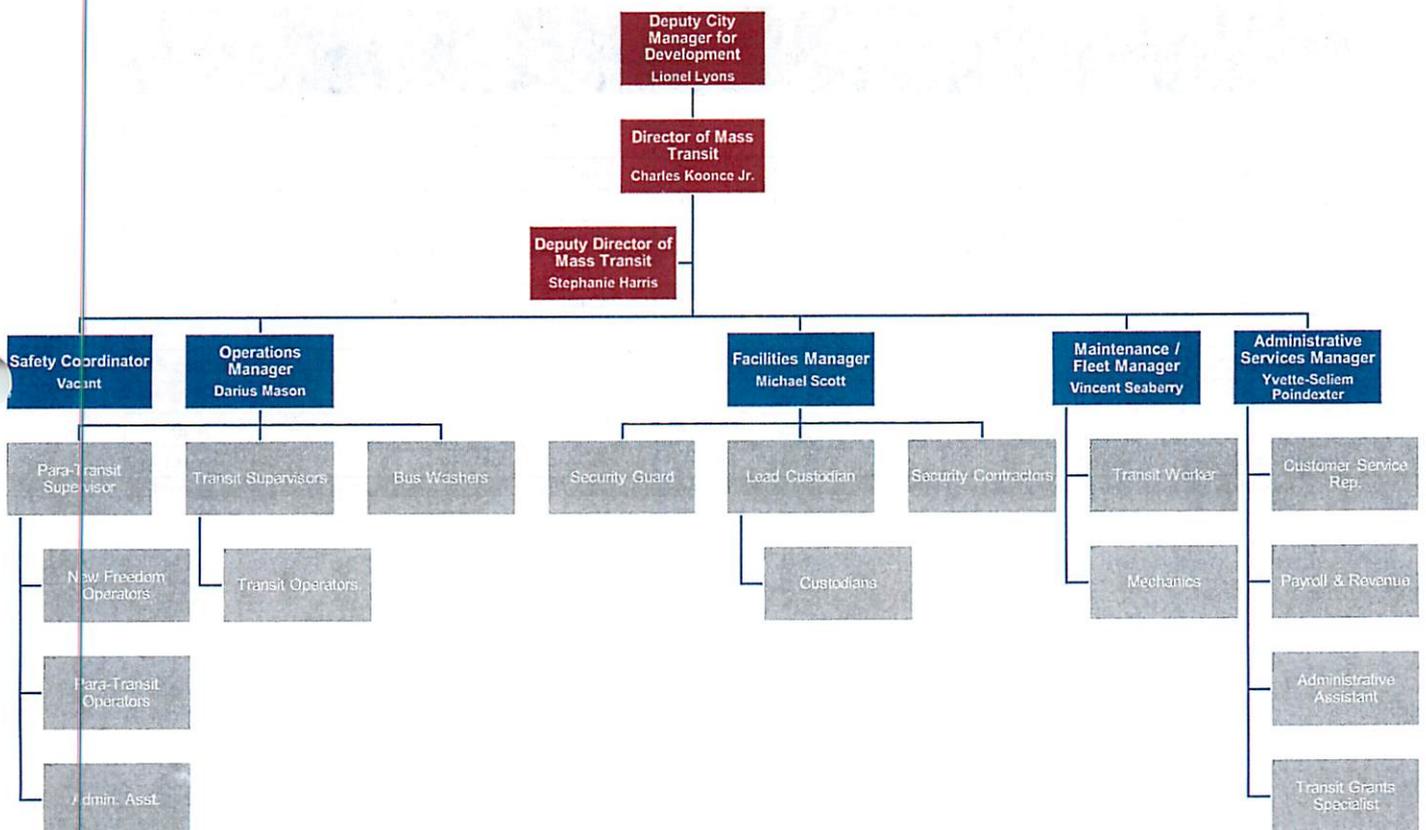


Table 1-2. Fixed-Route Service Summary

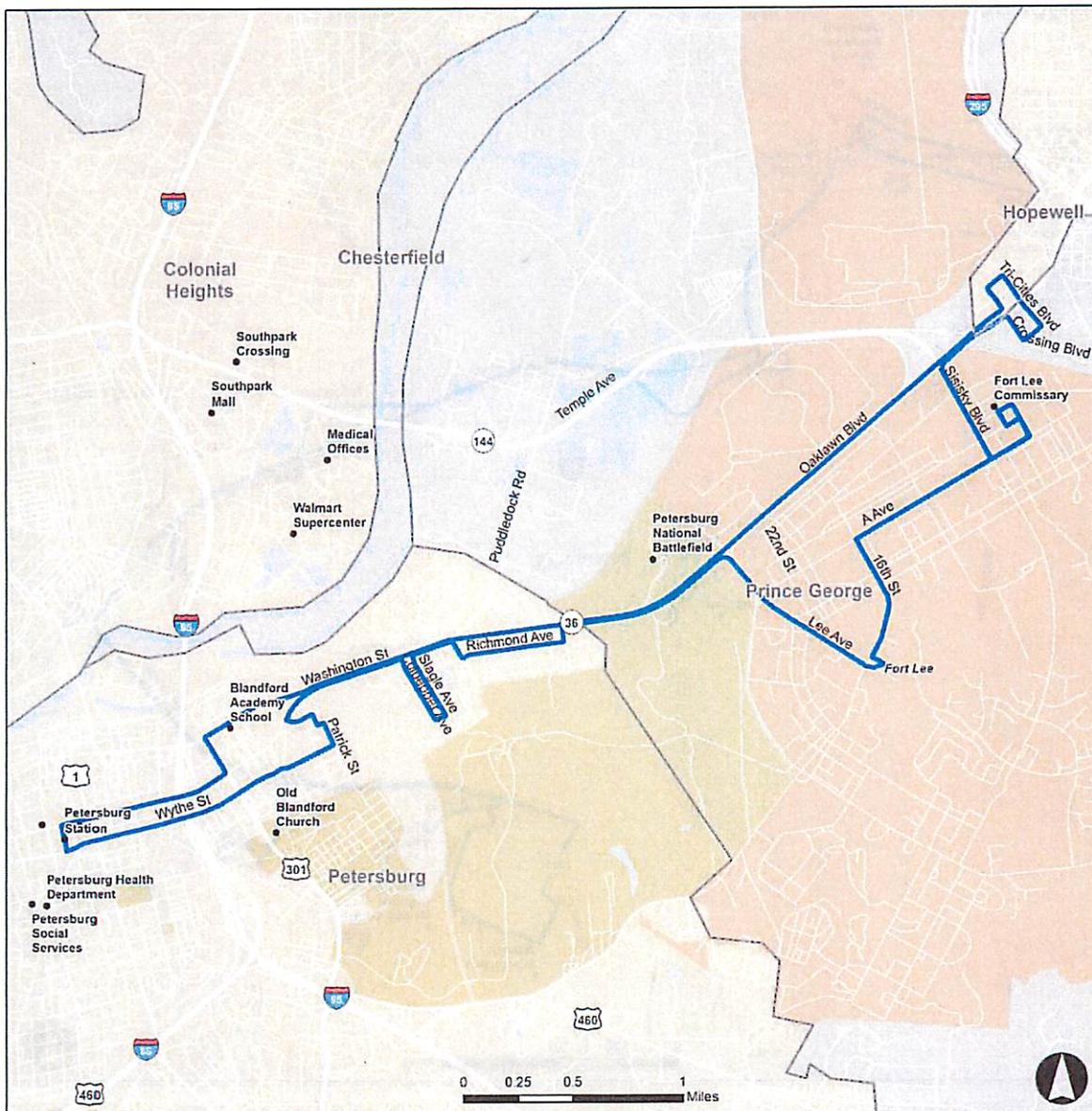
Route	Weekday Service					Weekend Service				
	Frequency	Daily Trips	Vehicles Req.	Service Start	Service End	Frequency	Daily Trips	Vehicles Req.	Service Start	Service End
Blandford/Hopewell	60 min	13	1	6:15 AM	7:05 PM	60 min	12	1	7:15 AM	7:05 PM
County Drive (460)	60 min	13	1	5:45 AM	6:45 PM	60 min	12	1	6:45 AM	6:45 PM
Etrick/VSU/Amtrak	60 min	13	0.5	6:15 AM	6:45 PM	60 min	12	0.5	7:15 AM	6:45 PM
Halifax Street	60 min	13	0.5	6:15 AM	6:45 PM	60 min	12	0.5	7:15 AM	6:45 PM
Hopewell Circulator	60 min	13	1	5:45 AM	6:45 PM	60 min	12	1	6:45 AM	6:45 PM
Lee Avenue	30 min	25	1	6:15 AM	6:45 PM	30 min	23	1	7:15 AM	6:45 PM
Mall Plaza	60 min	12	0.5	6:45 AM	6:10 PM	60 min	11	0.5	7:45 AM	6:10 PM
South Crater Road	60 min	13	1	6:15 AM	7:05 PM	60 min	12	1	7:15 AM	7:05 PM
Southpark Mall	60 min	13	1	6:15 AM	7:05 PM	60 min	12	1	7:15 AM	7:05 PM
Virginia Avenue	60 min	7	0.5	6:45 AM	6:10 PM	60 min	6	0.5	6:45 AM	6:10 PM
Walnut Hill	60 min	12	1	6:45 AM	6:45 PM	60 min	11	1	7:45 AM	6:45 PM
Washington Street	30 min/60 min	22	1	5:15 AM	6:45 PM	30 min/60 min	21	1	6:15 AM	6:45 PM

1. Vehicles required statistic indicates the resources necessary to operate route at designated frequencies. Vehicle requirements of less than one represent interlined routes.

## Blandford/Hopewell

The Blandford/Hopewell route provides access from the Petersburg Station in downtown Petersburg to Fort Lee via Oaklawn Blvd, ending at The Crossings Shopping Center just west of I-295. This route operates 13 trips on weekdays from 6:15 am until 7:05 pm, and 12 trips Saturdays from 7:15 am until 7:05 pm. Each round trip requires 50 minutes, enabling one vehicle to operate with a 60-minute headway.

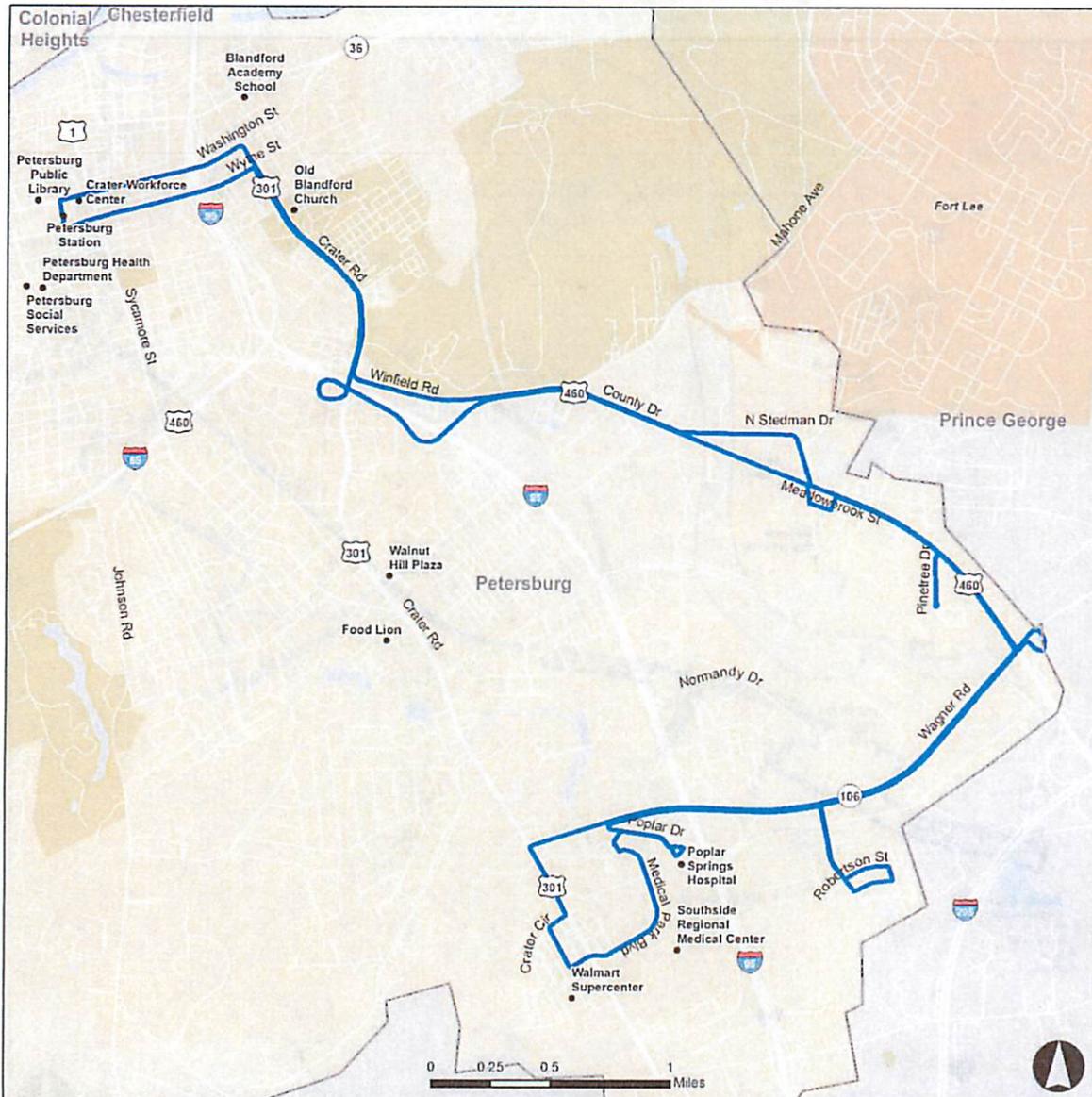
Figure 1-2. Blandford/Hopewell Route Alignment



### County Drive (460)

The County Drive (460) route travels from the Petersburg Station in downtown Petersburg to the Southside Regional Medical Center via County Drive and Wagner Road. There are 13 trips on weekdays from 5:45 am until 6:45 pm, and 12 trips on Saturdays from 6:45 am until 6:45 pm. Each round trip takes 50 minutes, requiring one vehicle to operate with a 60-minute headway.

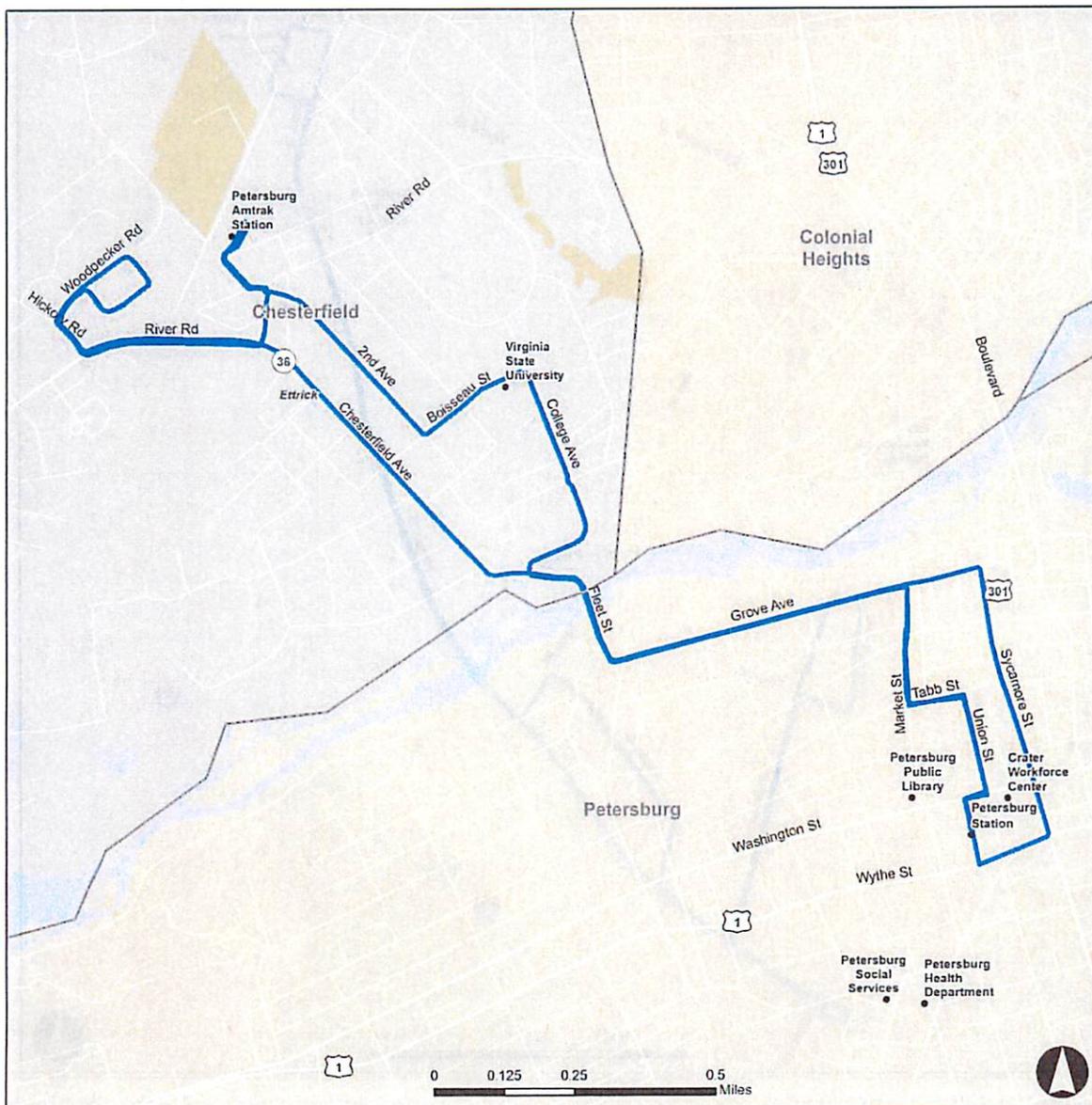
Figure 1-3. County Drive (460) Route Alignment



### Ettrick/VSU/Amtrak

The Ettrick/VSU/Amtrak route operates from the Petersburg Station in downtown Petersburg to Virginia State University (VSU) in Colonial Heights, and then to the Food Lion in Ettrick before serving the Petersburg Amtrak Station. There are 13 trips made every weekday with service beginning at 6:15 am and ending at 6:45 pm. On Saturdays, service begins at 7:15 am and ends at 6:45 pm, operating a total of 12 trips throughout the day. It takes about 20 minutes to run the Ettrick/VSU/Amtrak route. PAT interlines this route with the Mall Plaza route to operate both routes with a single vehicle on a 60-minute headway.

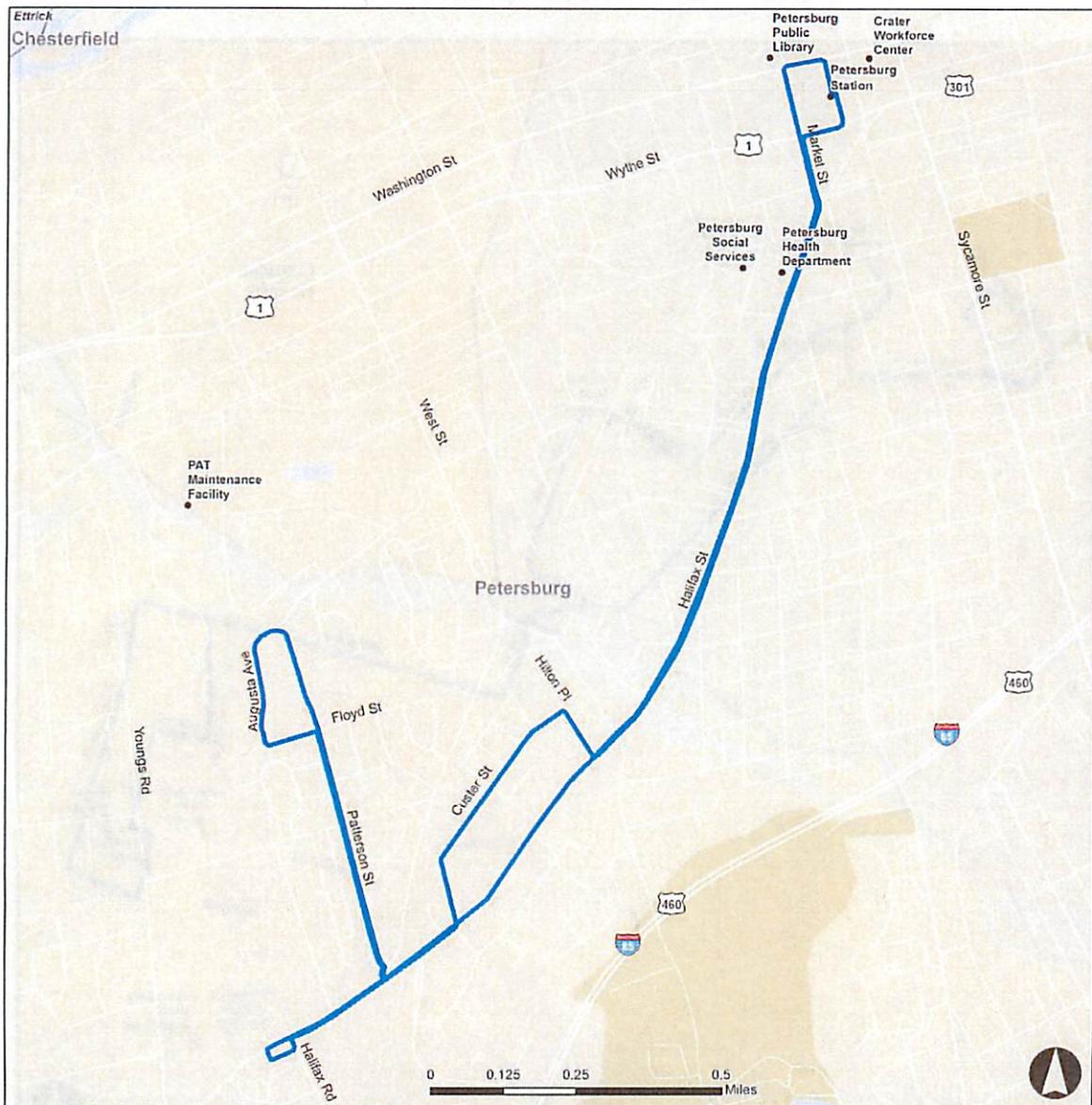
Figure 1-4. Ettrick/VSU/Amtrak Route Alignment



## Halifax Street

The Halifax Street route serves the Halifax Street corridor, connecting the adjacent neighborhoods to the Petersburg Station in downtown Petersburg. This route operates 13 trips on weekdays from 6:15 am until 6:45 pm, and 12 trips on Saturdays from 7:15 am until 6:45 pm. It takes 25 minutes for a round trip on the Halifax Street route so PAT interlines this route with the Virginia Avenue route. It requires one vehicle to operate the Halifax Route and the Virginia Avenue route with a 60-minute headway.

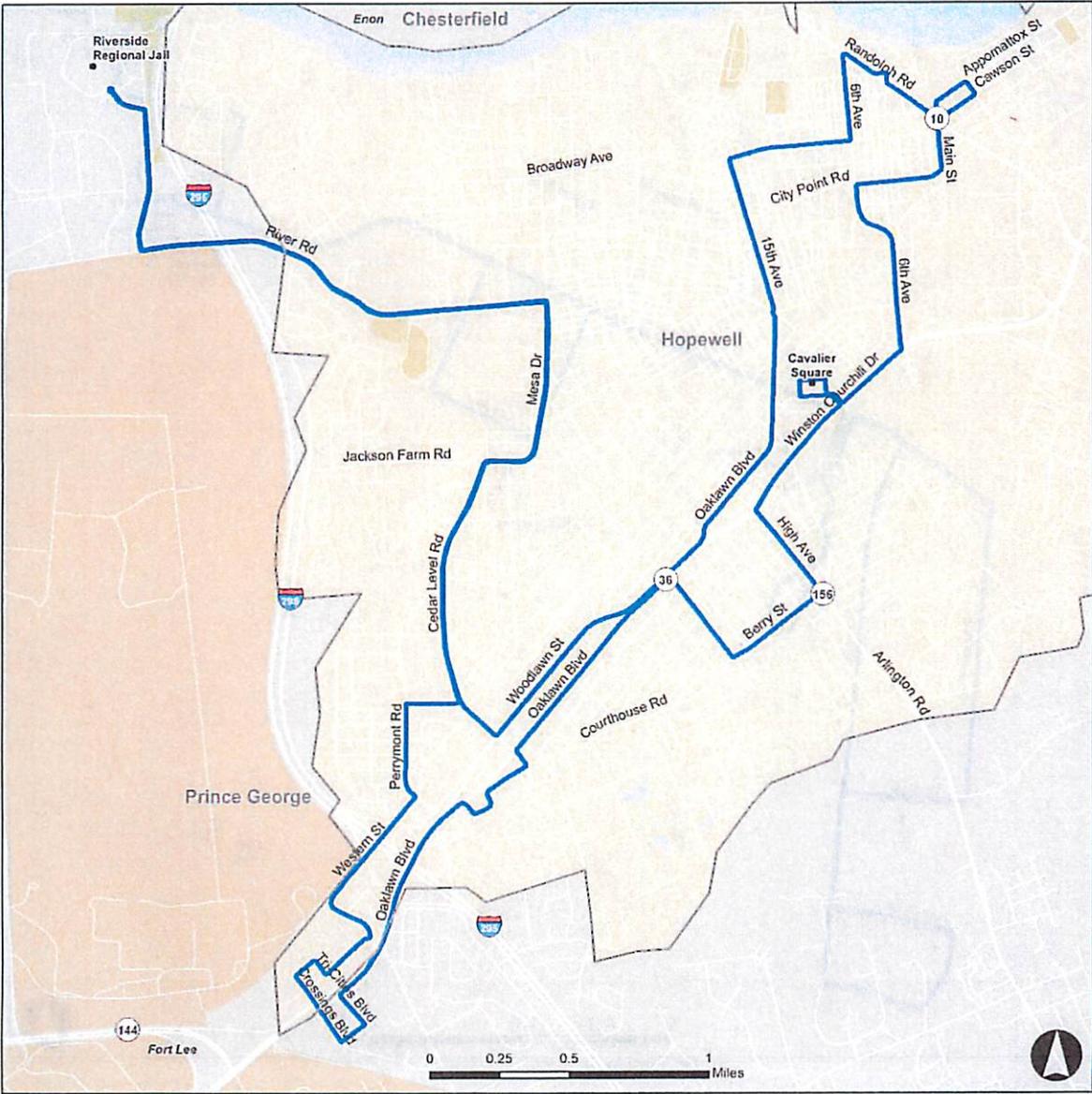
Figure 1-5. Halifax Street Alignment



### Hopewell Circulator

The Hopewell Circulator route connects the City of Hopewell to the Blandford/Hopewell route via a connection point at the Food Lion off Tri City Drive. This route also serves the Appomattox Regional Library in Hopewell, the John Randolph Medical Center and the Riverside Regional Jail. There are 13 trips made on weekdays, starting at 5:45 am and ending at 6:45 pm, and 12 trips made on Saturdays from 6:45 am to 6:45 pm. The circulator takes 60 minutes to make each round trip, requiring one vehicle to operate with a 60-minute headway. It should be noted that the Hopewell Circulator schedule does not include recovery time, making it the only route in the system not to do so.

Figure 1-6. Hopewell Circulator Route Alignment

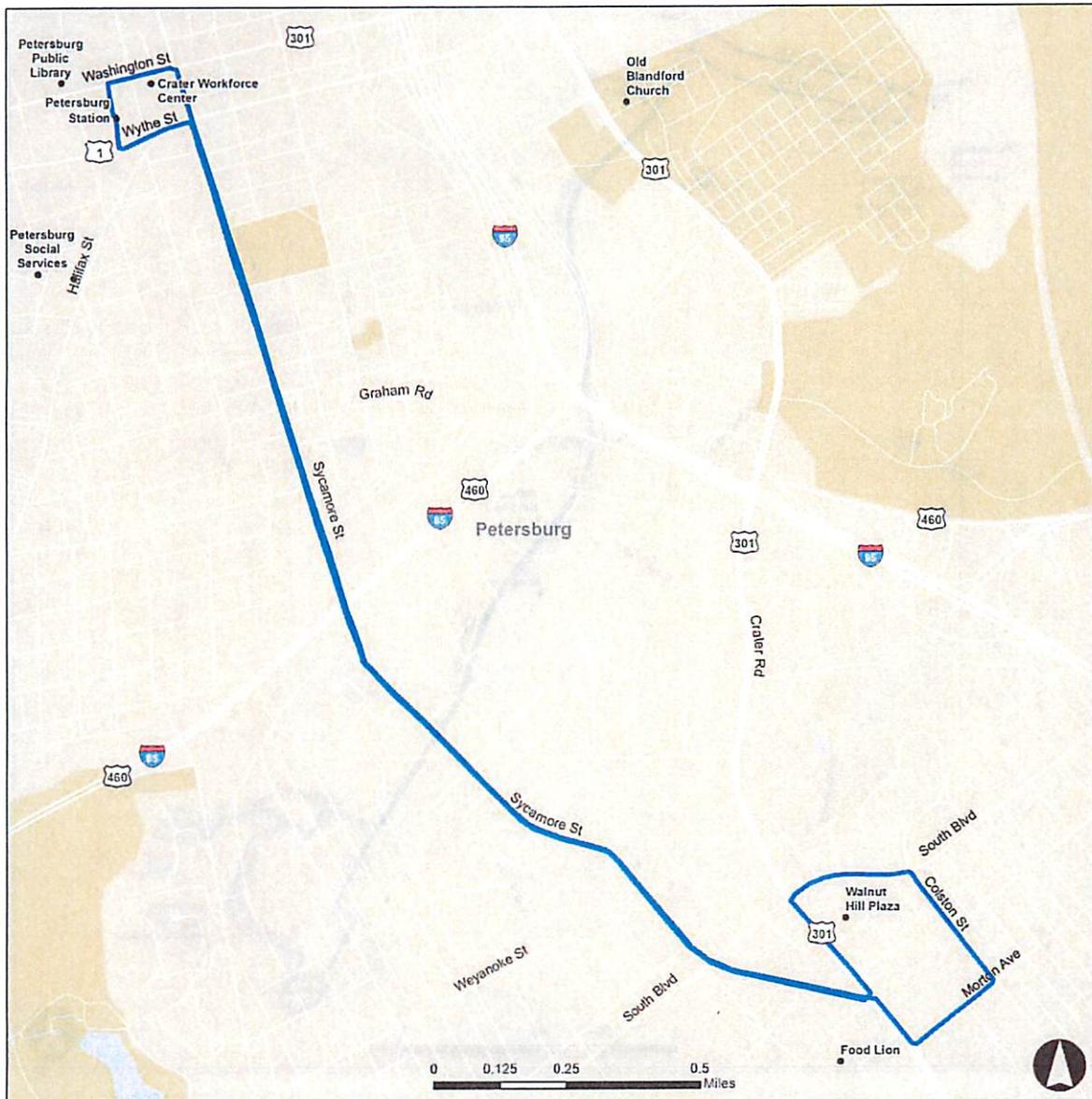




## Mall Plaza

The Mall Plaza route connects the Petersburg Station in downtown Petersburg to Walnut Hill Plaza and nearby Food Lion via Sycamore Street. The Mall Plaza Route makes 12 trips Mondays-Fridays providing service from 6:45 am to 6:10 pm. On Saturdays there is one less trip, yielding service that starts at 7:45 am and ends at 6:10 pm. Each round trip requires 25 minutes. PAT operates the Mall Plaza route with a vehicle that is interlined with the Etrick/VSU route, thereby requiring one vehicle to operate both routes at a 60-minute headway.

Figure 1-8. Mall Plaza Route Alignment



### South Crater Road

The South Crater Road route provides service from downtown Petersburg to Walnut Hill Plaza and Southside Regional Medical Center and Walmart via Crater Road. This route operates 13 trips on weekdays and 12 trips on Saturdays. Weekday service starts at 6:15 am and ends at 7:05 pm, while Saturday service starts an hour later at 7:15 am and ends at 7:05 pm. It takes 55 minutes to run each round trip, thereby requiring one bus to operate on 60-minute headways.

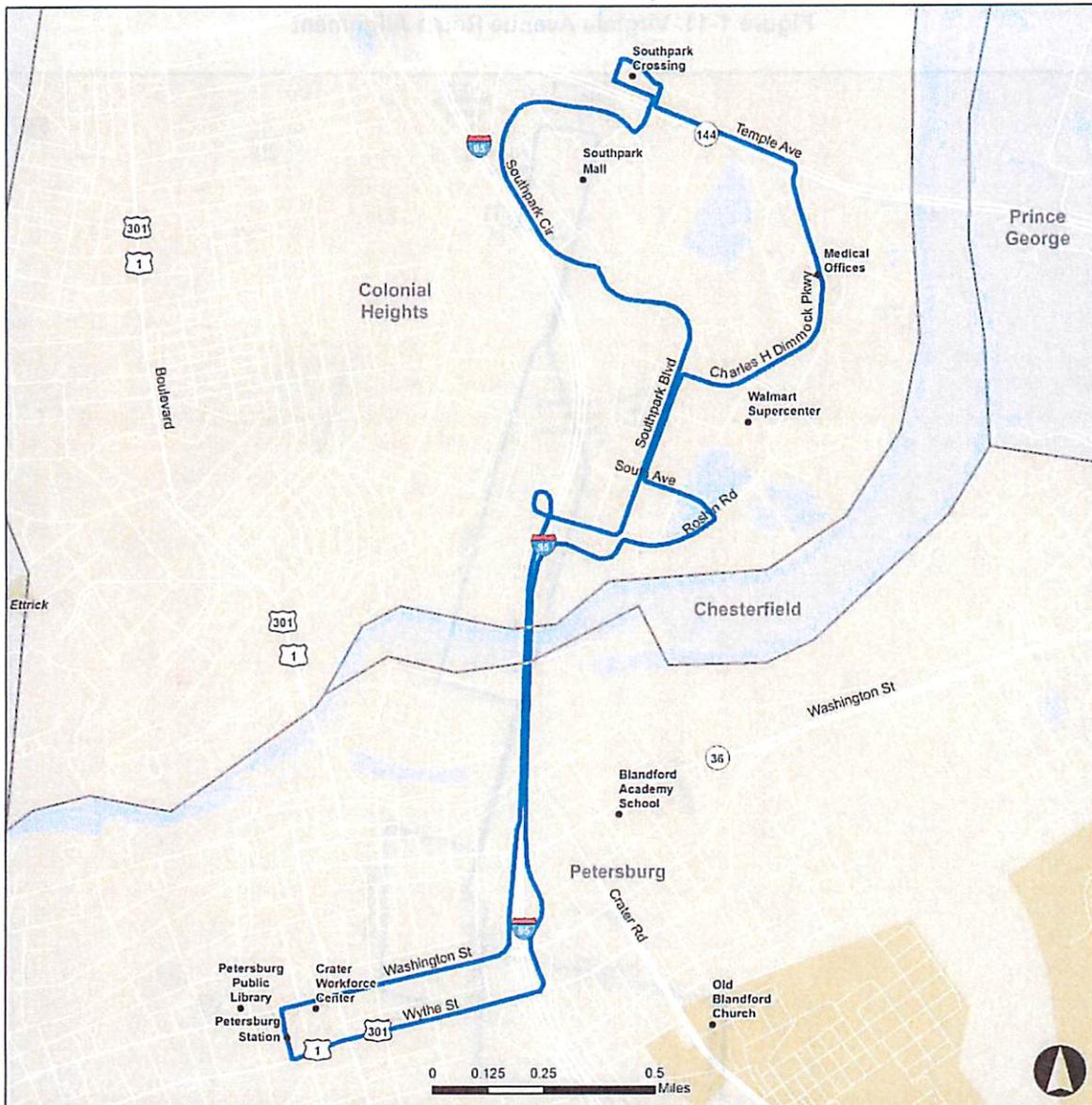
Figure 1-9. South Crater Road Route Alignment



### Southpark Mall

The Southpark Mall route travels from the Petersburg Station northeast to the Southpark Mall, Walmart, and nearby medical offices via I-95. The route begins service at 6:15 am and ends at 7:05 pm on weekdays, while Saturday service runs from 7:15 am and ends at 7:05 pm. A total of 13 round trips are made on weekdays and 12 on Saturdays. Each round trip takes about 45 minutes to operate, requiring one vehicle to operate with a 60-minute headway.

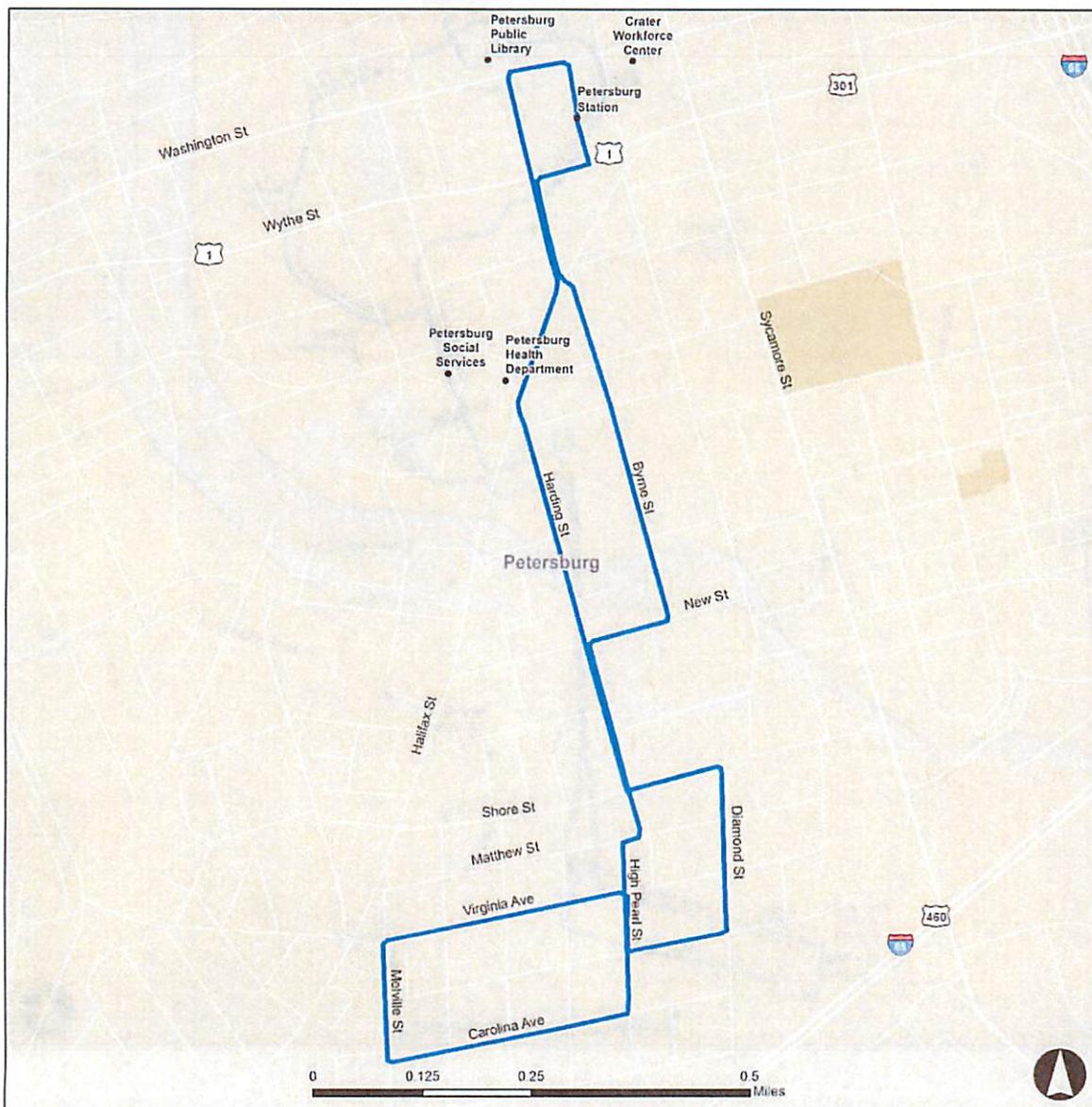
Figure 1-10. Southpark Mall Route Alignment



## Virginia Avenue

The Virginia Avenue route connects nearby neighborhoods along Harding Street and High Pearl Street east of Halifax Street to the Petersburg Health Department and Petersburg Station in downtown Petersburg. This route operates from 6:45 am until 6:10 pm on weekdays and 6:45 am until 6:10 pm on Saturdays. There are seven round trips on weekdays and six on Saturdays. The Virginia Avenue route alignment takes 20 minutes to make one round trip and operates 60-minute headways. To avoid excessive layover time, PAT interlines the Virginia Avenue and Halifax Street routes so they require a single vehicle.

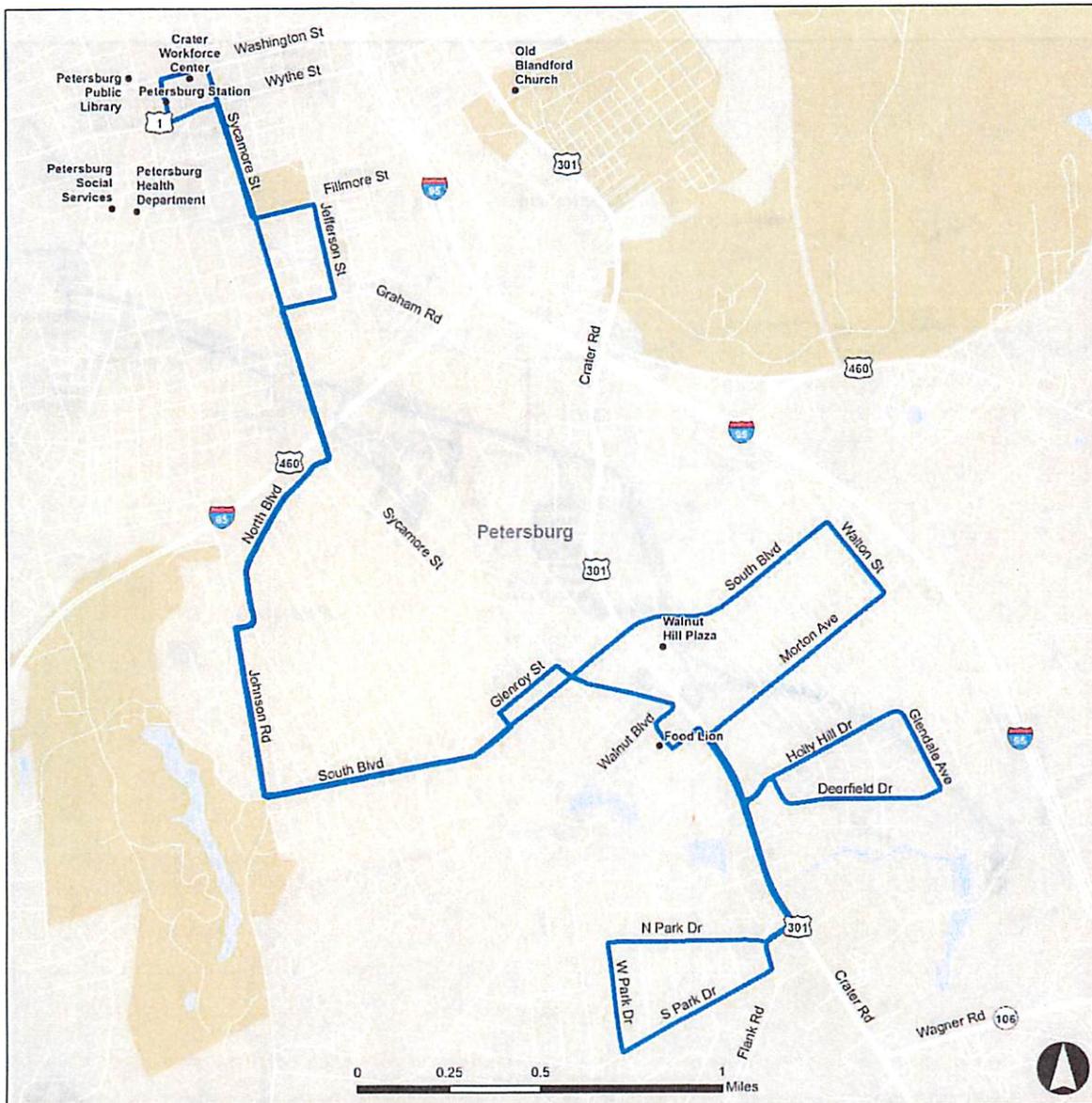
Figure 1-11. Virginia Avenue Route Alignment



## Walnut Hill

The Walnut Hill route operates from the Petersburg Station in downtown Petersburg to the Walnut Hill Plaza via Sycamore Street and South Boulevard. This route also serves the Holly Hill Drive and North Park Drive neighborhoods. The Walnut Hill Route makes 12 trips Monday-Friday, providing service from 6:45 am to 6:45 pm. On Saturdays there are 11 trips, providing service from 7:45 am to 6:45 pm. Each round trip takes 55 minutes. PAT operates the Walnut Hill route with a single vehicle on a 60-minute headway.

Figure 1-12. Walnut Hill Route Alignment





### **1.4.2 Paratransit Service**

PAT offers curb to curb (door to door upon request) ADA paratransit services with wheelchair-equipped vans for senior citizens (aged 70 or older), Medicare card holders, and persons with disabilities (temporary or permanent per ADA qualifications). The service operates within the city limits of Petersburg, Colonial Heights, and Hopewell and the counties of Prince George, Dinwiddie, and South Chesterfield (Ettrick) as well as areas within  $\frac{3}{4}$  of a mile from PAT's fixed routes. Paratransit service is available weekdays from 5:15 am until 6:15 pm and Saturdays from 6:00 am until 6:15 pm. The maximum number of vehicles operated in peak service is five. Reservations can be made in advance from the day before the trip up to 14 days before the trip by calling the PAT administrative offices 24 hours a day, seven days a week. Reservations are confirmed the same day or the morning of the following day.

### **1.4.3 Bicycle and Pedestrian Accommodations**

PAT has been working to provide riders with bicycle and pedestrian accommodation improvements. Bicycle racks that accommodate up to two bikes are installed on all buses. In addition, pedestrian accommodations in the form of curb cutouts and bus shelters are present throughout much of the system. In 2014 and 2015, PAT upgraded most of the bus stops within the city limits to include curb cuts for safer and easier boarding and alighting. However, outside the city limits there are many areas with limited sidewalk and other pedestrian accommodations, including bus stops that do not meet ADA standards. All new bus stops are built to meet ADA standards.

PAT does not have specific guidelines for the design or placement of bus shelters, although the design is consistent throughout most of the system. Shelters are made of metal and glass and sit on a concrete slab with a bench. Shelters in Colonial Heights at the Southpark Mall and at Blandford Academy Schools differ slightly in design, however the remaining shelters are consistent.

## **1.5 Fare Structure, Payment Methods, and Pass/Ticket Purchasing**

For fixed-route service, PAT passengers have the option of purchasing fares on board the vehicle with cash or pre-purchasing daily, weekly, or monthly passes. The transit passes may be purchased at one of three locations: 1) Petersburg Multimodal Passenger Station at 100 W. Washington Street; 2) PAT Maintenance Facility at 309 Fairgrounds Road; and 3) City of Petersburg Treasurer's Office in City Hall. In 2016, PAT purchased three Ticket Vending Machines (TVMs) to offer riders an additional method to purchase fares. The TVMs, however, were never operational and after repeated repair attempts, PAT is in the process of negotiating a return with the vendor.

The current PAT fare structure is summarized in Table 1-3. In order to receive the discounted price available to seniors, citizens with a qualifying disability, and Medicare cardholders, passengers must present an I.D. issued by PAT. Adults riding the bus may bring two children with them at no additional cost (one child under the age of six and one infant). Since the last

TDP in 2010, the price of a single fare has risen from \$1.00 to \$1.75 due to inflation and increasing maintenance and operating costs.

There are no transfer agreements with other agencies. As a result, passengers transferring to another service (e.g. the GRTC Route 95X and BABS Dinwiddie Connector) must pay full fare when boarding those services. Transfers within the PAT system, however, are available at no additional cost for up to one hour.

**Table 1-3. Petersburg Area Transit Fare Structure**

Fare Category	Full Price	Discounted Price <sup>1</sup>
One Fare	\$1.75	\$0.85
Transfer	Free <sup>2</sup>	Free <sup>2</sup>
One-Day Pass	\$3.50	\$1.75
Seven-Day Pass	\$12.00	\$6.00
Thirty-One Day Pass	\$44.00	\$22.00

1. Discounted price is available to seniors, citizens with a qualifying disability, and Medicare cardholders only

2. Free transfer is available up to one hour only

## 1.6 Vehicle Fleet

PAT owns a total of 18 vehicles for fixed-route service and 8 vehicles for paratransit service. Most of the fixed-route vehicles use diesel for fuel, while most of the paratransit vehicles use a FLEX fuel system, which operates on gasoline and propane. All revenue vehicles have fareboxes, information displays, and security cameras. PAT also has 12 support vehicles consisting of sport utility vehicles, trucks, and vans. Table 1-4, Table 1-5, and Table 1-6 summarize the vehicle fleet for fixed-route, paratransit, and support vehicles, respectively.

The Federal Transit Administration (FTA) published a Final Rule for Transit Asset Management in July 2016 requiring FTA grantees to develop asset management plans. Agencies have the option of developing their own transit asset management (TAM) plan. In the Commonwealth of Virginia, PAT is one of the operators opting to use DRPT's statewide TAM plan, which is permitted under the FTA rule. The TAM plan covers public transportation assets including vehicles, facilities, equipment and other infrastructure.

**Table 1-4. Fixed-Route Vehicle Inventory**

Quantity	Make	Type	Year	Seating Capacity	Fuel Type
9	Gillig	30-foot Bus	2007	29	Diesel
4	Gillig	35-foot Bus	2013	32	Diesel
4	Ford	E-450	2015	22	FLEX <sup>1</sup>
1	Freightliner	30-foot Trolley	2016	29	Diesel

1. FLEX fuel is a combination of gasoline and propane

**Table 1-5. Paratransit Vehicle Inventory**

Quantity	Make	Type	Year	Seating Capacity	Fuel Type
2	Ford	E-450	2011	3	FLEX <sup>1</sup>
2	Chevrolet	2500	2012	3	FLEX <sup>1</sup>
2	Ford	E-450	2016	3	FLEX <sup>1</sup>
2	Ford	E-450	2017	3	Gasoline

1. FLEX fuel is a combination of gasoline and propane

**Table 1-6. Support Vehicle Inventory**

Quantity	Make	Type	Year	Seating Capacity	Fuel Type
1	GMC	4500	1997	3	Diesel
1	Dodge	1500	2002	3	Gasoline
1	Chevrolet	2500	2009	3	Gasoline
1	Ford	E-450 (snow plow)	2015	5	Diesel
1	Ford	SUV	2005	5	Gasoline
1	Ford	SUV	2013	5	Gasoline
3	Ford	SUV	2014	5	FLEX <sup>1</sup>
1	Jeep	SUV	2014	5	Gasoline
2	Ford	F-150	2016	3	Gasoline

1. FLEX fuel is a combination of gasoline and propane

## 1.7 Facilities

PAT has major facilities at two locations in Petersburg. The PAT administrative offices and Petersburg Station are located in downtown Petersburg at 100 W. Washington Street. PAT's operating, maintenance (including fueling), and vehicle storage facility is located at 309 Fairgrounds Road near the Pecan Acres neighborhood.

## 1.8 Transit Security Program

PAT has taken various measures to protect riders, employees, and the public as part of an overall transit security program. One major element of the program is the system security and emergency preparedness plan (SSEPP). Although PAT currently has an SSEPP in the case of an emergency, PAT is working on an update using the FTA template. The SSEPP includes program roles and responsibilities, threat and vulnerability resolution processes, and steps for evaluation and modification of the SSEPP. In the event of an emergency or natural disaster, the public safety director can activate the emergency operation center (located in the 100 West Washington Street building) where stakeholders and decision makers can meet to deal with the emergency.

The US Department of Homeland Security conducted a security assessment of PAT in 2016. In addition, PAT has prepared training material and plans to conduct drills to prepare for potential

emergency situations. PAT will be coordinating with the fire and police departments to conduct these training drills. Additionally, PAT has communicated the need to conduct active shooter training with Homeland Security.

PAT also utilizes several security features on vehicles and at stations and facilities. Vehicles are equipped with cameras with audio and visual capabilities, fire extinguishers, panic buttons, and radios. The Petersburg Station and the operating, maintenance and storage facility are equipped with cameras, motion detectors, alarm systems, fire suppression systems, and key fob systems.

While there is no official public awareness program campaigning for safety on the transit system, passengers are actively encouraged to contact security in the event of an emergency. In addition, per FTA's Public Transportation Agency Safety Plan (PTASP) Final Rule, PAT will be required to develop a safety plan by July 20, 2020 that includes the processes and procedures necessary for implementing Safety Management Systems (SMS), including safety risk management, safety assurance, and safety promotion.

## 1.9 Intelligent Transportation Systems Program

PAT's intelligent transportation systems (ITS) program consists of several components to improve operations and provide information to riders. PAT has experienced technical challenges with some elements of their ITS program over recent years, which has resulted in a desire to improve the program.

- **Automatic Vehicle Location (AVL):** Vehicle tracking systems are currently installed on all PAT fixed-route buses and the real-time location of vehicles are available to the public via RouteShout, a free smart phone application by RouteMatch. However, the AVL systems have had technical difficulties and the app has been unreliable. As a result, the location data has not been usable.
- **Automated Passenger Counters (APCs):** APCs are installed on PAT's fixed-route vehicles but have also proven unreliable in recording data. PAT is currently communicating with RouteMatch about these issues in hopes to improve the AVL and APC systems.
- **Information Displays:** Illuminators, or information displays, are installed on all vehicles and show the route name and number, as well as emergency information or route changes.
- **Scheduling and run cutting software:** Scheduling for fixed routes is completed by PAT transit supervisors. They do not use specialized software for scheduling or run cutting. The paratransit service, however, does utilize specialized software for schedules. Paratransit vehicles use CTS software, which is a system that translates trip requests into trip assignments before dispersing the requests to drivers.
- **Maintenance systems:** Fleet Maintenance Pro software is utilized to keep track of maintenance.
- **Transit Signal Prioritization (TSP):** Pat has considered adding TSP to the ITS program via meetings with Tri-Cities Area MPO as well as TSP vendors. PAT concluded, however, that the current levels of congestion in the tri-city area does not warrant the additional expense of TSP.

## 1.10 Data Collection and Ridership and Revenue Reporting

### Methodology

PAT collects data on both fixed-route vehicles and paratransit vehicles. Fixed-route vehicles are equipped with electronic Genfare farebox systems, specifically the Odyssey system. The electronic farebox system collects money and counts passengers for all PAT operated fixed routes. Ridership reports are generated and compared to manual counts of ridership daily inputted by drivers into tablets installed in each fixed route vehicle. Conversely, paratransit vehicles operate without electronic fareboxes, instead relying on simple fareboxes that riders deposit fares into. Paratransit ridership is recorded with the CTS system that schedules trips. In addition, drivers use Driver-Vehicle Inspection Report (DVIR) books located in each vehicle to track mileage of both fixed-route and paratransit vehicles.

Operating as a city governmental service, PAT uses the same accounting procedures and reporting methods as the City of Petersburg. Accounting and Payroll systems use the AS-400 System and BAI Municipal Software ("Bright"), which is the financial system of record for the City. Financial audits are completed annually by third-party auditors through the City of Petersburg Finance Department.

Reporting at the state level is completed once a month through the Online Grant Administration (OLGA) system. Monthly reports include operating statistics such as passenger trips, revenue miles, revenue hours, financial expenditures, and revenues. Reporting at the federal level to the National Transit Database (NTD) is completed annually by October 31<sup>st</sup>. NTD reporting includes similar operating statistics and financial figures as the monthly state-level reporting.

## 1.11 Coordination with Other Transportation Service Providers

There are several transportation service providers in the Petersburg area, however PAT currently has limited partnerships to coordinate with these services.

- **Greater Richmond Transit Company (GRTC):** GRTC operates the 95X Richmond / Petersburg Express route funding through DRPT, which provides a connection from the Petersburg Station to McGuire Veteran Medical Center and downtown Richmond. The route runs Monday through Friday with two round trips in the morning and two round trips in the evening. Fares for the Richmond/Petersburg Express are \$3.50 per one-way trip.
- **Blackstone Area Bus (BABS):** BABS operates the Dinwiddie Express, which operates services from Blackstone (roughly 40 miles west of Petersburg), to the Petersburg Station. The Dinwiddie Express stops at the Petersburg Station twice in the morning and twice in the afternoon. Fares for the Dinwiddie Express are \$0.50 per one-way trip.
- **Greyhound:** Greyhound has five routes (1006, 1008, 1011, 1051, and 1078) that stop at the Petersburg Station. Routes traveling north generally serve Richmond, VA and routes traveling south serve South Hill, VA or Raleigh, NC.
- **Taxi Companies:** There are numerous taxicab providers in and around Petersburg, including Yellow Cab of Colonial Heights, Pink Transportation Taxi, ReadyRideGo, Tri-CityTaxi, and Steve's Taxi.

- **Transportation Network Companies (TNCs):** Both Uber and Lyft operate in the Tri-Cities area.

## **1.12 Public Outreach**

PAT public outreach is primarily accomplished through City Council meetings. Meetings are generally held twice a month and are open to the public. Dates, times, agendas, and minutes for City Council meetings are posted on the City of Petersburg website. PAT service and policy changes, such as changes to routes or fares, are discussed at these meetings and public comment is welcomed. PAT and the City Council communicate service and policy changes with the public regularly through the City of Petersburg website and through social media platforms.

## **2 Goals, Objectives, and Service Design Standards**

This chapter presents specific goals and objectives PAT identified to guide administrative decision making, including how existing service should be modified and new service added. The goals are intended to provide a longer-term focus to guide PAT's efforts, while the objectives provide clear and concise shorter-term strategies to achieve these goals. Each strategy also identifies performance measures to track progress toward achieving the goals and objectives. The goals and objectives outlined in this chapter should be reviewed annually by PAT to assess progress and update or add any additional goals and objectives that address the needs of the market.

PAT does not currently have a set of adopted service design standards; however, a list of suggested standards is included at the end of this chapter. As performance monitoring improves the service design standards should be reviewed and updated annually.

### **2.1 Goals and Objectives**

To develop the goals and objectives presented in this chapter PAT began by reviewing the goals presented in the 2010 TDP and identifying the portions of these goals that were still relevant today. While PAT ultimately chose to develop an entirely new set of goals, many of the themes from the 2010 TDP goals are evident in the new goals. The five goals PAT identified are listed below. The objectives that outline the specific strategy for achieving each goal, as well as the measures by which the objectives are evaluated, are detailed in the following sections.

#### **Goals**

1. Provide a safe and dependable transportation service for the Petersburg community
2. Increase mobility to the Petersburg community through convenient access to medical facilities, employment areas, shopping centers, schools, and community agencies
3. Improve the efficiency and effectiveness of service to better meet the transportation needs of the community
4. Improve awareness of PAT services to increase ridership and access to service
5. Strengthen organizational processes to ensure continuity of services

**Goal 1: Provide a safe and dependable transportation service for the Petersburg community**

**Objective 1.1:** Continually promote the safety of PAT employees and passengers

Strategy	Measure
Coordinate with local fire and police departments to periodically conduct safety drills	<ul style="list-style-type: none"> <li>• Drills completed per year</li> </ul>
Develop a safety plan to comply with FTA's Public Transportation Agency Safety Plan (PTASP) requirement	<ul style="list-style-type: none"> <li>• Completion of PTASP by no later than July 20, 2020</li> <li>• Train all front line employees on relevant aspects of the safety plan</li> </ul>
Monitor frequency, type, and cause of accidents	<ul style="list-style-type: none"> <li>• Accident frequency rate</li> <li>• Provide training to all drivers on techniques to reduce the most frequent cause of PAT responsible accidents</li> </ul>

**Objective 1.2:** Perform timely and appropriate fleet maintenance to limit service breakdowns

Strategy	Measure
Implement asset management plan that includes vehicle and equipment replacement	<ul style="list-style-type: none"> <li>• Utilize DRPT's Group Transit Asset Management (TAM) Plan and TransAM software to monitor assets consistent with best practices</li> <li>• Provide vehicle and equipment data to DRPT to support updates to the Group TAM Plan as required</li> </ul>
Monitor frequency, type, and cause of in-service breakdowns	<ul style="list-style-type: none"> <li>• Miles between in-service breakdowns</li> <li>• Provide training to drivers and mechanics on performing inspections, requesting or conducting preventative maintenance and other techniques to avoid breakdowns</li> </ul>

**Goal 2: Increase mobility to the Petersburg community through convenient access to medical facilities, employment areas, shopping centers, schools, and community agencies**

**Objective 2.1:** Evaluate potential demand to expand cost-effective transit service

Strategy	Measure
Coordinate and partner with community stakeholders to understand need and increase awareness of service to targeted areas	<ul style="list-style-type: none"> <li>Ridership in targeted areas</li> <li>Service availability (percentage of the population with access to PAT services)</li> </ul>

**Objective 2.2:** Support regional planning efforts to enhance mobility

Strategy	Measure
Coordinate with the MPO on the development of the Long Range Transportation Plan (LRTP) to ensure the vision for mobility in the Petersburg area and PAT's service goals align	<ul style="list-style-type: none"> <li>PAT input into LRTP</li> </ul>

**Goal 3: Improve the efficiency and effectiveness of service to better meet the transportation needs of the community**

**Objective 3.1:** Develop a data-driven approach to evaluate and restructure routes, schedules, and frequency of PAT service

Strategy	Measure
Monitor ridership to calculate performance at the route and stop level	<ul style="list-style-type: none"> <li>Ridership performance for each route by time of day and by stop</li> <li>Passengers per revenue vehicle hour</li> <li>Passengers per revenue vehicle mile</li> <li>Ensure that ridership is accurately recorded by equipment through rider audits</li> </ul>
Monitor on-time performance by route and systemwide	<ul style="list-style-type: none"> <li>On-time performance statistics as seen in service design standards</li> </ul>
Conduct annual rider survey	<ul style="list-style-type: none"> <li>Participation in survey</li> </ul>
Monitor operating costs to calculate route performance	<ul style="list-style-type: none"> <li>Operating cost per revenue vehicle hour</li> <li>Operating cost per revenue vehicle mile</li> <li>Operating cost per passenger</li> </ul>

**Objective 3.2:** Improve use of technology to effectively monitor service

Strategy	Measure
Implement automatic vehicle location (AVL) technology for real-time tracking of vehicles	<ul style="list-style-type: none"> <li>• Successful installation and utilization of AVL</li> </ul>
Coordinate with vendor to improve reliability of automatic passenger counter (APC) technology	<ul style="list-style-type: none"> <li>• Increased reliability and utilization of APC data</li> </ul>
Participate with DRPT and peer agencies in the evaluation of technologies to improve service monitoring	<ul style="list-style-type: none"> <li>• Actively participate in meetings, workshops, and studies to evaluate technology options</li> </ul>

**Goal 4:** Improve awareness of PAT services to increase ridership and access to service

**Objective 4.1:** Provide the public with relevant, up-to-date, and easily accessible information on PAT service

Strategy	Measure
Maintain accurate schedules and route maps on website	<ul style="list-style-type: none"> <li>• Post route maps on website</li> <li>• Update route maps and schedules on website one week prior to planned change</li> <li>• Review route maps annually to check for accuracy</li> <li>• Number of website hits and/or downloads</li> </ul>
Provide timely notice of service changes	<ul style="list-style-type: none"> <li>• Number of days announcement provided prior to service change</li> </ul>
Engage the community through a targeted social media campaign (e.g. Facebook, Instagram)	<ul style="list-style-type: none"> <li>• Number of views</li> </ul>

**Objective 4.2:** Develop consistent PAT brand

Strategy	Measure
Develop standards for infrastructure and vehicles to improve uniformity	<ul style="list-style-type: none"> <li>• Completion of standards and development of implementation plan</li> </ul>
Develop PAT marketing campaign	<ul style="list-style-type: none"> <li>• Dissemination of information through multiple media streams</li> </ul>

**Goal 5: Strengthen organizational processes to ensure continuity of services**

**Objective 5.1: Promote continued advancement of PAT**

Strategy	Measure
Develop and employ a strategy for workforce development to ensure employees have the appropriate skills to effectively perform their duties	<ul style="list-style-type: none"> <li>• Number of trainings conducted</li> <li>• Implement and develop employee evaluation process</li> </ul>
Establish an annual process for reviewing and adjusting goals and objectives	<ul style="list-style-type: none"> <li>• Complete annual TDP reporting update</li> </ul>

**Objective 5.2: Improve coordination with state and federal agencies**

Strategy	Measure
Coordinate with DRPT on capital and operational funding applications	<ul style="list-style-type: none"> <li>• Number of grants received and dollar amounts</li> </ul>
Improve compliance with state and federal regulations	<ul style="list-style-type: none"> <li>• Number of findings from compliance reviews (e.g. FTA Triennial Review)</li> </ul>

**2.2 Service Design Standard**

Service design standards are benchmarks to evaluate transit service performance and guide how existing service should be modified or new service added. PAT does not currently have an adopted set of design standards; however, the set of standards presented below is intended to serve as a starting point that outlines the desired services for the transit system. PAT is currently working to implement AVL and APC technology which will provide useful data on on-time performance and stop-based ridership and should update these service design standards as technology improvements are made and performance is more closely tracked.

**Service Area**

- Residential areas with population densities equal to or greater than 10 persons per acre
- Employment areas with employment densities equal to or greater than 10 jobs per acre
- Major health centers
- Colleges and universities without transit
- Major shopping centers with over 25 stores or 100,000 square feet of retail area
- Social services or government centers

**Service Coverage**

- Walking distance to stops (e.g. ¼ mile for high density areas)
- Minimum of 30-minute headways

### **Transit Propensity**

- Percentage of low-income households served
- Percentage of elderly and youth (over the age of 60 and under the age of 18) served
- Percentage of zero-vehicle households served

### **Span of Service**

- Weekday service from 5:15 a.m. until 7:15 p.m.
- Saturday service from 6:00 a.m. until 7:15p.m.

### **Financial Performance**

- Review route if farebox recovery ratio is less than 10%

### **Ridership Performance**

- Review route if ridership falls below 8 passenger per revenue hour

### **Schedule Adherence**

- No missed trips
- No early departures
- Less than 90% of all trips late (as defined by more than 5 minutes late)

### **Passenger Loads**

- 25% standees for short periods is acceptable

### **Bus Stops**

- 5 to 8 stops per mile in core
- 3 to 5 stops per mile outside of core, as needed based on land use
- Bus stop signs on designated pole at all bus stops
- Bus stop signs maintained in good condition, clearly visible, and retain their reflectivity
- Shelters at stops with 50 or more boardings a day
- Benches at stops with at least 25 boardings a day

### **Maintenance**

- Spare ratio should not exceed 30 percent
- 100% operational wheelchair lifts on in-service buses

### **Customer Service**

- Update route maps and schedules when service changes are implemented
- Review route maps and schedules annually

### **3 Service and System Evaluation**

This chapter evaluates the existing services and the environment in which PAT operates the service. The evaluation includes a demographic analysis of employment, population, and households in the entire service area as well as along each individual route. PAT's services were reviewed and performance statistics were calculated for each route in order to compare the individual routes to the overall system. A retrospective performance evaluation was also conducted to look at operating measures and performance measures at the system level from 2014 to 2017. Public outreach, in the form of a survey administered to both riders and non-riders, was used to gather input from the Petersburg community on the current use of the transit system and ideas for service improvements. This chapter concludes with a section on deficiencies and gaps, informed by the aforementioned sections in the service and system evaluation.

It should also be noted that the analysis provided in this document was conducted in 2018. Since then, in the fall of 2019, PAT modified the Ettrick/VSU route to include service to the Petersburg Amtrak Station.

#### **3.1 Demographics**

PAT serves the cities of Petersburg, Hopewell and parts of Colonial Heights. The service area covers an area of 55 square miles, using a  $\frac{3}{4}$  mile buffer around the fixed route alignments, as required for paratransit services under Federal ADA regulations. This area has a total of about 53,900 jobs, 96,500 people, and 40,300 households (Tri-Cities MPO 2017 data). Table 1-1 summarizes employment, population, and household statistics for all PAT routes calculated using a  $\frac{1}{4}$  mile buffer, a method commonly used for fixed-route accessibility metrics (also using Tri-Cities MPO 2017 data). Generally, transit routes must travel through high areas of population and employment to perform well. Therefore, the totals, densities and ranking of each demographic are shown for comparison to provide insight why some routes may outperform others. Key findings are also noted in the demographic sections below.

Table 3-1. Service Area Demographics

Route	Acres	Employment		Population		Households	
		Total (Rank)	Density (Rank)	Total (Rank)	Density (Rank)	Total (Rank)	Density (Rank)
Blandford/Hopewell	2,818	11,936 (1)	4.24 (3)	14,465 (2)	5.13 (6)	9,802 (1)	3.48 (1)
County Drive (460)	3,204	5,575 (5)	1.74 (10)	5,967 (6)	1.86 (12)	2,202 (5)	0.69 (12)
Ettrick/VSU	1,058	4,537 (6)	4.29 (2)	5,729 (8)	5.41 (3)	1,412 (10)	1.33 (9)
Halifax Street	1,000	1,892 (12)	1.89 (8)	5,402 (9)	5.4 (4)	1,817 (9)	1.82 (4)
Hopewell Circulator	3,648	5,954 (3)	1.63 (12)	14,627 (1)	4.01 (9)	5,359 (2)	1.47 (8)
Lee Avenue	1,214	2,264 (10)	1.86 (9)	6,940 (4)	5.71 (2)	2,248 (4)	1.85 (3)
Mall Plaza	1,076	3,492 (8)	3.24 (4)	5,244 (10)	4.87 (7)	1,861 (8)	1.73 (5)
South Crater Road	2,017	5,774 (4)	2.86 (6)	5,964 (7)	2.96 (10)	2,183 (6)	1.08 (10)
Southpark Mall	1,443	7,715 (2)	5.34 (1)	3,337 (12)	2.31 (11)	1,281 (12)	0.89 (11)
Virginia Avenue	661	1,951 (11)	2.95 (5)	4,132 (11)	6.26 (1)	1,363 (11)	2.06 (2)
Walnut Hill	2,271	3,868 (7)	1.7 (11)	9,851 (3)	4.34 (8)	3,675 (3)	1.62 (7)
Washington Street	1,120	2,549 (9)	2.28 (7)	6,009 (5)	5.37 (5)	1,916 (7)	1.71 (6)

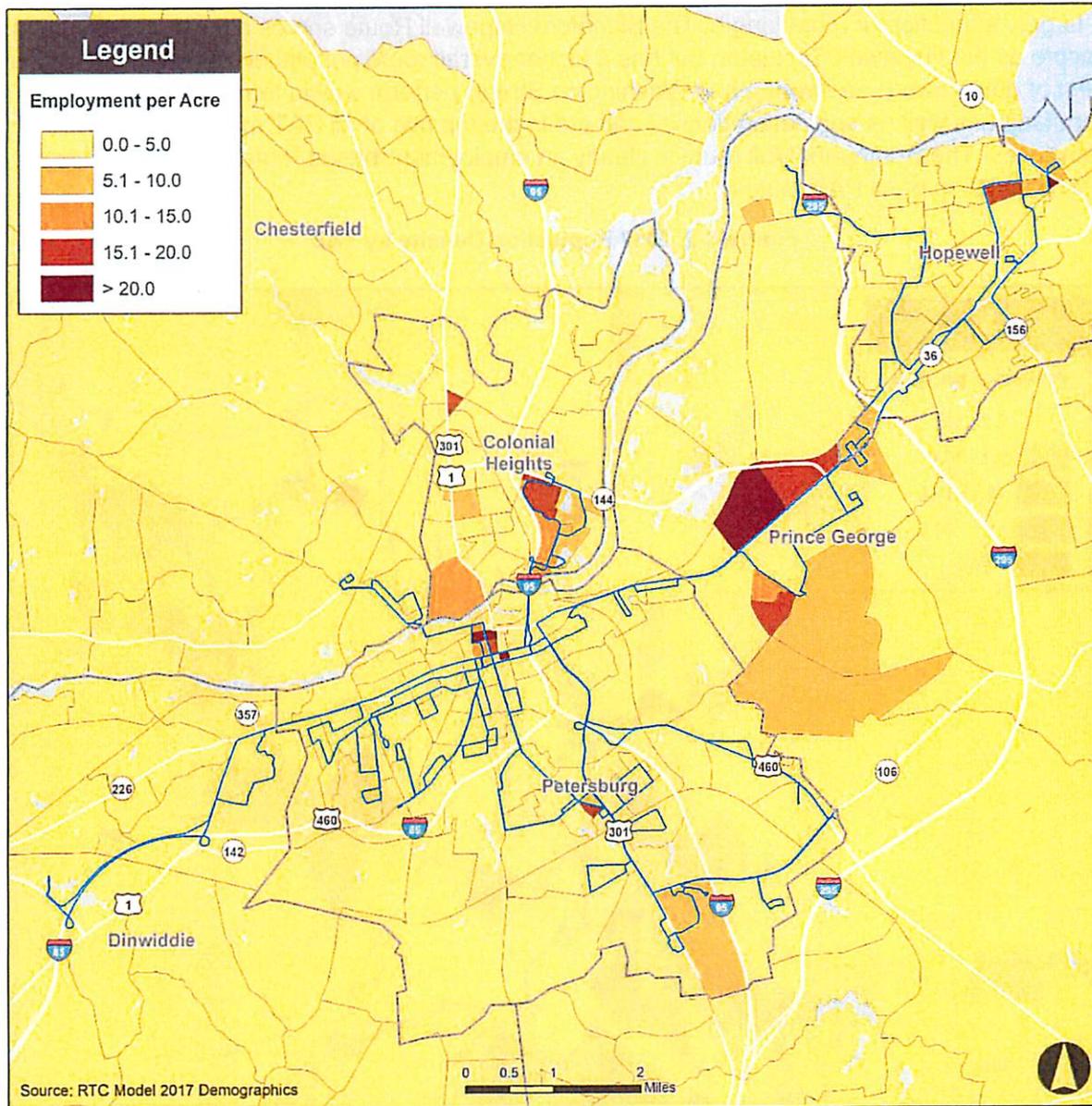
Source: Tri-Cities MPO 2017

## Employment

Employment density for the entire service area is shown by traffic analysis zone (TAZ) in Figure 1-1. Most of the PAT service area is made up of low-density employment (five or less jobs per acre). There are, however, a few locations in PAT's service area with higher densities of jobs. Some of the highest density of jobs in PAT's service area are around Fort Lee, downtown Petersburg, Southpark Mall, and downtown Hopewell.

Using a ¼ mile buffer around each of the routes, employment densities were compared between routes. The Blandford/Hopewell route, which serves Fort Lee, provides access to the most jobs of any PAT route at nearly 12,000 jobs and has relatively high employment density of over 4 jobs per acre. The Southpark Mall route has the second highest total employment, providing access to nearly 8,000 jobs in the area and has the highest average employment density at over 5 jobs per acre. The Hopewell Circulator has the third highest total number of jobs along the route at almost 6,000 jobs but has the lowest density of jobs (1.6 jobs per acre) in the system due to the very long alignment, much of which is through neighborhoods. Other routes with low employment density are the Walnut Hill, County Drive (460), and Lee Avenue routes, which are routed through primarily residential developments.

Figure 3-1. 2017 Employment Density by TAZ

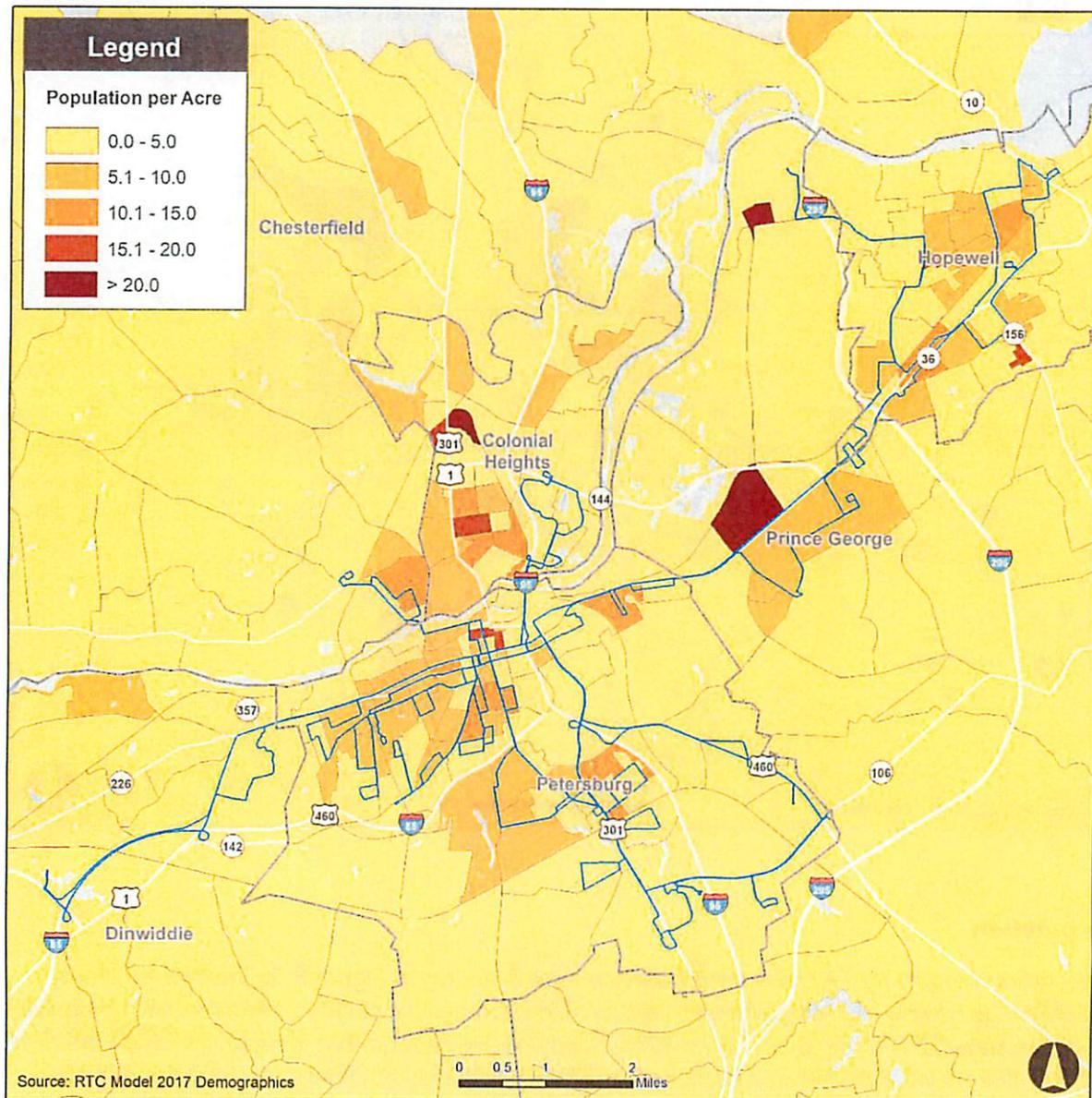


### Population

Population density by TAZ in the PAT service area is shown in Figure 3-2. Several locations identified as having high employment density also have high population densities, including Fort Lee, downtown Petersburg, and downtown Hopewell. However, other locations such as the area west of downtown Petersburg has higher population densities but lower employment density.

When comparing populations along each of the PAT routes using a ¼ mile buffer, the Hopewell Circulator serves the highest total population in the system; however, this high total population is largely a function of route length. The Blandford/Hopewell Route serves almost as many total people as the Hopewell Circulator, but has a higher overall route population density. The routes west of downtown (Lee Avenue and Washington Street) perform well in terms of both total population as well as population density and are in the top five of all PAT routes in both categories. The Southpark Mall route is clearly an employment-based route, serving the lowest total population of all PAT routes.

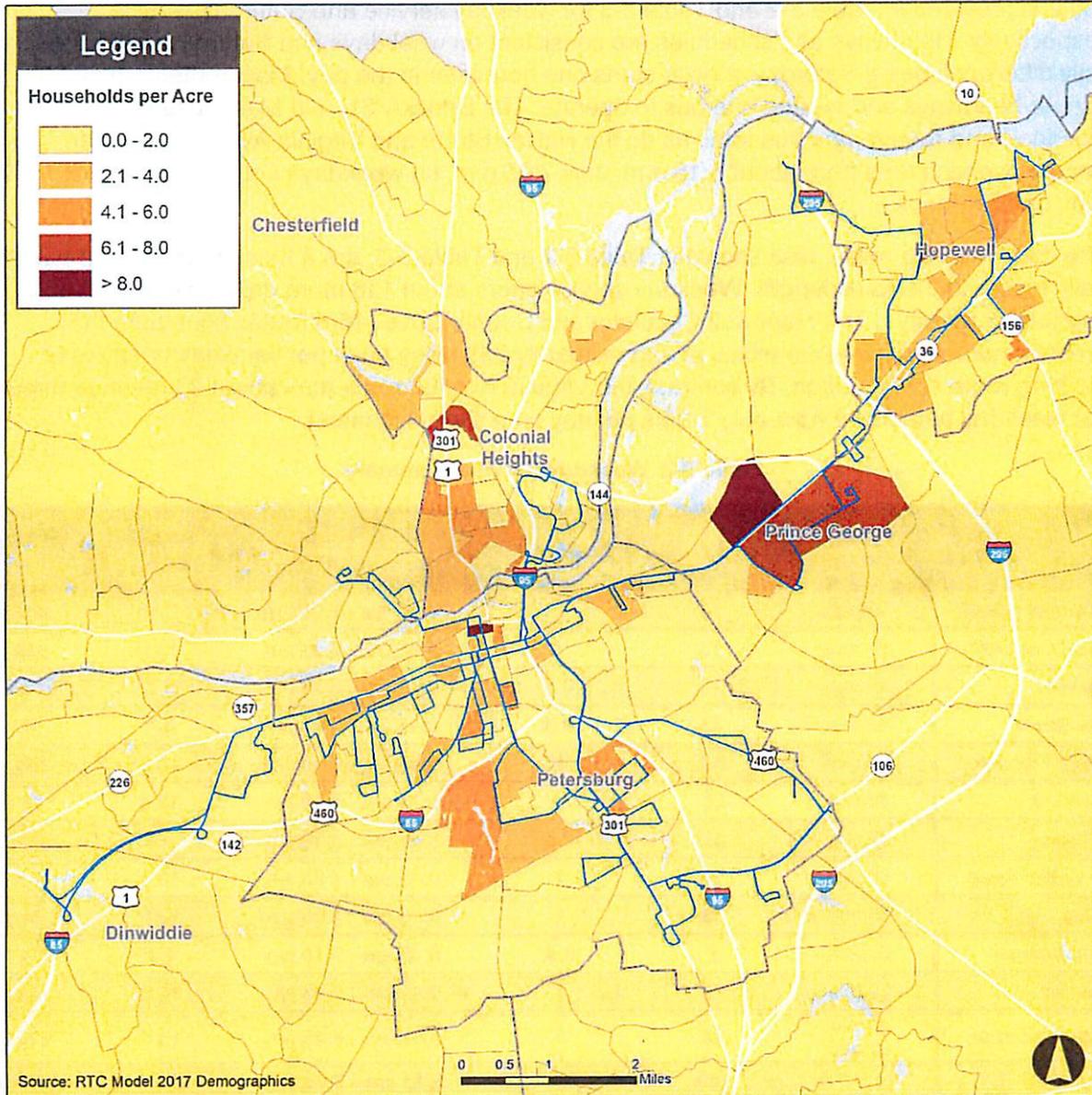
Figure 3-2. 2017 Population Density by TAZ



### Households

The household density by TAZ for the PAT service area is shown in Figure 3-3. The areas with the highest household densities occur in some of the same areas where high population density was identified, including Fort Lee, downtown Hopewell and Colonial Heights. The neighborhoods south of downtown Petersburg also have higher household densities.

Figure 3-3. 2017 Household Density by TAZ



When comparing the PAT routes, the Blandford/Hopewell route has the highest number of total households, as well as the highest density of households. In addition, the Mall Plaza route ranks higher in the household statistics (total and density) categories than for the comparable

population statistics, which likely indicates a larger number of homes with less people living in each home along this route.

### 3.2 Existing Service Analysis

This section examines and summarizes the existing PAT services and evaluates the service performance. PAT has a total of twelve routes, running 125 revenue hours of service per day during weekdays and 115 revenue hours of service on Saturdays. A summary of this service by route is provided in Table 3-2 and Table 3-3 for weekday service and Saturday service respectively. Headways and schedules are consistent on weekdays and Saturdays, with the only difference being Saturday service starts one hour later in the day. Most routes run on 60-minute headways and require one bus to operate. The Ettrick/VSU and Mall Plaza routes are interlined and require one bus total, as do the Halifax Street and Virginia Avenue routes. In general, service runs from about 5:15 a.m. until 7:05 p.m. on weekdays and 6:15 a.m. until 7:05 p.m. on Saturdays.

The daily revenue miles, also shown in Table 3-2 and Table 3-3, are a function of the number of daily trips and the route length. Weekday service offers about 116 more daily revenue miles a day than Saturdays. The Hopewell Circulator and County Drive (460) routes contribute the greatest number of revenue miles, at approximately 250 miles each per weekday because of the long route configuration. By contrast, the Virginia Avenue route runs about 23 revenue miles per weekday because it runs only 7 trips per day on a short alignment.

Table 3-2. Weekday Service Summary

Route	Headway	Daily Trips	Vehicle Requirement	Span of Service	Daily Revenue Hours	Daily Revenue Miles
Blandford/Hopewell	60 min	13	1	6:15 am - 7:05 pm	12.8	187.2
County Drive (460)	60 min	13	1	5:45 am - 6:45 pm	13.0	248.3
Ettrick/VSU	60 min	13	0.5	6:15 am - 6:45 pm	6.2	76.7
Halifax Street	60 min	13	0.5	6:15 am - 6:45 pm	6.2	74.1
Hopewell Circulator	60 min	13	1	5:45 am - 6:45 pm	13.0	252.2
Lee Avenue	30 min	25	1	6:15 am - 6:45 pm	12.5	71.5
Mall Plaza	60 min	12	0.5	6:45 am - 6:10 pm	5.7	72.0
South Crater Road	60 min	13	1	6:15 am - 7:05 pm	12.9	145.6
Southpark Mall	60 min	13	1	6:15 am - 7:05 pm	12.8	94.9
Virginia Avenue	60 min	7	0.5	6:45 am - 6:10 pm	4.7	23.1
Walnut Hill	60 min	12	1	6:45 am - 6:45 pm	11.9	154.8
Washington Street	30 min/ 60 min	22	1	5:15 am - 6:45 pm	13.5	116.6
<b>All Routes</b>		<b>169</b>	<b>10</b>	<b>5:15 am - 7:05 pm</b>	<b>125.2</b>	<b>1,517.0</b>

Source: PAT 2018

Table 3-3. Saturday Service Summary

Route	Headway	Daily Trips	Vehicle Requirement	Span of Service	Daily Revenue Hours	Daily Revenue Miles
Blandford/Hopewell	60 min	12	1	7:15 am - 7:05 pm	11.8	172.8
County Drive (460)	60 min	12	1	6:45 am - 6:45 pm	12.0	229.2
Ettrick/VSU	60 min	12	0.5	7:15 am - 6:45 pm	5.7	70.8
Halifax Street	60 min	12	0.5	7:15 am - 6:45 pm	5.7	68.4
Hopewell Circulator	60 min	12	1	6:45 am - 6:45 pm	12.0	232.8
Lee Avenue	30 min	23	1	7:15 am - 6:45 pm	11.5	66.0
Mall Plaza	60 min	11	0.5	7:45 am - 6:10 pm	5.2	66.0
South Crater Road	60 min	12	1	7:15 am - 7:05 pm	11.9	134.4
Southpark Mall	60 min	12	1	7:15 am - 7:05 pm	11.8	87.6
Virginia Avenue	60 min	6	0.5	6:45 am - 6:10 pm	4.2	19.8
Walnut Hill	60 min	11	1	7:45 am - 6:45 pm	10.9	141.9
Washington Street	30 min/ 60 min	21	1	6:15 am - 6:45 pm	12.5	111.3
<b>All Routes</b>		<b>156</b>	<b>10.0</b>	<b>6:15 am - 7:05 pm</b>	<b>115.2</b>	<b>1,401.0</b>

Source: PAT 2018

The vehicle requirements listed in the tables are driven by the route cycle time, which is the measure of trip length and recovery time (the extra time allotted at the end of every trip to allow for inevitable variability in run time). Trip length and recovery must be appropriately accounted for to achieve vehicle on-time performance and give passengers predictable travel times. Table 3-4 summarizes the trip lengths and recovery time allocated to each of the routes in the schedules. The total distance and the trip length are used to calculate the average speed of each route. To maintain adequate on-time performance, recovery time should be long enough to account for additional time taken during times of congestion, as well as appropriate time for drivers to take a short break if needed.

Most of the PAT routes operate on a 60-minute headway. The recovery percent for each route is calculated as the recovery time divided by the trip length. For example, the Blandford/Hopewell and County Drive routes each take 50 minutes to operate, yielding 10 minutes of recovery time and a percent recovery of 20%, which under normal conditions should give drivers enough time to stay on schedule. Although it is important to note that the recovery time needed varies based on myriad of factors, industry standard is to schedule about 15% in recovery time. Routes with low recovery percentages include the South Crater Road (9%), Walnut Hill (9%), and Hopewell Circulator (0%) routes which may lead to late arrivals and departures and make adequate on-time performance very difficult.

Table 3-4. Route Characteristics

Route	Trip Length (Minutes)	Recovery Time (Minutes)	Percent Recovery	Distance (Miles)	Speed (Miles/Hour)
Blandford/Hopewell	50	10	20%	14.4	17.3
County Drive (460)	50	10	20%	19.1	22.9
Ettrick/VSU	20	10	50%	5.9	17.7
Halifax Street	25	5	20%	5.7	13.7
Hopewell Circulator	60	0	0%	19.4	19.4
Lee Avenue	23	8	33%	5.5	14.7
Mall Plaza	25	5	20%	6.0	14.4
South Crater Road	55	5	9%	11.2	12.2
Southpark Mall	45	15	33%	7.3	9.7
Virginia Avenue	20	10	50%	3.3	9.9
Walnut Hill	55	5	9%	12.9	14.1
Washington Street	23	8	33%	5.3	14.1

Source: PAT 2018

Daily ridership counts from August 2017 farebox data were averaged to estimate daily weekday and Saturday ridership and are shown in Table 3-5 and Table 3-6, respectively. Because farebox data is not separated for routes that are interlined, ridership was assumed to be evenly distributed between interlined routes. Riders per revenue hour and riders per revenue mile are also shown in Table 3-5 and Table 3-6, along with rankings of the PAT routes for each of these statistics. The most productive route in the system was South Crater Road, which has the highest total ridership and riders per revenue hour of all PAT routes. The South Crater Road route had nearly 50 more passengers per day than the second most productive PAT route, Walnut Hill. Other routes with strong ridership include the Blandford/Hopewell route and the Southpark Mall route. The routes with the lowest ridership per revenue hour are the County Drive (460), Lee Avenue, and Ettrick/VSU routes.

Aside from the slight decrease in ridership on Saturday (approximately 25% less than weekday ridership), the routes generally rank consistent to weekday performance. An exception to this generalization is the Southpark Mall route, which has higher riders per revenue hour and ranks higher when compared to other PAT routes on Saturdays than on weekdays.

Table 3-5. Weekday Route Performance

Route	Daily Riders	Daily Riders Rank	Riders/Rev Hour	Riders/Rev Hour Rank	Riders/Rev Mile	Riders/Rev Mile Rank
Blandford/Hopewell	156	3	12.2	3	0.8	6
County Drive (460)	50	8	3.9	12	0.2	12
Ettrick/VSU	43	11	7.0	10	0.6	10
Halifax Street	49	9	7.9	8	0.7	8
Hopewell Circulator	108	6	8.3	7	0.4	11
Lee Avenue	52	7	4.1	11	0.7	7
Mall Plaza	43	11	7.5	9	0.6	9
South Crater Road	217	1	16.8	1	1.5	3
Southpark Mall	146	4	11.5	4	1.5	2
Virginia Avenue	49	9	10.5	5	2.1	1
Walnut Hill	168	2	14.1	2	1.1	4
Washington Street	121	5	9.0	6	1.0	5
<b>All Routes</b>	<b>1,202</b>		<b>9.6</b>		<b>0.8</b>	

Source: PAT 2018

Table 3-6. Saturday Route Performance

Route	Daily Riders	Daily Riders Rank	Riders/Rev Hour	Riders/Rev Hour Rank	Riders/Rev Mile	Riders/Rev Mile Rank
Blandford/Hopewell	122	4	10.3	4	0.7	5
County Drive (460)	39	8	3.2	10	0.2	10
Ettrick/VSU	29	9	5.1	9	0.4	8
Halifax Street	41	6	7.2	6	0.6	6
Hopewell Circulator	82	5	6.8	7	0.4	9
Lee Avenue	-	-	-	-	-	-
Mall Plaza	29	9	5.5	8	0.4	7
South Crater Road	190	1	16.0	1	1.4	3
Southpark Mall	165	2	14.2	2	1.9	2
Virginia Avenue	41	6	9.9	5	2.1	1
Walnut Hill	150	3	13.7	3	1.1	4
Washington Street	-	-	-	-	-	-
<b>All Routes</b>	<b>888</b>		<b>7.7</b>		<b>0.6</b>	

Source: PAT 2015, dashes indicate no data available.

### 3.3 Retrospective Performance Evaluation

Fixed route and demand response operating and performance measures from National Transit Database (NTD) were reviewed for the four most recent available years for a retrospective analysis. Table 3-7 summarizes the fixed-route operating measures and Table 3-8 summarizes the demand response operating measures. For fixed route service, PAT has experienced fluctuations in operating expenses over the past four years. Fare revenues have declined over the study period, with a decrease of over \$81,000, or about 17%, in fare revenue. This trend runs counter to the annual unlinked trips, which have increased by 25% from 2014 to 2017. In terms of service offered, PAT increased vehicle revenue miles between 2014 to 2016 and then decreased by over 20% in 2017. Revenue hours have generally increased over the study period.

**Table 3-7. Fixed-Route Operating Measures**

Operational Measure	2014	2015	2016	2017
Operating Expenses	\$3,081,433	\$2,985,320	\$3,487,490	\$3,122,888
Fare Revenues	\$488,218	\$469,684	\$470,652	\$406,507
Annual Unlinked Trips	416,269	399,117	487,768	521,693
Annual Vehicle Revenue Miles	478,848	487,494	515,301	402,075
Annual Vehicle Revenue Hours	39,761	42,912	51,088	50,738

Source: NTD

Operating expenses of paratransit services have decreased by over \$50,000 (or about 30%) between 2014 and 2017, which is consistent with the 25% decrease in revenue hours. Over the same time, fare revenue and annual unlinked trips have increased by about 70% and 65%, respectively. Annual revenue miles have also increased, while revenue hours have decreased over this period.

**Table 3-8. Demand-Response Operating Measures**

Operational Measure	2014	2015	2016	2017
Operating Expenses	\$179,385	\$175,343	\$113,924	\$127,348
Fare Revenues	\$10,928	\$11,291	\$13,070	\$18,570
Annual Unlinked Trips	6,266	6,403	7,596	10,311
Annual Vehicle Revenue Miles	31,387	42,515	47,005	73,972
Annual Vehicle Revenue Hours	9,232	7,608	8,235	6,941

Source: NTD

The operating measures in the previous tables were used to calculate performance measures summarized in Table 3-9 and Table 3-10 for fixed-route and demand response services, respectively. Operating expenses per vehicle revenue mile generally increased over the time period, with a 20% overall increase between 2014 and 2017. Over the same four years there was a decrease in operating expenses per vehicle revenue hour. The increasing ridership contributed to a 19% lower operating expense per passenger trip in 2017 than in 2014. Passenger trips per vehicle revenue mile was consistent from 2014 to 2016 followed by an

increase in productivity in 2017. Passenger trips per revenue hour remained relatively consistent over this timeframe. Finally, the farebox recovery ratio decreased since 2014, slipping from 16% down to 13% for fixed route services.

**Table 3-9. Fixed-Route Performance Measures**

Performance Measure	2014	2015	2016	2017
Operating Expenses per Vehicle Revenue Mile	\$6.44	\$6.12	\$6.77	\$7.77
Operating Expenses per Vehicle Revenue Hour	\$77.50	\$69.57	\$68.26	\$61.55
Operating Expenses per Passenger Trip	\$7.40	\$7.48	\$7.15	\$5.99
Trips per Vehicle Revenue Mile	0.9	0.8	0.9	1.3
Trips per Vehicle Revenue Hour	10.5	9.3	9.5	10.3
Farebox Recovery Ratio	16%	16%	13%	13%

Source: NTD

Paratransit operating costs per vehicle revenue mile have decreased dramatically every year over the four-year time frame. Over the same time, the operating expenses per vehicle revenue hour have fluctuated but show an overall decreasing trend since 2014. Passenger trips per vehicle revenue mile remained consistently low, whereas passenger trips per vehicle revenue hour saw an increase. The farebox recovery ratio has improved substantially from 2014 to 2017, growing from 6% up to 15%.

**Table 3-10. Demand-Response Performance Measures**

Performance Measure	2014	2015	2016	2017
Operating Expenses per Vehicle Revenue Mile	\$5.72	\$4.12	\$2.42	\$1.72
Operating Expenses per Vehicle Revenue Hour	\$19.43	\$23.05	\$13.83	\$18.35
Operating Expenses per Passenger Trip	\$28.63	\$27.38	\$15.00	\$12.35
Trips per Vehicle Revenue Mile	0.2	0.2	0.2	0.1
Trips per Vehicle Revenue Hour	0.7	0.8	0.9	1.5
Farebox Recovery Ratio	6%	6%	11%	15%

Source: NTD

### 3.4 Public Outreach – Survey Findings

A survey was conducted to gain insight into the demographic characteristics and travel behaviors of riders and non-riders as well as gather feedback from the community on the existing impressions of the service and desired improvements. Responses collected through the survey are summarized in the following sections and this data was used to inform the service and capital improvement plan.

#### 3.4.1 Survey Methodology

The survey was developed using MetroQuest, a web-based platform specializing in public engagement. The survey was made available online via a link on the City of Petersburg's website and was accessible from both computers and mobile devices. In addition, a paper

version of the survey was also distributed and collected at PAT’s transfer center. The survey was available from October 5, 2018 to November 15, 2018.

### 3.4.2 Survey Results

A total of 96 people participated in the survey, including 53 respondents via web or mobile device and 43 respondents via paper surveys. To understand the needs of the community and rider market, survey respondents were asked if they ride the bus frequently, ride the bus less frequently than they previously had, or do not ride the bus. The survey responses were organized by respondents’ identification of themselves as a “Frequent Rider”, “Less Frequent Rider”, or “Non-Rider” and the results for these three categories were summarized. The survey also asked all respondents (riders and non-riders) to indicate origins and destinations of frequent trips, as well as how they would prioritize investments to the transit system.

#### 3.4.2.1 Frequent Rider Results

##### Frequency

A total of 60 respondents indicated that they were frequent riders of PAT. The majority (67%) indicated they used the system four or more days a week and an additional 12% rode the bus two to three days a week.

Table 3-11. Riding Frequency of Frequent Riders

Riding Frequency	Response Frequency
1 day a week	3%
2-3 days a week	12%
4 or more days a week	67%
less than once a month	10%
once or twice a month	8%

Source: PAT Public Outreach Survey Results, 2018

##### Reason for Riding

When asked to indicate the reasons that respondents use transit, the most common motive for taking transit was not having a vehicle available (67%), followed by trying to save money (28%), being disabled or unable to drive (15%) and being less stressful (13%). This indicates that there is a very large percentage of PAT riders who are transit dependent and underscores the importance of PAT’s role to provide mobility in the Petersburg community.

**Table 3-12. Reasons for Riding the Bus**

Reasons for Riding the Bus	Response Frequency
I don't have a car	67%
To save money	28%
I'm disabled or unable to drive	15%
It's less stressful	13%
To save or better utilize time	5%
It's difficult or expensive to park	5%
It's a safer way to travel	0%

1. Sum of responses may be more than 100% because respondents had the option of choosing multiple categories.

Source: PAT Public Outreach Survey Results, 2018

### Socioeconomic Data

Respondents that frequently use the transit system were primarily female (63%), lived in a household without an automobile (53%), and had a household income less than \$15,000 (46%). Respondent ages varied, with ages 60 or older being the most common at 23%, followed by 20 to 29 (21%), 50 to 59 (21%), and 40 to 49 (19%).

#### 3.4.2.2 Less Frequent Rider Results

Respondents who indicated they use the transit system less often than they once did were asked the reason for less frequent usage. The most common reason provided for not taking the bus as often was using other travel modes (38%), including walking, biking, Uber/Lyft, or taxi. Fare changes (13%) and gasoline becoming cheaper (8%) were the least common reasons respondents provided for riding the bus less often.

**Table 3-13. Reasons for Riding the Bus Less Frequently**

Reasons for Riding the Bus Less Frequently	Response Frequency
I use other travel modes (walking, biking, Uber/Lyft, taxi)	38%
Service hours were reduced	33%
My route was eliminated	29%
I prefer to drive	21%
I get a ride from a friend	21%
Fare changes	13%
Gas has become cheaper	8%
Other	8%

1. Sum of responses may be more than 100% because respondents had the option of choosing multiple categories

Source: PAT Public Outreach Survey Results, 2018

### 3.4.2.3 Non-Rider Results

About 18% of survey respondents indicated that they did not ride the bus. Table 3-14 summarizes the reasons respondents provided for not riding the bus. Some of the most common responses were that the bus takes too long or isn't frequent enough (35%) and that respondents need a car because their schedule varies a lot (18%). These results may indicate that increasing the frequency and/or flexibility of the transit system may lead to new riders. In addition, twelve percent of the non-rider respondents stated that they did not know how to use the service and six percent didn't know the service existed. These responses may indicate that greater public outreach efforts could help to increase awareness of the service and attract new riders.

**Table 3-14. Reasons for Not Riding the Bus**

Reasons for Not Riding the Bus	Response Frequency
It takes too long or isn't frequent enough	35%
I need a car because my schedule varies a lot	18%
I prefer to drive	18%
I don't know how to use the service	12%
I prefer to use other travel modes	12%
Cost	12%
I didn't know the service existed	6%
Other	6%

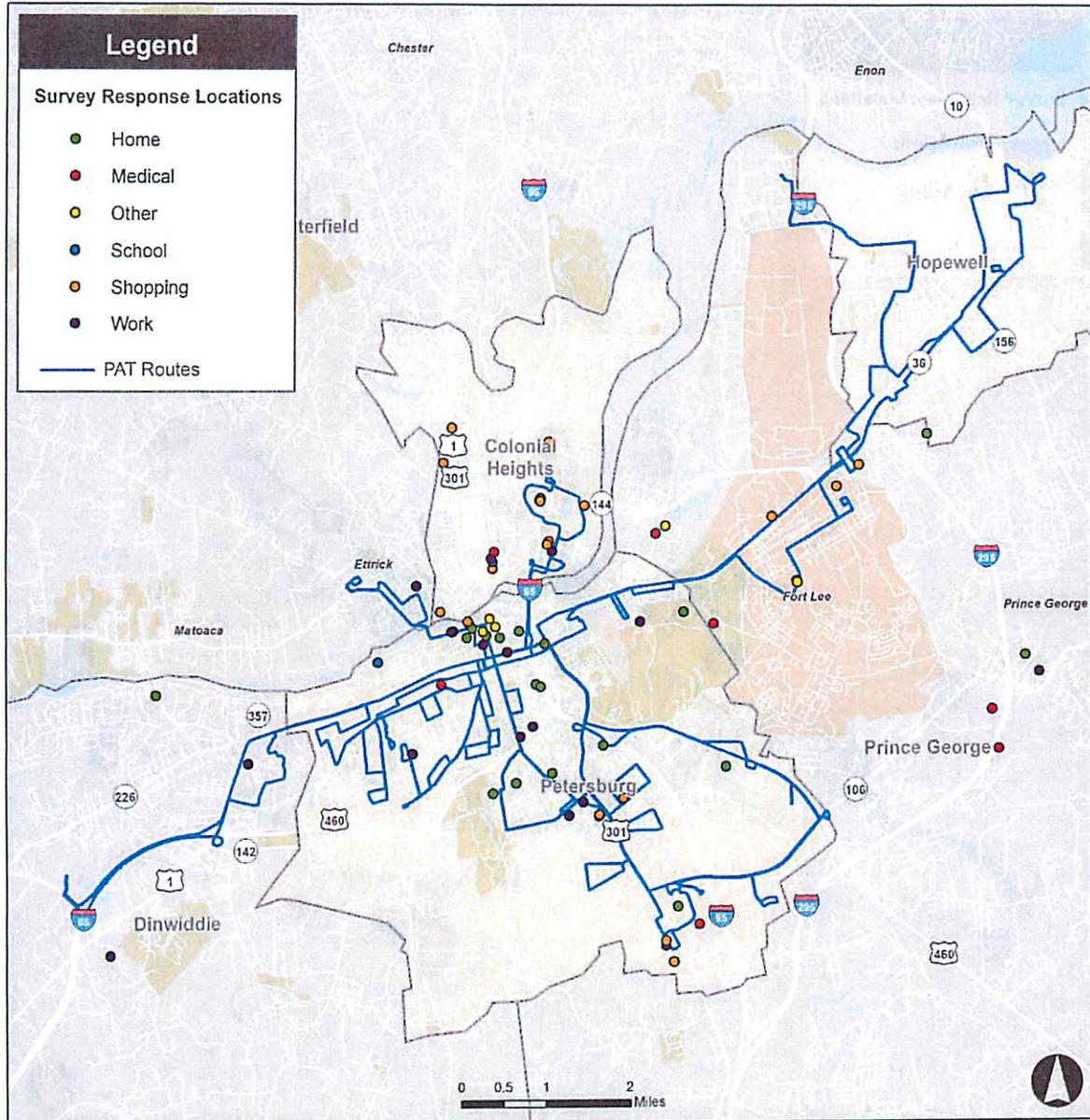
1. Sum of responses may be more than 100% because respondents had the option of choosing multiple categories.

Source: PAT Public Outreach Survey Results, 2018

### 3.4.2.4 Origin-Destination Locations

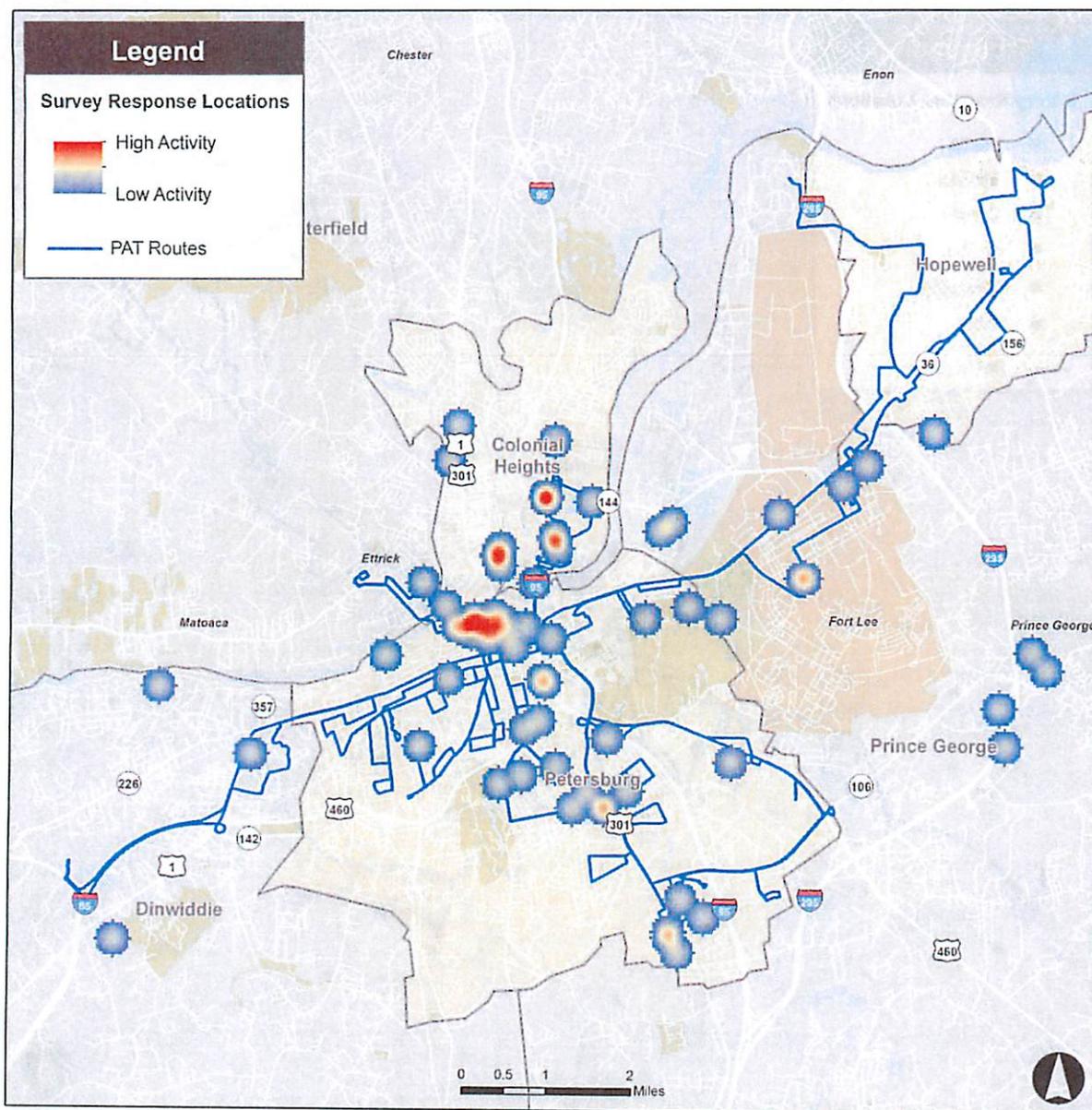
All online survey respondents (frequent rider, less frequent riders, and non-riders) were asked to map their typical travel patterns on an online map using markers for "Home", "Medical", "School", "Shopping", "Work", and "Other". Figure 3-4 shows the results of the respondents' trip origin and destination locations by trip and Figure 3-5 shows the intensity of responses. The greatest concentration of origins and destinations was in downtown Petersburg. Additional clusters of markers were in Food Lion and Grays Shopping Center area, at the Walmart and medical buildings on South Crater Road, and in the Southpark Mall area. Few survey respondents identified origin or destination locations on the western side of Petersburg (including the areas of along Virginia Ave, Halifax Street, Lee Avenue, and Washington Street) or along the Ettrick/VSU route. Areas that survey respondents are traveling to/from that do not currently have service include several areas of Colonial Heights and in Prince George County along I-295.

Figure 3-4. Origin-Destination Survey Locations



1. Each dot represents one response  
 Source: PAT Public Outreach Survey Results, 2018

Figure 3-5. Origin-Destination Survey Locations Heatmap



Source: PAT Public Outreach Survey Results, 2018

### 3.4.2.5 Improvements

All survey respondents (frequent rider, less frequent riders, and non-riders) were asked how they would allocate PAT’s budget to improve the transit system. Each respondent had the opportunity to “invest” up to ten coins in one or more of eight potential categories. Table 3-15 shows the results of the survey responses. Categories where respondents indicated the greatest investments should be made included more frequent service, extended weekday hours, extended weekend hours, and more direct bus service. Respondents indicated that lowest investments should be made to reduce fares and on bicycle and pedestrian enhancements.

Table 3-15. Priority Improvements to Transit System

Improvements	Total Coins Invested
More frequent service	58
Extended weekday hours	53
Extended weekend hours	53
More direct bus service	47
Stop and station amenities	37
Safety and security improvements	32
Lower fares	15
Bicycle and pedestrian enhancements	11

Source: PAT Public Outreach Survey Results, 2018

### 3.5 Deficiencies and Gaps

Examination of the existing system revealed some deficiencies and gaps in transit service. These deficiencies provide potential opportunities for PAT to make modifications to improve the service and provide better mobility options to the Petersburg community. The following are potential opportunities for PAT to address the deficiencies and gaps in service. It is important to note that while some of these opportunities can be accomplished under a cost-neutral scenario by reallocating resources, others are contingent on available funding.

1. Increase the frequency of service to provide more opportunities for riders to connect to the system. Most of the routes run on hourly headways. Increasing some of the best performing routes to 30 minutes would give riders more travel options, therefore making better use of their time.
2. Provide more direct routing to facilitate faster travel to and from where people want to go. Currently many of the routes include deviations into neighborhoods. Minimizing these deviations and creating more direct routes would make the routes easier to understand and allow for shorter travel times.
3. Extend hours on weekdays and on Saturdays. The survey responses indicated riders would like to be able to use the transit system later in the evening in order to make the return trip home. However, the associated cost of extending service hours is great and would require additional funding.
4. Increase awareness of the system through targeted marketing campaigns and by providing more information on the services online. The survey results indicated that some people are not familiar with the transit system. Increasing the availability of descriptive information on the service would help to improve awareness and potentially increase ridership.

## 4 Service and Capital Improvement Plan

*Chapter 4 focuses on the recommended plan to improve the PAT system through a series of projects that would improve connectivity and address unmet rider needs. The projects are grouped into three planning periods: short-term (1 to 3 years), mid-term (3 to 10 years) and long-term (beyond 10 years). For each of the recommendations, the impact to service requirements is estimated in order to provide an understanding of the resources necessary to undertake each project. Ridership and cost estimates are also provided for planning purposes to aid in project prioritization and help program the projects over the ten-year timeframe.*

### 4.1 Service Improvements and Needs Identification

Since the previous TDP, completed in 2010, PAT has made several service improvements. The most significant of these improvements were the addition of the County Drive (460) and Hopewell Circulator routes. As the needs of the Petersburg community evolve, the transit system must adjust to meet the changing demands. The following sections summarize future population, households, and employment projections in the PAT service area, identify needs that are expected to change over time, and describes the recommended service changes to address current and future unmet needs.

#### 4.1.1 Demographic Assessment

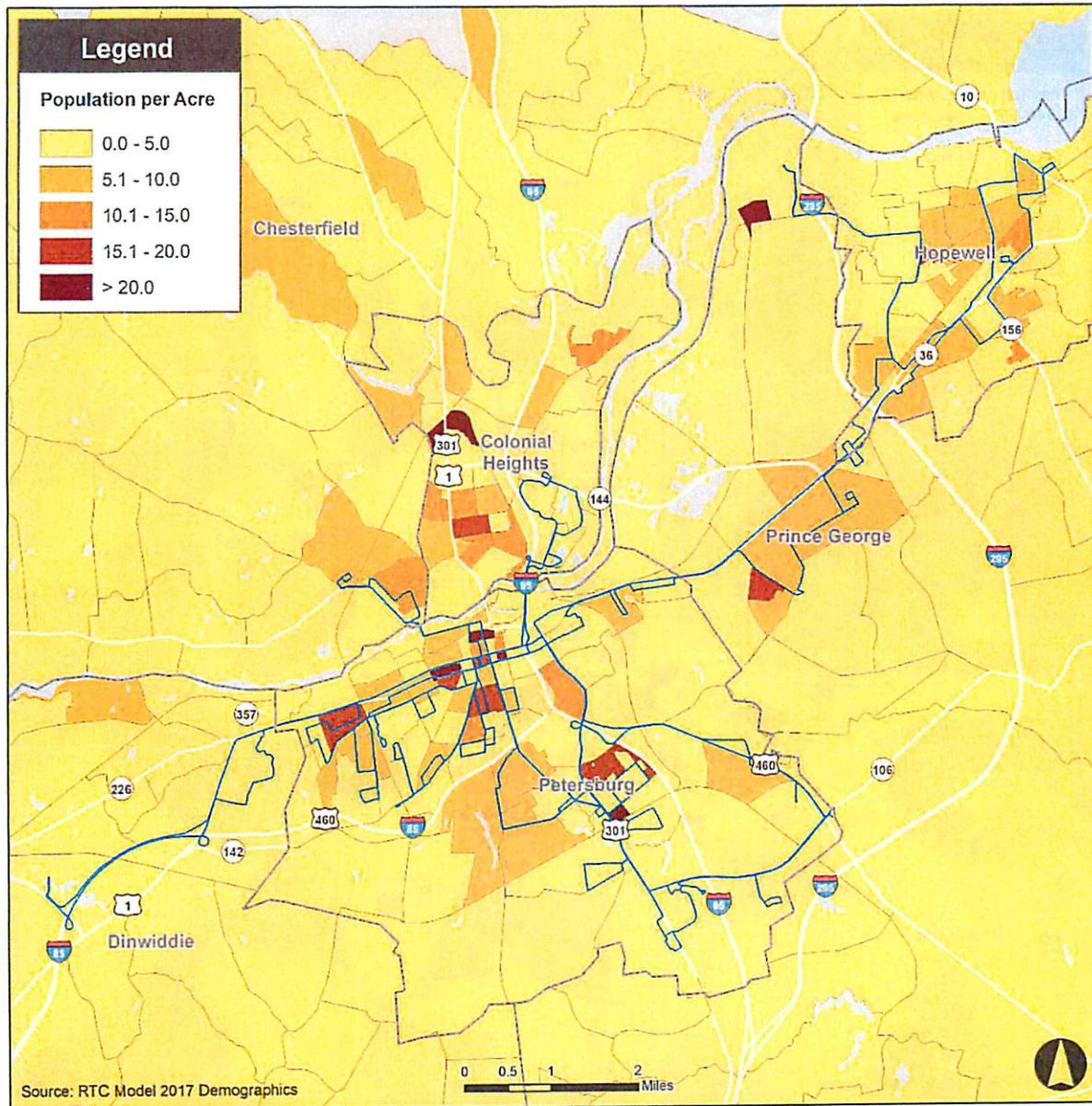
Population, employment, and household projections for 2040 were obtained from the Crater Planning District Commission. Maps summarizing the 2040 density and expected change in density between 2017 and 2040 by TAZ were created for each demographic variable.

Projected 2040 population density and change in population density from 2017 to 2040 are shown in Figure 4-1 and Figure 4-2, respectively. In general, the population is expected to decrease in much of the PAT service area, with growth limited to a few specific areas. The areas anticipated to see the greatest growth in population are downtown Petersburg, segments along South Crater Road, parts of Fort Lee, and along Washington Street west of downtown Petersburg. Modest growth is also expected along I-295 in Prince George County.

Projected 2040 household density and change in household density from 2017 to 2040 are mapped in Figure 4-3 and Figure 4-4, respectively. Household density trends closely resemble those seen for population density. Notable differences include less household density growth in downtown Petersburg and Fort Lee than the observed in population density growth in these areas.

Projected 2040 employment density and change in employment density from 2017 to 2040 are shown in Figure 4-5 and Figure 4-6, respectively. Locations anticipated to see the greatest growth in concentration of employment include the area around the Walnut Hill Plaza Shopping Center, the area east of downtown Petersburg along Washington Street and downtown Hopewell.

Figure 4-1. Population Density (2040)



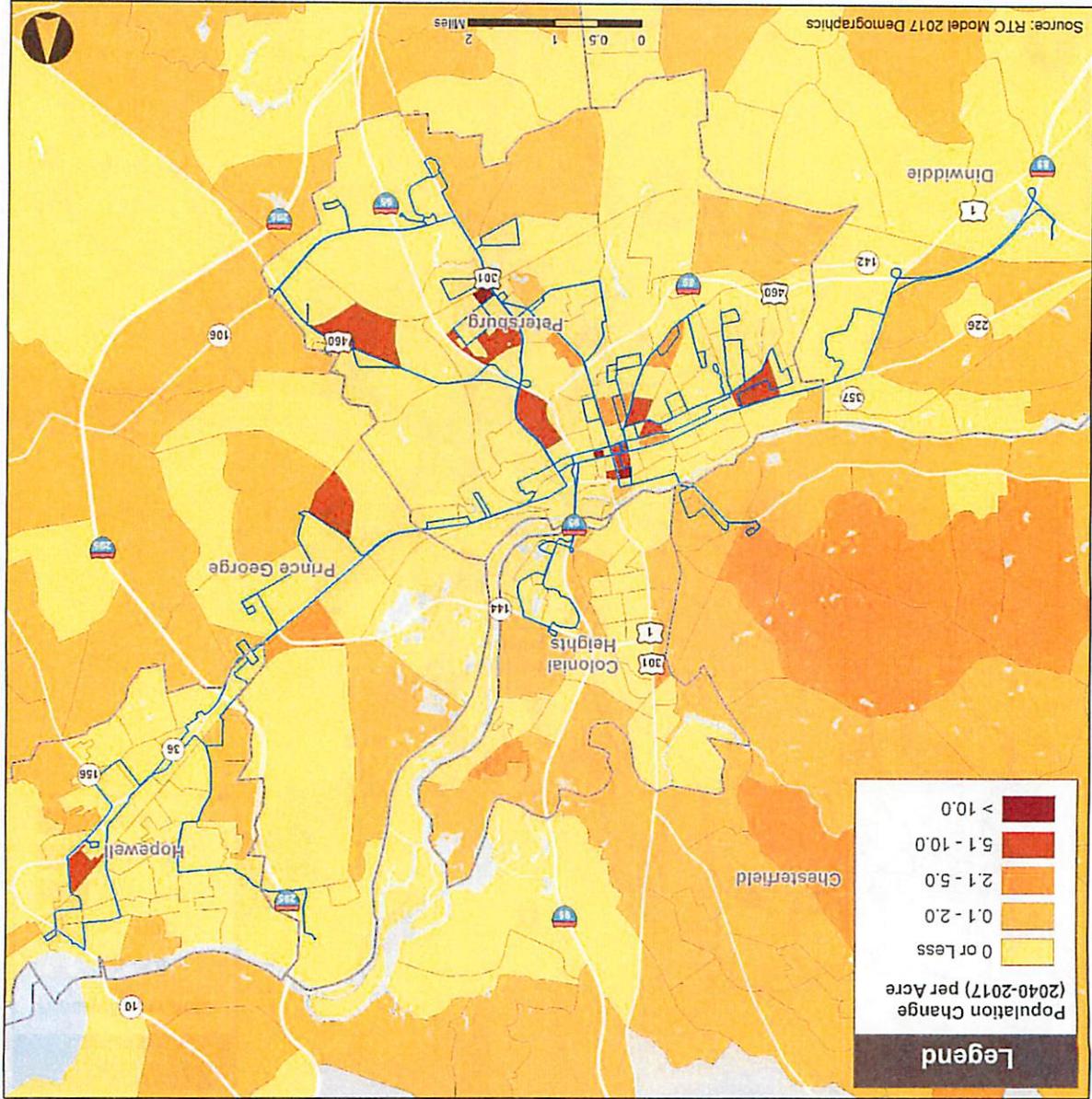


Figure 4-2. Population Density Change (2017 to 2040)

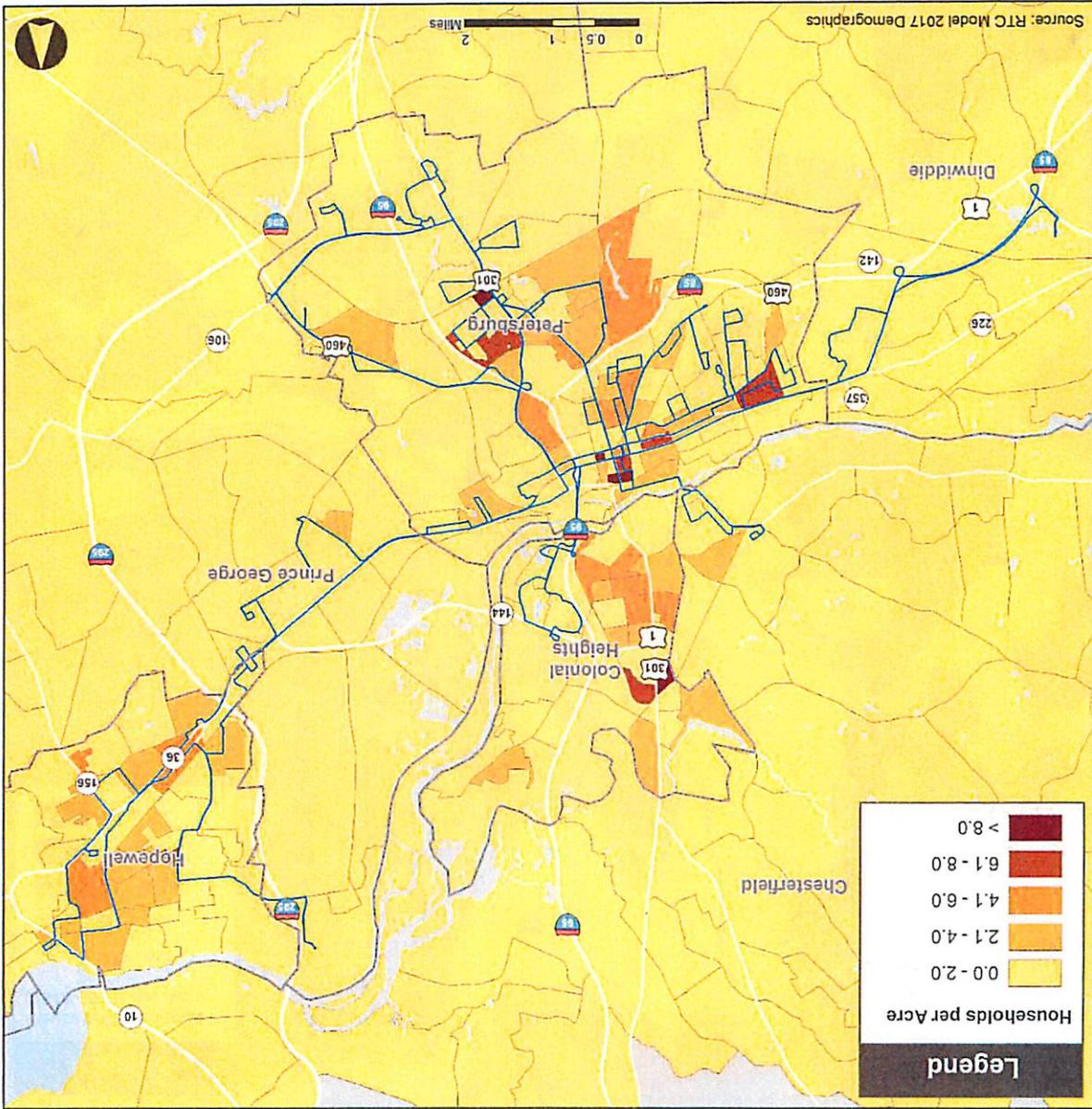


Figure 4-3. Household Density (2040)

Figure 4-4. Household Density Change (2017 to 2040)

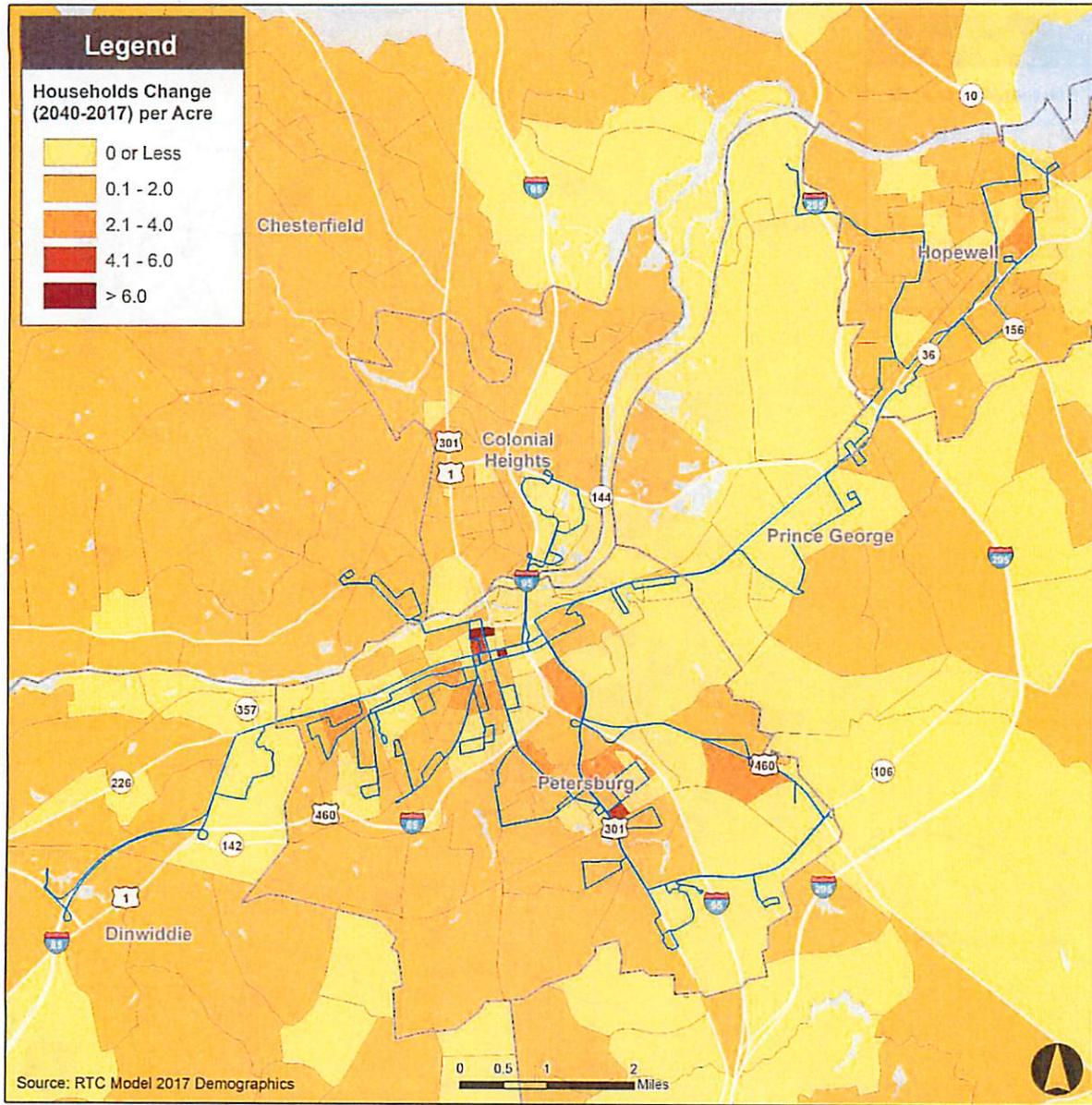


Figure 4-5. Employment Density (2040)

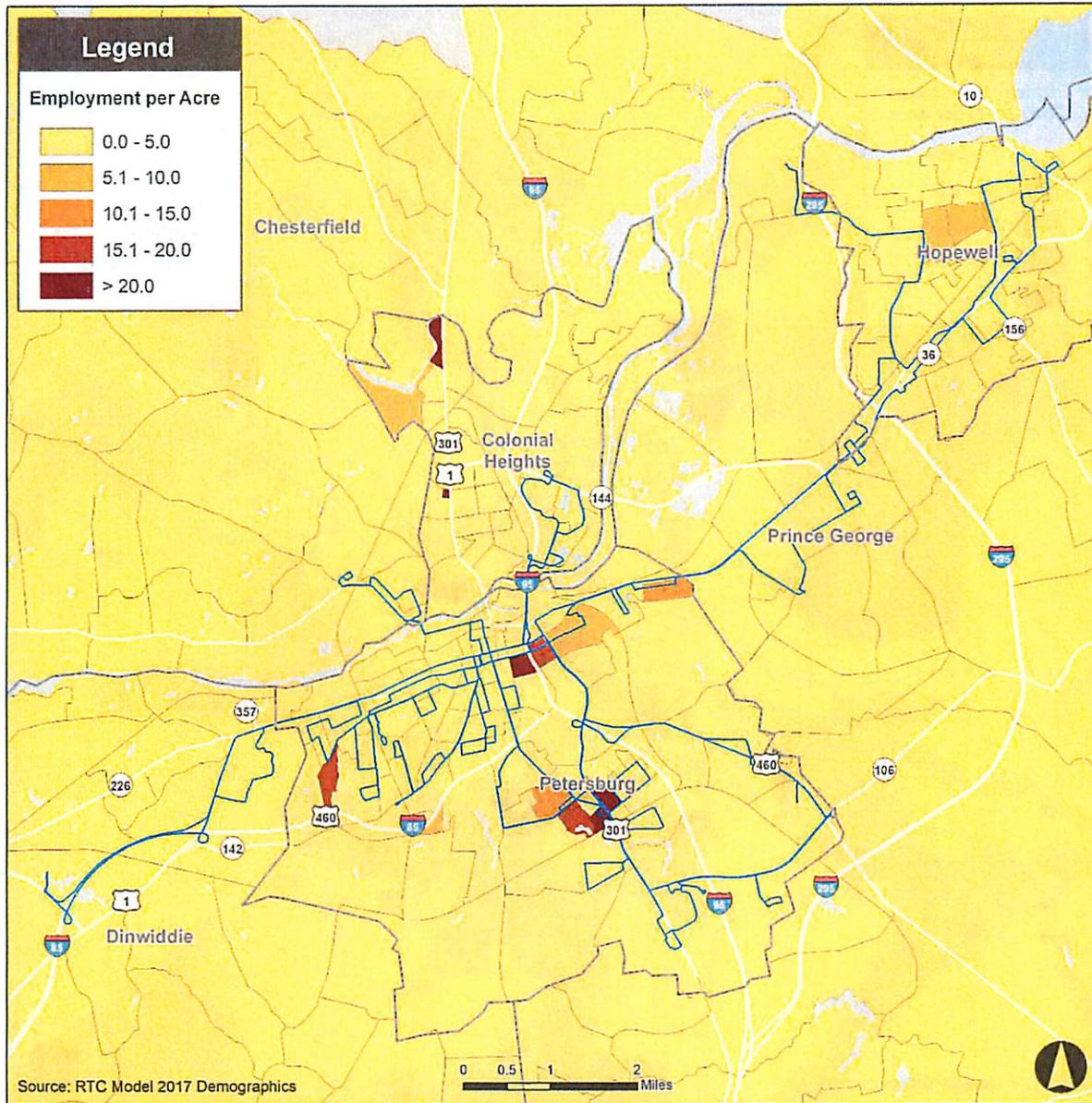
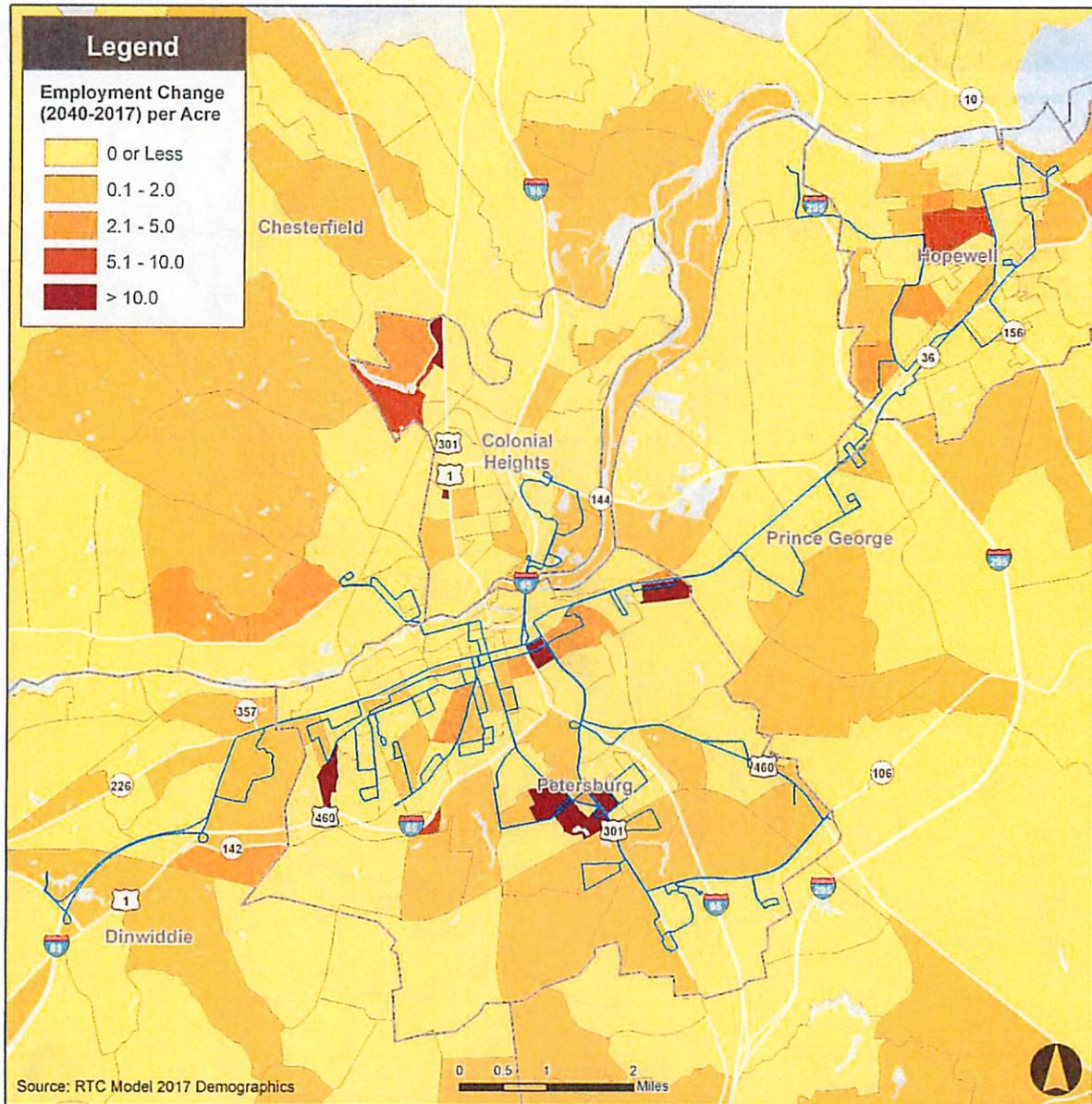


Figure 4-6. Employment Density Change (2017 to 2040)



High population, household, and employment density in the service area is critical for strong performing transit systems. Connecting people to jobs and services is one of the fundamental purposes of providing transit service. The demographic mapping revealed the areas in Petersburg expected to grow in population and employment and was used as a reference point to develop recommendations for changes in PAT service. Understanding these projected demographic shifts enables PAT to adapt as the community grows, providing the right balance of service in the right locations.

#### **4.1.2 Needs Assessment**

The results of the existing service analysis and survey outreach presented in Chapter 3 were used in combination with the results of the demographic assessment to assess PAT's needs and develop recommendations for the PAT transit network. The existing service analysis showed that some routes in the PAT system are outperforming others and the survey outreach indicated community preferences for services. In addition, the demographic assessment showed there are some areas in Petersburg that are expected to outpace others in terms of population and job growth.

As a result, PAT will need to modify its service to accommodate the changing needs of the community. The following sections are organized into short-term (1 to 3 years), mid-term (3 to 10 years), and long-term (beyond 10 years) plans that provide a strategy to accommodate the identified needs.

For planning and programming, each service plan includes estimates of resources required for implementation. The existing revenue hours, revenue miles, peak vehicles, operating costs, and ridership are compared to proposed figures to show the impacts of the recommended changes. Revenue hours, revenue miles, and peak vehicles were calculated using existing schedules and route alignment measurements.

In addition, operating costs and ridership counts were estimated for each of the service plans to help prioritize projects. Operating costs were calculated using a simplified operating and maintenance cost model using a unit cost of \$86.39 per revenue vehicle hour, which was calculated using PAT's FY 2018 total operating and maintenance costs and the total number of revenue hours operated by the agency. It should be noted that using a single unit cost per revenue hour can overestimate the cost of additional service because certain costs (e.g. some administrative positions and equipment) are fixed regardless of the amount of service operated. Additionally, solely using revenue hours to estimate total operating costs does not account for any additional costs or savings incurred when revenue miles are altered. Increasing/decreasing revenue miles will increase/decrease the fuel consumption, maintenance schedules of vehicles, and ultimately the operating costs.

Ridership counts reported for the existing routes were taken from FY 2018 ridership data provided by PAT, which was the most recent available data disaggregated at the route level. Proposed ridership estimates for each project were calculated using the existing ridership data. In most cases route changes were minimal, such as the elimination of minor route alignment deviations, and therefore no estimated changes in ridership were expected.

For route changes that were more significant, existing route productivity was used to estimate ridership. Because the most granular level of ridership data available was at the route level, elasticity factors were applied to the existing route ridership to create reasonably conservative ridership estimates. For example, improving the headway of a route from 60 minutes to 30 minutes results in doubling the number of revenue hours operated on the route, and should therefore result in increases in ridership. However, research shows that demand (riders) and supply (revenue hours) do not increase at a one-to-one ratio. To calculate ridership estimates, the existing productivity (expressed as riders per revenue hour) was applied to the increase in revenue hours with an elasticity factor of 50%. This method accounts for the diminishing returns

observed on increasing service. Specific details on ridership estimate assumptions are included with each of the route change descriptions.

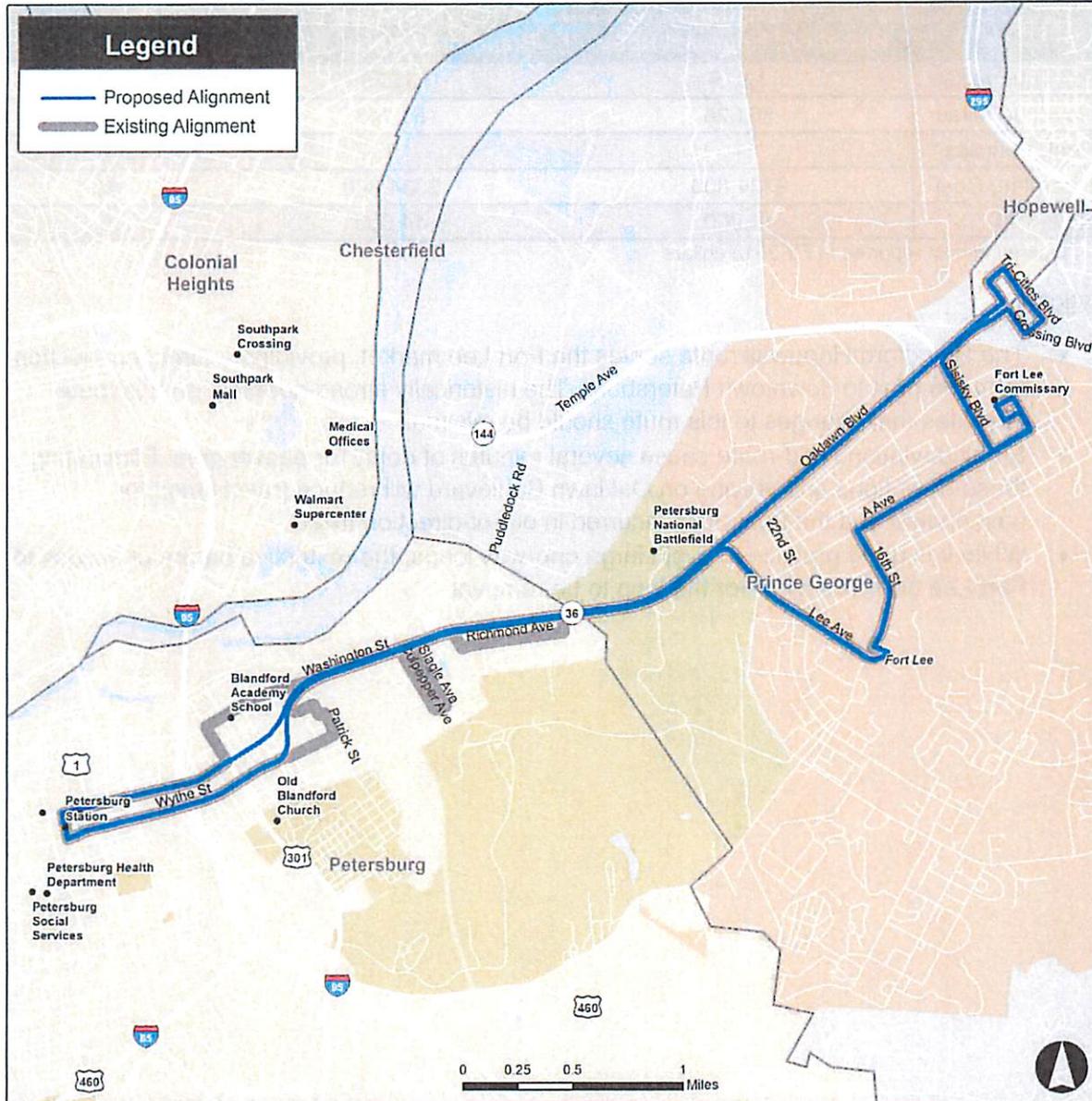
#### ***4.1.2.1 Short-Term Plan (1-3 Years)***

The short-term transit service plan is intended to address existing unmet needs in Petersburg. This plan is cost neutral which allows PAT to implement these recommendations without the need to seek additional funding. The short-term plan recommendations modify the existing PAT routes and include alignment changes, frequency changes, and interlining changes. It should be noted that changes to the alignments of the Ettrick/VSU and Mall Plaza routes were considered for the short-term plan; however, these changes were ultimately designated for the mid-term plan to allow more time to evaluate the viability of this recommendation. The Washington Street route is not included in this section because there are no proposed changes.

#### **Blandford/Hopewell**

Service Changes: The proposed changes for the Blandford/Hopewell route are shown in Figure 4-7. The proposed alignment continues to operate between the Petersburg Station and Fort Lee via Washington Street and Oaklawn Boulevard but removes the existing deviations on Culpepper Ave and Richmond Ave. In addition, the alignment is also changed along Washington Street just east of I-95, where the route continues a linear alignment instead of deviating onto Old Wythe Street and E Bank Street.

Figure 4-7. Alignment of Existing Blandford / Hopewell Route and Proposed Blandford / Hopewell Route



A comparison of service under the existing Blandford/Hopewell route and proposed Blandford/Hopewell route is shown in Table 4-1. By removing deviations, the proposed alignment reduces the revenue miles while maintaining ridership. Headways and revenue hours are proposed to remain unchanged, resulting in no projected change to the peak vehicle requirement of one bus or to the operating costs. Because the service changes are minimal, no changes to ridership are expected.

**Table 4-1. Annual Statistics for Existing Blandford / Hopewell Route and Proposed Blandford / Hopewell Route**

	<b>Existing Blandford/Hopewell Route</b>	<b>Proposed Blandford/Hopewell Route</b>	<b>Compared to Existing</b>
Revenue Hours	3,876	3,876	0
Revenue Miles	56,626	51,743	-4,883
Peak Vehicles	1	1	0
Operating Cost <sup>1</sup>	\$334,800	\$334,800	\$0
Ridership	44,000	44,000	0

1. Operating cost reported in FY 2018 dollars

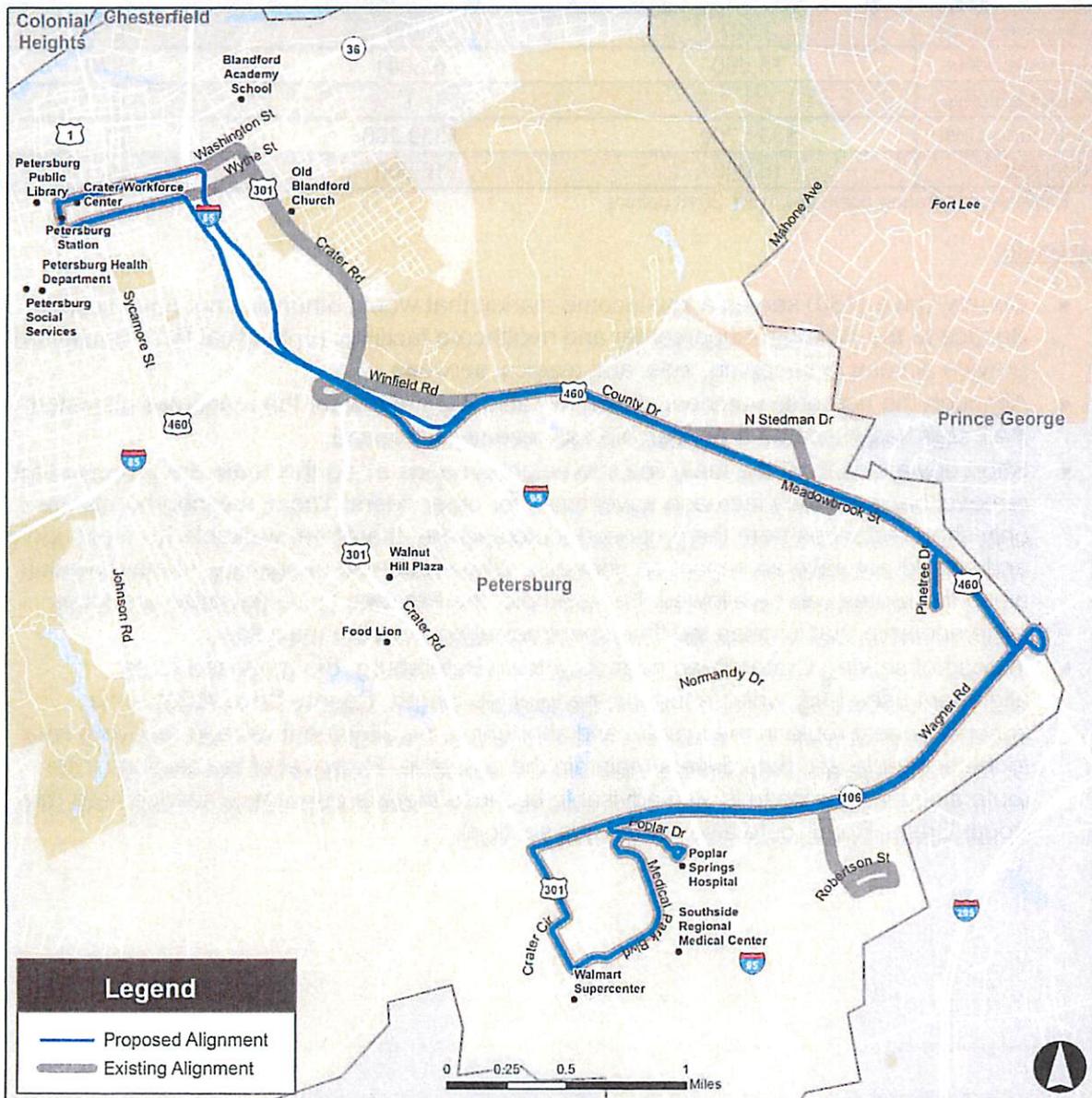
Rationale:

- The Blandford/Hopewell route serves the Fort Lee market, providing a direct connection from the post to downtown Petersburg. The historically strong ridership on this route indicates that changes to this route should be minimal.
- Small deviations mid-route cause several minutes of delay for passengers. Eliminating these deviations and staying on Oaklawn Boulevard will reduce travel times for passengers and the frustration incurred in out-of-direction travel.
- While it is good practice to avoid large one-way loops, the restrictive nature of access to Fort Lee does not allow for the loop to be removal.

## County Drive (460)

Service Changes: The proposed changes for the County Drive (460) route are shown in Figure 4-8. The proposed changes to the alignment include the elimination of the deviations on Stedman Drive, Meadowbrook Street, and Robertson Street. In addition, the alignment is proposed to use I-95 from downtown Petersburg to Winfield Road, instead of using Crater Road.

**Figure 4-8. Alignment of Existing County Drive (460) Route and Proposed County Drive (460) Route**



A comparison of service under the existing County Drive (460) route and proposed County Drive (460) route is shown in Table 4-2. Because the proposed changes are minor, the route will continue to use the same schedule, revenue hours, and peak vehicles. The number of revenue miles will decrease slightly due to the elimination of the deviations and ridership is expected to remain the same.

**Table 4-2. Annual Statistics for Existing County Drive (460) Route and Proposed County Drive (460) Route**

	Existing County Drive (460) Route	Proposed County Drive (460) Route	Compared to Existing
Revenue Hours	3,927	3,927	0
Revenue Miles	75,060	67,081	-7,979
Peak Vehicles	1	1	0
Operating Cost <sup>1</sup>	\$339,200	\$339,200	\$0
Ridership	16,000	16,000	0

1. Estimated operating costs are in FY 2018 dollars

Rationale:

- County Drive (460) serves a low-income market that would otherwise not have service. Service to the Walmart Supercenter and healthcare facilities on Medical Park Boulevard provide access to shopping, jobs, and medical services.
- Although the ridership numbers shown in Table 4-2 are low for the resources allocated, PAT staff has indicated that ridership has recently increased.
- Short deviations from the main line into neighborhoods along this route are proposed for removal because they increase travel times for other riders. These neighborhoods are only short distances from the proposed route and are, therefore, walkable for most riders and should not have an impact on ridership. Where deemed necessary, some deviation along the routes can be allowed. For example, the Pinetree Drive deviation produces large ridership that justifies the time spent deviating from the main line.
- Instead of serving Crater Road near downtown Petersburg, the proposed route alignment uses I-95, which shortens the total trip length. County Drive (460) is the second longest route in the system and shortening the alignment will add recovery time to the schedule and help drivers maintain the schedule. Removal of the section of the route along Crater Road is also advisable because there is duplicative service here (the South Crater Road route also serves this section).

## Walnut Hill

**Service Changes:** The proposed changes for the Walnut Hill route are shown in Figure 4-9. Several major alignment shifts are proposed for the Walnut Hill route. The southbound service from downtown Petersburg transitions from Sycamore Street to High Pearl Street and then resumes existing service on Johnson Road to South Boulevard. Instead of deviating through the neighborhoods along Crater Road, the Walnut Hill route is proposed to maintain a more direct alignment along this corridor. In addition, the southern terminus of the route is proposed to be extended to the Walmart Supercenter on Crater Road.

**Figure 4-9. Alignment of Existing Walnut Hill Route and Proposed Walnut Hill Route**



A comparison of service under the existing Walnut Hill route and proposed Walnut Hill route is shown in Table 4-3. Revenue hours and the number of peak vehicles will remain the same. Revenue miles are expected to decrease because the proposed route alignment is shorter than existing. Ridership is expected to increase because the neighborhoods previously served by the Virginia Avenue Route will shift to the Walnut Hill Route.

**Table 4-3. Annual Statistics for Existing Walnut Hill Route and Proposed Walnut Hill Route**

	Existing Walnut Hill Route	Proposed Walnut Hill Route	Compared to Existing
Revenue Hours	3,596	3,596	0
Revenue Miles	46,779	38,900	-7,879
Peak Vehicles	1	1	0
Operating Cost <sup>1</sup>	\$310,600	\$310,600	\$0
Ridership <sup>2</sup>	46,000	60,000	14,000

1. Estimated operating costs are in FY 2018 dollars

2. Ridership is calculated based on the FY 2018 ridership from Walnut Hill and Virginia Avenue

**Rationale:**

- The service on Sycamore Street is in addition to service by the Mall Plaza Route, and, therefore, it is advised to move this service to High Pearl Street to increase coverage.
- The realignment of the Walnut Hill route to High Pearl Street gives PAT the opportunity to redistribute resources previously allocated to the Virginia Avenue route. This proposed change will also provide the neighborhoods along Virginia Avenue with better connectivity to the shopping along Crater Road.
- The deviations into neighborhoods off Crater Road are proposed for removal because they increase travel times for other passengers. Maintaining a linear alignment along Crater Road improves travel times and also enables this route to extend south to the Walmart Supercenter, providing a connection to a new destination.

**Halifax Street, Virginia Avenue, and Lee Avenue**

The service changes for the Halifax Street, Virginia Avenue, and Lee Avenue routes are interdependent and are, therefore, discussed in one section. A description of route alignment changes is presented first, followed by maps of proposed route alignments. The service statistics follow, which are combined into a single table for a more comprehensive understanding of service impact.

Service Changes: The revised Halifax Street route removes the deviation on Custer Street and reduces the length of penetration along Patterson Street. This proposed change will help to streamline service and make the alignment easier for customers to understand.

A change to how the Halifax Street route is interlined is also proposed. The route is interlined with the Virginia Avenue route, with each service sharing approximately one-half of a driver block. The Virginia Avenue route is proposed to be eliminated, with some of the alignment served by the revised Walnut Hill route (see previous section on Walnut Hill). Elimination of the

Virginia Avenue route allows the Halifax Street route to be interlined instead with the Lee Avenue route. The proposed alignment for the Halifax Street route is shown in Figure 4-10.

**Figure 4-10. Alignment of Existing Halifax Street Route and Proposed Halifax Street Route**

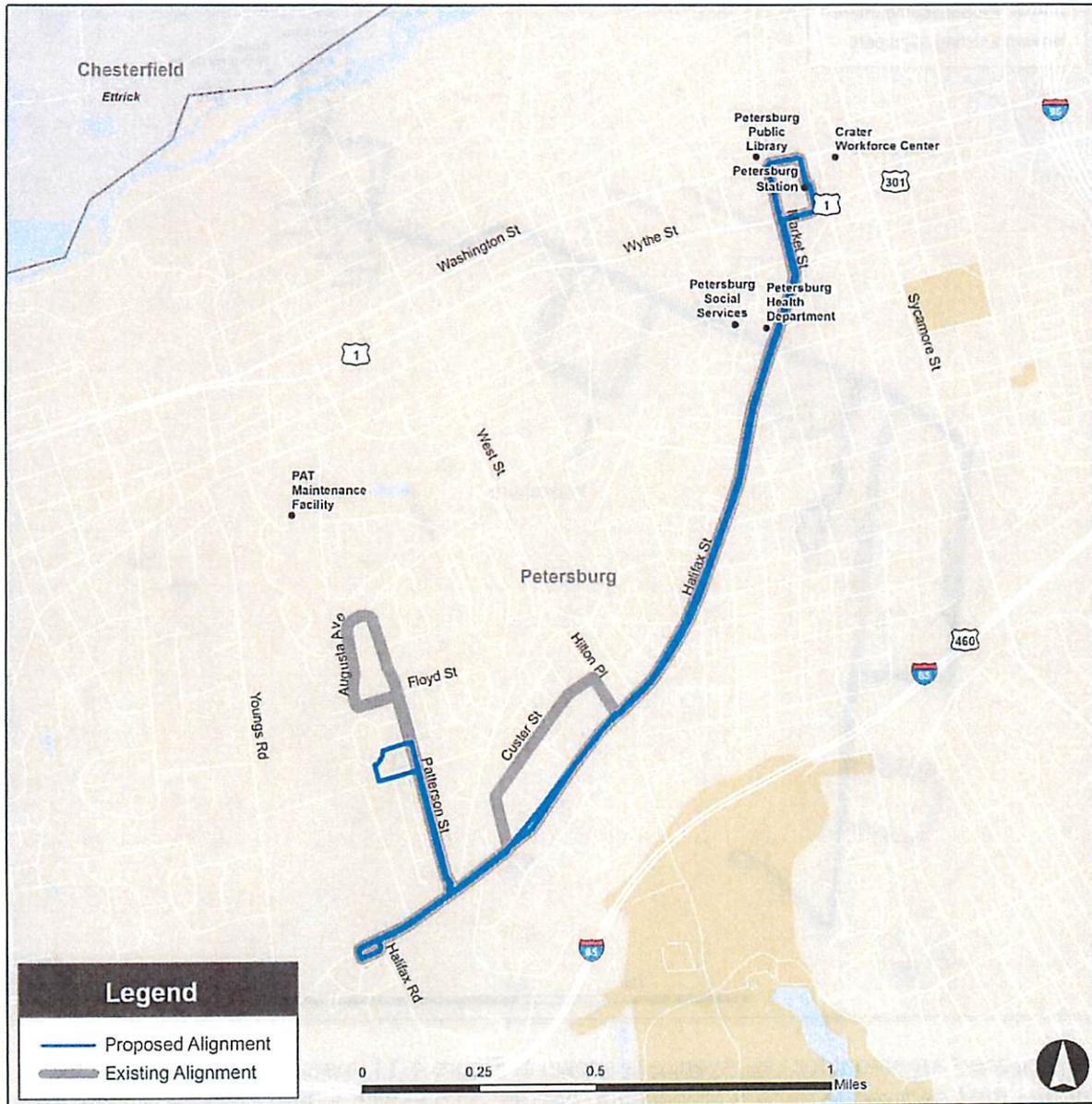
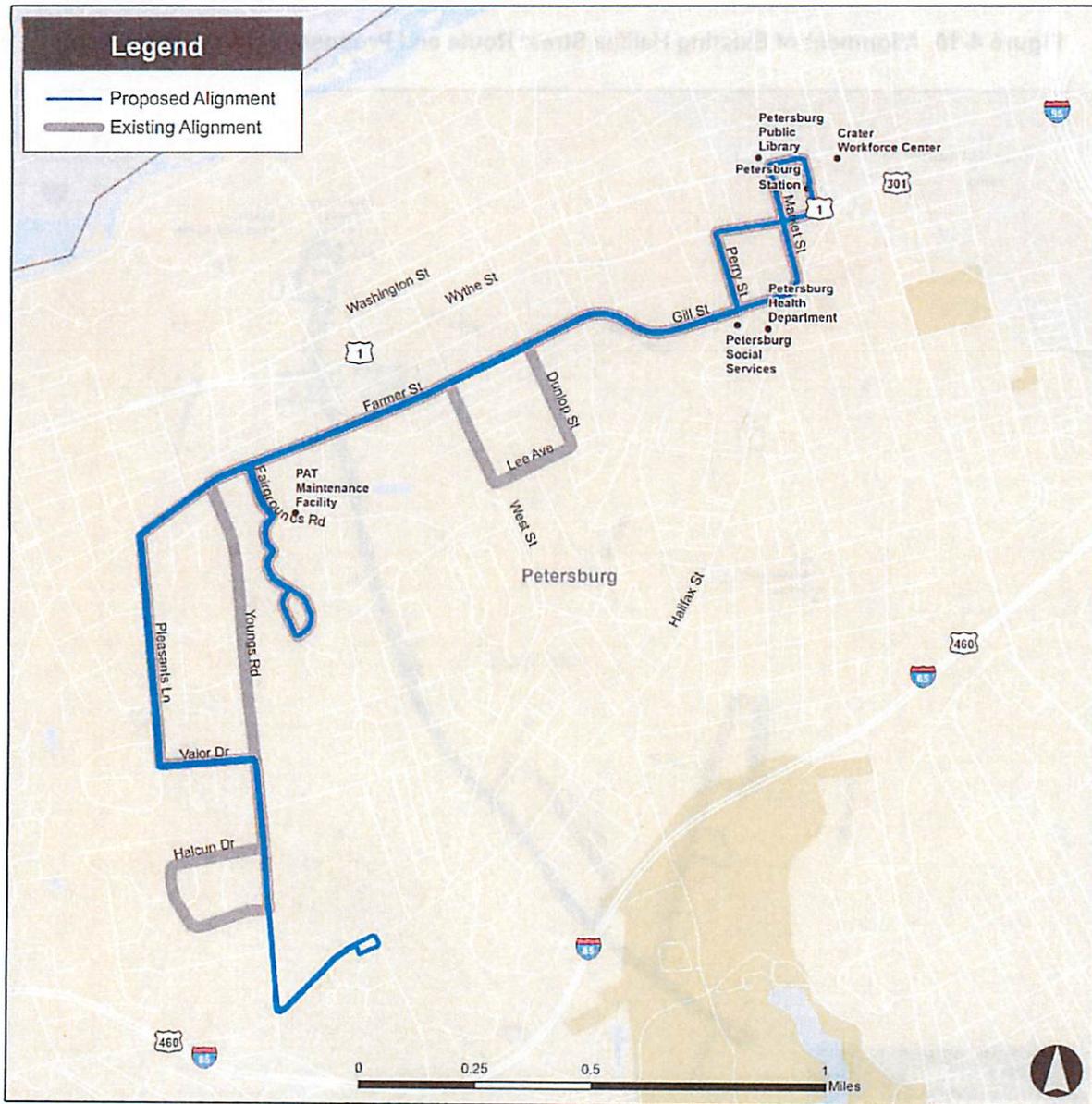


Figure 4-11. Alignment of Existing Lee Avenue Route and Proposed Lee Avenue Route



The proposed alignment for Lee Avenue is shown in Figure 4-11. Instead of operating on two patterns, the Lee Avenue route is proposed to operate on one with a 30-minute cycle time. The new configuration will only require one-half of a driver block, which allows for the route to interline with the Halifax Street route.

Implementing the changes to the Halifax Street, Virginia Avenue, and Lee Avenue routes as a single package will enable PAT to save one driver block, resources that can be used elsewhere in the system. The resulting decrease in revenue hours, revenue miles, and operating cost are shown in Table 4-4. Ridership is expected to decrease, because riders using the Virginia

Avenue route will shift to the Walnut Hill route. It is therefore necessary to consider the values in Table 4-4 with respect to the changes described previously in Table 4-3.

**Table 4-4. Annual Statistics for Existing Halifax Street / Virginia Avenue and Lee Avenue Routes and Proposed Halifax Street and Lee Avenue Routes**

	Existing Halifax Street / Virginia Avenue Route	Existing Lee Avenue Route	Proposed Halifax Street Route	Proposed Lee Avenue Route	Compared to Existing
Revenue Hours	3,277	3,774	1,874	1,887	-3,290
Revenue Miles	29,358	39,558	19,653	30,079	-19,185
Peak Vehicles	1.0	1.0	0.5	0.5	-1.0
Operating Cost <sup>1</sup>	\$283,100	\$326,000	\$161,900	\$163,000	-\$284,200
Ridership <sup>2</sup>	28,000	12,000	14,000	6,000	-20,000

1. Estimated Operating Costs are in 2018 Dollars

2. Ridership is calculated based on the assumption of: 100% of ridership on the Halifax Street Route, and 50% of ridership on Lee Avenue Route, because of a reduction in service frequency

**Rationale:**

- Removing the deviations on the Halifax Street and the Lee Avenue routes reduces travel times for passengers boarding/alighting on other sections of the route. The increased walking distance the neighborhoods is less than 0.25 miles.
- Removing the one-way loops will enable passengers to board and alight the bus at the same location, rather than keeping track of a more complicated service that operates on one street in one direction, and another street in the opposite direction.
- Realigning the Walnut Hill Route (discussed in the previous section) justifies eliminating the Virginia Avenue route is justified. Overall, the proposed changes will improve service for these neighborhoods by providing better access to the shopping along South Crater Road.
- Changing the Lee Avenue route to a single pattern, operating at 60-minute headways instead of operating the existing two-pattern 30-minute service does decrease frequency on some sections of the route. However, the proposed service level is more appropriate for the ridership observed on the route. Operating a single pattern is easier for riders to understand.
- The Lee Avenue route should be renamed for Farmer Street, since the proposed route would no longer travel on Lee Avenue.

### **Hopewell Circulator/Southpark Mall**

Service Changes: The Hopewell Circulator operates between downtown Hopewell and the connection point with the Blandford/Hopewell route at the Food Lion on Oaklawn Boulevard. In addition, the Southpark Mall route, running between the Petersburg Station and Southpark Mall, now operates independent of the Hopewell Circulator. These two routes are proposed to be combined into a single service operating from downtown Hopewell along Oaklawn Boulevard, along Puddledock Road, connecting to Southpark Mall, and then to downtown Petersburg. The existing alignments of the Hopewell Circulator and the Southpark Mall routes and the proposed alignment of the combined route are shown in Figure 4-12. The proposed alignment would also change service to the Riverside Regional Jail. Service to the jail would be modified to become on-demand. There is currently an oversupply of service to Riverside Regional Jail relative to the number of people riding to this destination. In a recent survey, the Riverside Regional Jail had 34 total passengers over a one-month survey period. While ridership to Riverside is low PAT recognized the need to provide service to the facility. The reduction in service from hourly to an on-demand service is more fitting for this demand.

When service is requested, the bus would operate from downtown Hopewell along Broadway Avenue and River Road to reach the Riverside Regional Jail and then return to the normal the fixed route pattern at 6<sup>th</sup> Ave.

Figure 4-12. Alignment of Existing Hopewell Circulator Route and Southpark Mall Route and Proposed Hopewell / Southpark Mall Route

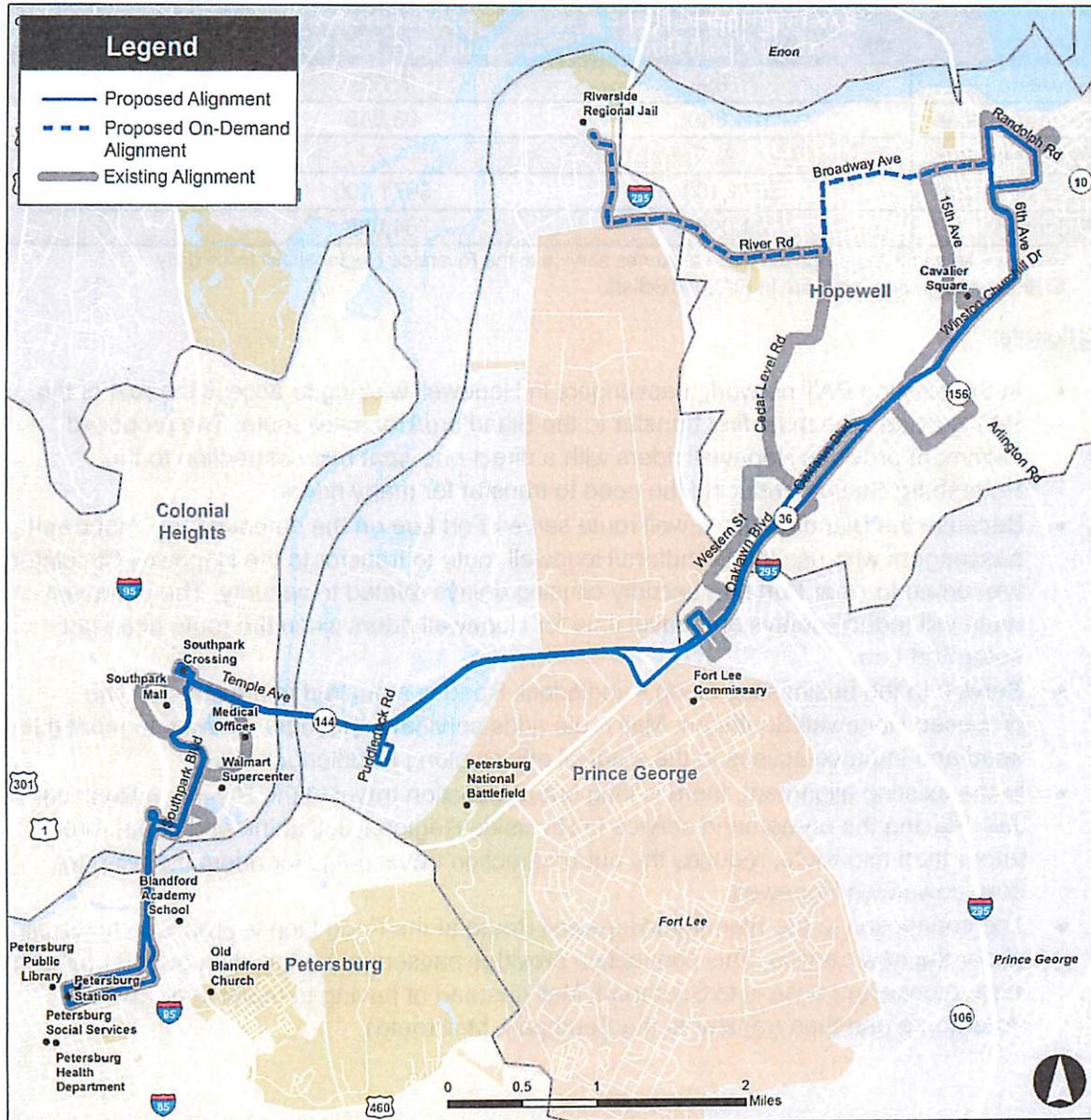


Table 4-5 shows a comparison of service under the existing Hopewell Circulator and Southpark Mall routes and the proposed combined Hopewell Circulator/Southpark Mall. The number of buses required to operate the modified service will remain the same since the proposed combined route will require the same number of buses as the two existing routes. In addition, since the span of service will remain the same, the revenue hours under the proposed route will also remain the constant. The total revenue miles will decrease due to the shorter total distance of the combined route. Ridership on the combined route is expected to be similar to the total of the two existing routes.

**Table 4-5. Annual Statistics for Existing Hopewell Circulator and Southpark Mall Routes and Proposed Hopewell / Southpark Mall Route**

	Existing Hopewell and Southpark Mall Routes	Proposed Hopewell / Southpark Mall Route	Compared to Existing
Revenue Hours	7,769	7,769	0
Revenue Miles <sup>1</sup>	104,866	98,685	-6,180
Peak Vehicles	2	2	0
Operating Cost <sup>2</sup>	\$671,100	\$671,100	\$0
Ridership	64,000	64,000	0

1. Revenue Miles for the proposed route assumes service to the Riverside Regional Jail twice daily.
2. Estimated operating costs are in FY 2018 dollars

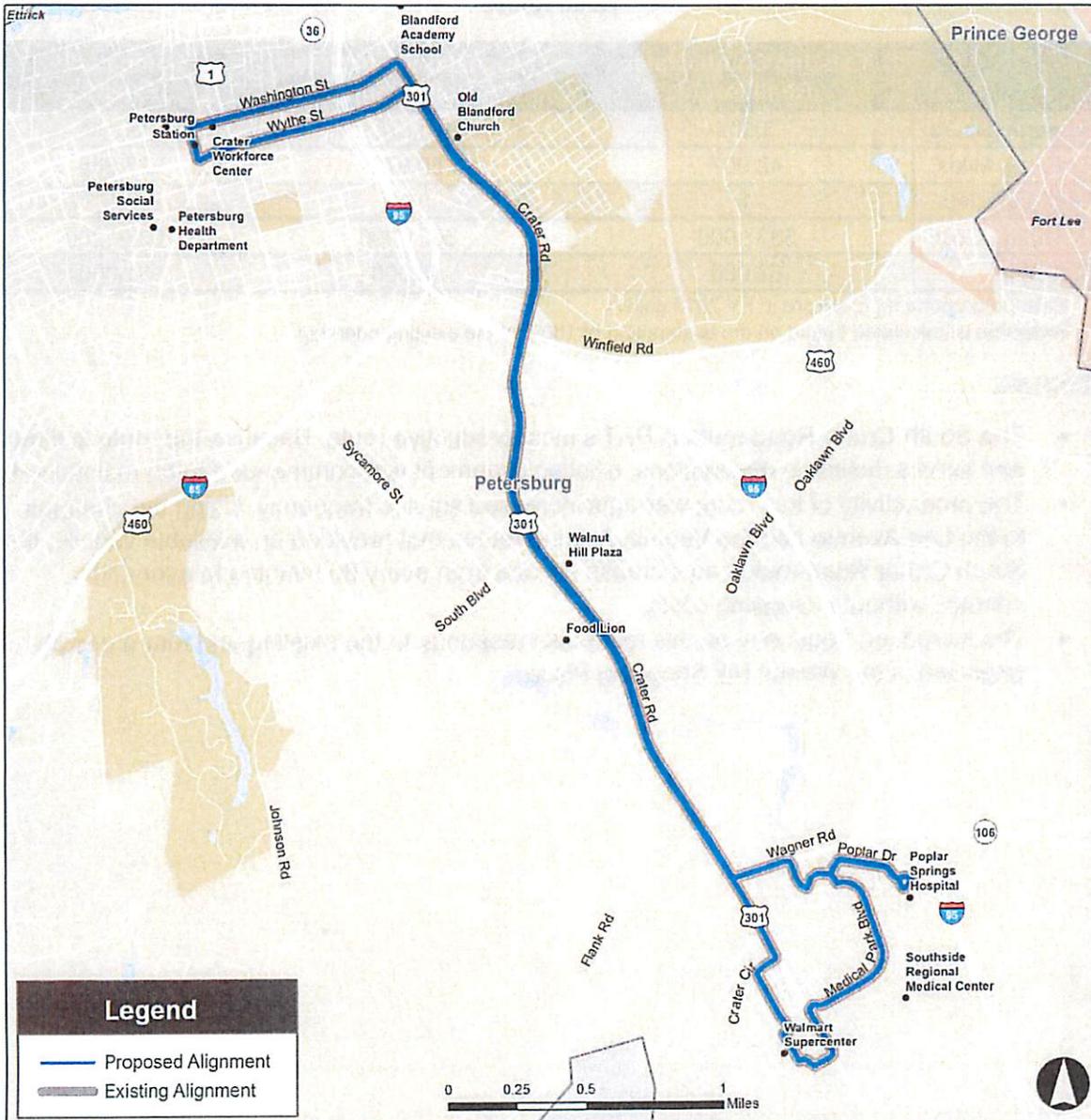
Rationale:

- In the existing PAT network, passengers in Hopewell wishing to access the rest of the PAT service area must first transfer to the Blandford/Hopewell route. The proposed alignment provides Hopewell riders with a direct one-seat ride connection to the Petersburg Station, reducing the need to transfer for many riders.
- Because the Blandford/Hopewell route serves Fort Lee on the outbound trip, Hopewell passengers who use the Blandford/Hopewell route to transfer to the Hopewell Circulator are forced to clear Fort Lee security causing delays related to security. The proposed route will reduce delays and travel time for Hopewell riders since the route does not enter Fort Lee.
- Service to the businesses along Puddledock Road is a desired improvement. The proposed Hopewell/Southpark Mall route adds service to these businesses to meet this need and improve access to the medical offices along Puddledock Road.
- In the existing alignment, there is long out-of-direction travel to the Riverside Regional Jail. Placing the on-demand service to Riverside Regional Jail at the end of the route, rather than mid-route, reduces the out-of-direction travel delay for riders traveling to/ from downtown Hopewell.
- The connection to the Blandford/Hopewell Route at the Food Lion is proposed to remain under the new service. This connection provides passengers originating at Fort Lee with more convenient access to Southpark Mall (instead of having to travel to downtown Petersburg and then transfer to the Southpark Mall route).

### South Crater Road

Service Changes: No alignment changes are proposed for the South Crater Road route; however, it is recommended to increase the service by using the driver block available from the proposed changes to the Lee Avenue and Halifax Street routes. The South Crater Road route operates at 60-minute headways and the proposed service would decrease the headways to 30 minutes. Figure 4-13 shows the alignment of the South Crater Road route.

**Figure 4-13. Alignment of Existing South Crater Road Route and Proposed South Crater Road Route**



A comparison of service under the existing South Crater Road route and the proposed South Crater Road route is shown in Table 4-6. In order to maintain a cost neutral short-term plan, the resources available from the aforementioned changes to Halifax Street, Virginia Avenue, and Lee Avenue, (see Table 4-4) are reallocated to the South Crater Road Route. These changes enable the South Crater Road route to run 30-minute service throughout the day. The annualized service statistics are shown below in Table 4-6. Ridership is expected to increase at a rate of 50% of the existing ridership on the South Crater Road route because service frequency does not typically increase at a one-to-one ratio.

**Table 4-6. Annual Statistics for Existing South Crater Road Route and Proposed South Crater Road Route**

	Existing South Crater Road Route	Proposed South Crater Road Route	Compared to Existing
Revenue Hours	3,902	7,191	3,290
Revenue Miles	43,907	80,972	37,065
Peak Vehicles	1	2	1
Operating Cost <sup>1</sup>	\$337,000	\$621,200	\$284,200
Ridership <sup>2</sup>	62,000	93,000	31,000

1. Estimated operating costs are in FY 2018 dollars

2. Ridership is calculated based on the assumption of 150% of the existing ridership

Rationale:

- The South Crater Road route is PAT's most productive route. Because the route is direct and serves desirable destinations, existing alignment is recommended to be maintained.
- The productivity of this route warrants increased service frequency. Using the changes to the Lee Avenue and the Virginia Avenue routes that provided an available vehicle, the South Crater Road route can increase service from every 60 minutes to every 30 minutes without increasing costs.
- The increased frequency on this route also responds to the existing and future growth projected in the Walnut Hill Shopping Plaza.

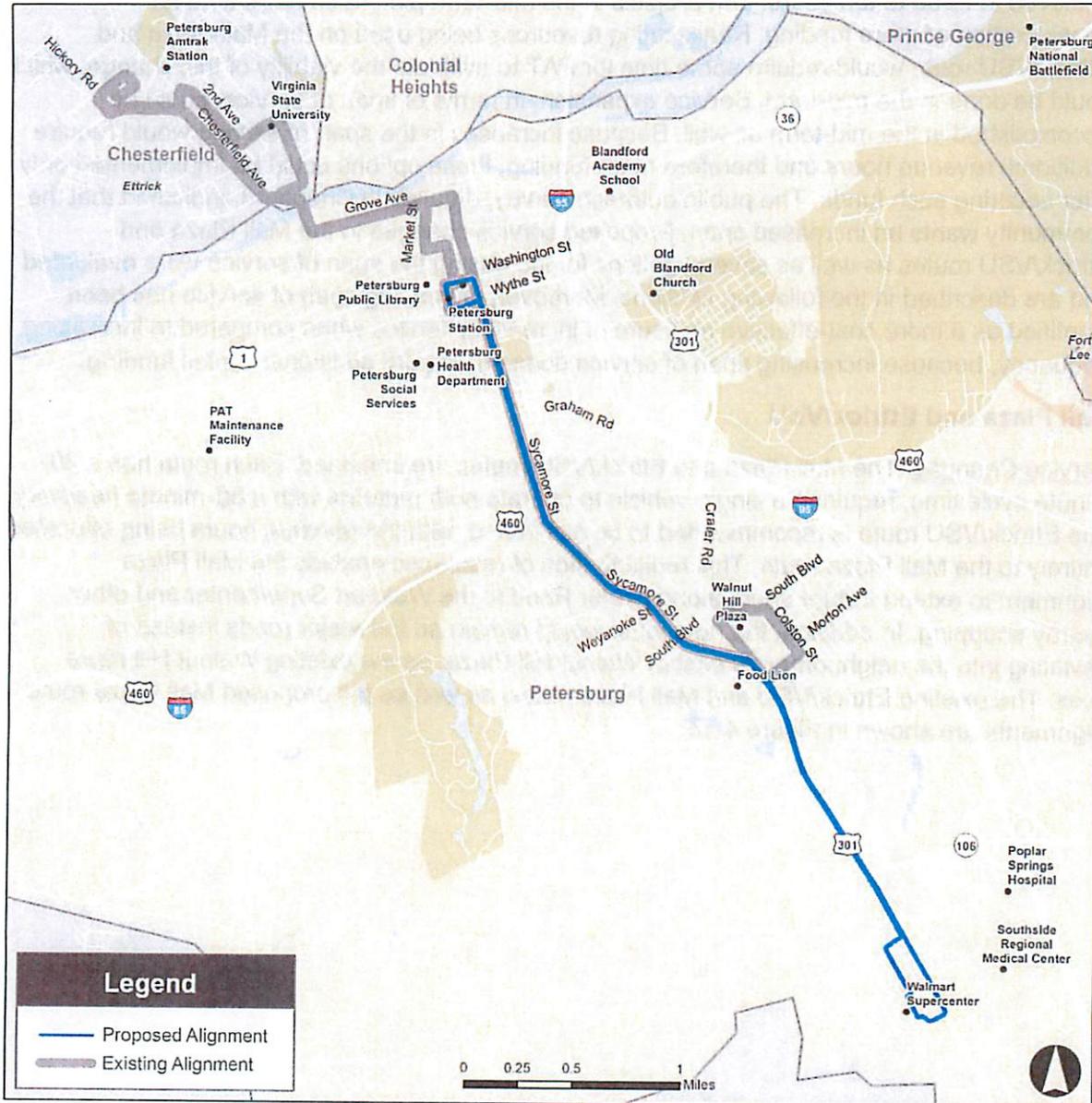
#### ***4.1.2.2 Mid-Term Plan (3-10 Years)***

The mid-term plan addresses potential changes to the system that could be reasonably achieved in three to ten years. The projects in the mid-term plan need more time for consideration or more funding. Reallocating resources being used on the Mall Plaza and Ettrick/VSU route would require some time for PAT to evaluate the viability of this change, which could be done in the mid-term. Service expansion, in terms of span of service, could be accomplished in the mid-term as well. Because increases in the span of service would require additional revenue hours and therefore more funding, these options could be implemented only after securing such funds. The public outreach survey, detailed in Chapter 3, indicated that the community wants an increased span. Proposed service changes to the Mall Plaza and Ettrick/VSU routes as well as several options for increasing the span of service were evaluated and are described in the following sections. Moreover, increasing span of service has been identified as a more cost-effective measure of increasing service when compared to increasing frequency, because increasing span of service does not require additional capital funding.

#### **Mall Plaza and Ettrick/VSU**

Service Changes: The Mall Plaza and Ettrick/VSU routes are interlined. Each route has a 30-minute cycle time, requiring a single vehicle to operate both patterns with a 60-minute headway. The Ettrick/VSU route is recommended to be eliminated, with the revenue hours being allocated entirely to the Mall Plaza route. This redistribution of resources enables the Mall Plaza alignment to extend further south along Crater Road to the Walmart Supercenter and other nearby shopping. In addition, the new route would remain on the major roads instead of deviating into the neighborhoods east of Walnut Hill Plaza, as the existing Walnut Hill route does. The existing Ettrick/VSU and Mall Plaza routes as well as the proposed Mall Plaza route alignments are shown in Figure 4-14.

Figure 4-14. Alignment of Existing Mall Plaza and Ettrick/VSU Route and Proposed Mall Plaza Route



A comparison of service under the existing Ettrick/VSU and Mall Plaza routes and the proposed Mall Plaza route is shown in Table 1-1. The proposed service change keeps the same number of revenue hours and schedule. Despite removing the Ettrick/VSU service, the proposed extension of the Mall Plaza route to South Crater Road should result in an increase in riders. The reason for the projected increase in ridership is that the additional segment on South Crater Road has proven to be a stronger trip generator/attractor than the Ettrick/VSU area.

**Table 4-7. Annual Statistics for Existing Ettrick and Mall Plaza Routes and Proposed Mall Plaza Route**

	Existing Ettrick / VSU and Mall Plaza Routes	Proposed Mall Plaza Route	Compared to Existing
Revenue Hours	3,583	3,583	0
Revenue Miles	44,770	34,445	-10,325
Peak Vehicles	1	1	0
Operating Cost <sup>1</sup>	\$309,500	\$309,500	\$0
Ridership <sup>2</sup>	26,000	38,000	12,000

1. Estimated operating costs are in FY 2018 dollars
2. Ridership is calculated based on the assumption of: 50% total ridership from the Ettrick/VSU and Mall Plaza interlined route and 40% of total ridership of the South Crater Road route

**Rationale:**

- The Ettrick/VSU Route has historically had low ridership and there continues to be little demand for the service. Discontinuing the service enables PAT to reallocate resources to an area of higher demand.
- The Walmart Supercenter is an attractive location for transit service, as evidenced by the strong ridership along the South Crater Road Route and public outreach survey feedback. Providing additional service in this area helps connect more riders to desired destinations.
- Maintaining a linear alignment by removing the deviation into the neighborhood east of Walnut Hill Plaza provides a direct path from downtown to the shopping at Walnut Hill Plaza, and then along South Crater Road to the Walmart Supercenter.
- Removing the deviation into the neighborhood east of Walnut Hill Plaza requires riders coming from this area to walk to Crater Road and thus increases the total walk time for this neighborhood. However, the overall impact of the removing the loop will reduce travel times for most passengers.
- *Changes to this route should be made with consideration of existing and future rail service at the Ettrick Amtrak Station, and thus the changes in this project are proposed to be implemented in the mid-term.*

**Increasing Weekday Span of Service**

Service Changes: The existing PAT weekday service operates from approximately 6 AM to 7 PM. The proposed additional service would extend service on weekdays for all PAT routes. Table 4-8 compares the current operational requirements for weekday service with the requirements necessary to extend service by one or two additional hours. The increased cost associated with the extended service would be approximately \$220,200 per hour annually. Ridership for the additional hours of span is estimated to be about 60% of the average daily ridership per revenue hour due to the lower demand later in the day.

Table 4-8. Annual Statistics for Increasing Weekday Span of Service

	Existing Weekday Service	Proposed Weekday Service Operating One Additional Hour		Proposed Weekday Service Operating Two Additional Hours	
		Proposed Weekday Service	Compared to Existing	Proposed Weekday Service	Compared to Existing
Revenue Hours	31,918	34,468	2,550	37,018	5,100
Revenue Miles	402,139	434,465	32,325	466,790	64,650
Peak Vehicles	10	10	0	10	0
Operating Cost <sup>1</sup>	\$2,757,300	\$2,977,500	\$220,200	\$3,197,800	\$440,500
Ridership <sup>2</sup>	282,000	296,000	14,000	310,000	28,000

1. Estimated operating costs are in FY 2018 dollars

2. Ridership is calculated based on the assumption of 60% of average riders per weekday hours for the additional hours of service

**Rationale:**

- The public outreach survey results detailed in Chapter 3 showed the Petersburg community’s desire for PAT service to extend later in the day.
- Increasing the span of service improves rider access without increasing capital costs.
- Extending the span of service to later in the day may also increase ridership earlier in the day, as additional riders may be attracted to use the service if a later return trip is available.

**Increasing Saturday Span of Service**

Service Changes: The existing PAT Saturday service operates from approximately 6:15 AM to 7:05 PM. The proposed service extension would provide one or two additional hours of service for all PAT routes on Saturday. Table 4-9 compares the existing operational requirements for Saturday service with the requirements necessary to extend service by one or two additional hours. The increased cost associated with this expanded service would be \$44,000 per hour annually. Ridership is estimated to increase by about 3,000 annual riders for each additional hour and by about 6,000 annual riders for two additional hours of span. This estimated ridership assumes about 60% of the average riders per Saturday for the additional hours of service due to the lower demand later in the day.

Table 4-9. Annual Statistics for Increasing Saturday Span of Service

	Existing Saturday Service	Proposed Saturday Service Operating One Additional Hour		Proposed Saturday Service Operating Two Additional Hours	
		Proposed Saturday Service	Compared to Existing	Proposed Saturday Service	Compared to Existing
Revenue Hours	5,865	6,375	510	6,885	1,020
Revenue Miles	73,963	80,428	6,465	86,893	12,930
Peak Vehicles	10	10	0	10	0
Operating Cost <sup>1</sup>	\$506,700	\$550,700	\$44,000	\$594,700	\$88,000
Ridership <sup>2</sup>	48,000	51,000	3,000	54,000	6,000

1. Estimated operating costs are in FY 2018 dollars
2. Ridership is calculated based on the assumption of 60% of average riders per Saturday hours for the additional hour of service

Rationale:

- The public outreach survey results detailed in Chapter 3 identified increased service on Saturday as a desire of the Petersburg community
- Increasing the span of service improves rider access without increasing capital costs.

**4.1.2.3 Long-Term Plan (Beyond 10 Years)**

The long-term plan consists of several additional improvements that could be used to bolster PAT service after successful implementation of the short-term and mid-term plans. The long-term plan includes options that increase the existing service levels by increasing the frequency of high-performing routes and increasing the span of service to Sunday. The long-term plan would require both increased capital and operating costs to implement. Summary tables with estimated annual service statistics for each of the long-term plan recommendations are provided to aid in the prioritization process when funding becomes available.

**Hopewell / Southpark Mall Headway Improvements**

Service Changes: The short-term plan identified adjustments to the Hopewell / Southpark Mall routes to combine the two separate routes into a single route with a two-hour roundtrip run time. The short-term plan used the two existing vehicles for the two routes to service this area with a one-hour headway. The long-term plan proposes adding two additional vehicles to shorten headway from 60 minutes to every 30 minutes.

Table 4-10 compares the annual statistics for the Hopewell / Southpark Mall route from the short-term plan with 60-minute headways to the proposed long-term plan recommendation operating at 30-minute headways. On an annual basis, this increase in frequency would double the revenue hours, revenue miles, and peak vehicles required for this service. Implementing the recommendation would require about \$671,200 in additional operating funds and result in approximately 32,000 additional riders, an increase of approximately 50% of the existing ridership. It should also be noted that the additional vehicles required for this service would likely induce a need to purchase vehicles. Assuming a vehicle unit price of \$133,000, this

service change would require about \$266,000 in capital costs to begin operation. More information on capital expenses is provided in Chapter 5.

**Table 4-10. Annual Statistics for Increasing Frequency on Hopewell / Southpark Mall Route**

	60-Min Headway Hopewell / Southpark Mall Route	30-Min Headway Hopewell / Southpark Mall Route	Change
Revenue Hours	7,769	15,538	7,769
Revenue Miles	98,685	197,371	98,685
Peak Vehicles	2	4	2
Operating Cost <sup>1</sup>	\$671,100	\$1,342,300	\$671,200
Ridership <sup>2</sup>	64,000	96,000	32,000

1. Estimated operating costs are in FY 2018 dollars

2. Ridership is calculated based on the assumption of 150% of the existing ridership

Rationale:

- The ridership data shows that the Southpark Mall route and the Hopewell Circulator route are high performing routes. As a result, increasing the frequency of this route would likely result in additional ridership.
- Increasing routes operating 30-minute headways will give riders more flexibility, options and improve connectivity in the system, leading to increased ridership systemwide.

**Blandford/Hopewell Headway Improvements**

Service Changes: The Blandford/Hopewell route is proposed to operate at 60-minute headways under the short-term plan. This long-term plan proposes to decrease the route headway to 30 minutes. Implementing this recommendation would add one vehicle, bringing the peak vehicle requirement to two vehicles to operate this service.

Table 4-11 compares the annual statistics for the Blandford/Hopewell service under 60-minute and 30-minute headways. Increasing the frequency of the service to twice an hour doubles the operating costs. The ridership is expected to increase at a rate of 50% of the existing service. While Table 4-11 shows annual operating requirements, it should also be noted here that these service changes would produce a need for capital funds to purchase one additional vehicle at approximately \$133,000.

**Table 4-11. Annual Statistics for Increasing Frequency on Blandford / Hopewell Route**

	60-Min Headway Blandford / Hopewell Route	30-Min Headway Blandford / Hopewell Route	Change
Revenue Hours	3,876	7,752	3,876
Revenue Miles	51,743	103,485	51,743
Peak Vehicles	1	2	1
Operating Cost <sup>1</sup>	\$334,800	\$669,700	\$334,900
Ridership <sup>2</sup>	44,000	66,000	22,000

1. Estimated operating costs are in FY 2018 dollars.

2. Ridership is calculated based on the assumption of 150% of the existing ridership

Rationale:

- Ridership on the Blandford/Hopewell route is strong. Increasing the frequency of this route would benefit passengers who are already using the service, as well as encourage new riders to use the service.
- Increasing routes operating 30-minute headways will give riders more flexibility, options and improve connectivity in the system, leading to increased ridership systemwide.

**Walnut Hill Headway Improvements**

Service Changes: The Walnut Hill route is proposed to operate at a 60-minute headway in the short-term plan. The long-term plan proposes to decrease the headway on this route to 30-minutes. Implementing this recommendation would add one vehicle, increasing the total vehicles required to operate this route to two.

Table 4-12 compares the annual statistics for the Walnut Hill route under 60-minute and 30-minute headways. The revenue hours, revenue miles, peak vehicles, and operating costs increase by 100%. The ridership is expected to increase at a rate of 50% of the existing ridership per hour due to the increase in service. This translates to an annual increase of about 30,000 riders on the Walnut Hill route. As in the other long-term plans that call for an increase in peak vehicles, this plan requires capital funds to purchase a vehicle at an assumed cost of \$133,000. More on capital costs can be found in Chapter 5.

**Table 4-12. Annual Statistics for Increasing Frequency on Walnut Hill Route**

	60-Min Headway Walnut Hill Route	30-Min Headway Walnut Hill Route	Total Change
Revenue Hours	3,596	7,192	3,596
Revenue Miles	38,900	77,801	38,900
Peak Vehicles	1	2	1
Operating Cost <sup>1</sup>	\$310,600	\$621,200	\$310,600
Ridership <sup>2</sup>	60,000	90,000	30,000

1. Estimated operating costs are in FY 2018 dollars

2. Ridership is calculated based on the assumption of 150% of the existing ridership

Rationale:

- The existing ridership on the Walnut Hill route is relatively strong and the short-term plan is expected to improve the productivity of this route. Increasing the frequency of this route is expected to further increase ridership.
- Increasing routes operating 30-minute headways will give riders more flexibility, options and improve connectivity in the system, leading to increased ridership systemwide.

**Sunday Service**

Service Changes: PAT currently operates six days a week. The long-term plan proposes extending operations to seven days a week by adding Sunday service. The proposed Sunday service is assumed to operate on the same schedule as the existing Saturday service from approximately 7 AM to 7 PM.

Table 4-13 summarizes the proposed Sunday service. Revenue hours, revenue miles, and peak vehicle requirements are expected to be the same as existing Saturday service. To operate the Sunday service no additional vehicles would be required but the service would cost an additional \$506,700 a year in operating costs. Because increasing the span of service does not translate to ridership increases at the same rate as existing service, Sunday ridership is expected to be approximately 60% of the existing Saturday ridership. This long-term project would not require additional vehicles, and therefore, would not require additional capital funding to begin operation.

**Table 4-13. Annual Statistics for Implementing Sunday Service**

	<b>Proposed Sunday Service</b>
Revenue Hours <sup>1</sup>	5,865
Revenue Miles <sup>1</sup>	73,963
Peak Vehicles <sup>1</sup>	10
Operating Cost <sup>2</sup>	\$506,700
Ridership <sup>3</sup>	29,000

1. Sunday service mirrors Saturday service in terms of operating requirements
2. Estimated operating costs are in FY 2018 dollars
3. Ridership is calculated based on 60% of the current Saturday service productivity

Rationale:

- Sunday service would enable riders to reach places of employment seven days a week, offering greater flexibility for workers to reach jobs.
- Sunday service is the largest gap in service for the PAT system. Eliminating this gap would provide more comprehensive service.
- While the operational investment in Sunday service would be great, the capital cost of adding Sunday service would be minimal.

**4.2 Service Development**

The projects identified in this chapter address unmet needs of the transit system. Planning for these projects over the ten-year TDP horizon will allow PAT to prepare for the operating

expenses associated with each portion of the plan. An annual summary of the short-, mid-, and long-term recommendations is shown in Table 4-14. Implementation of the cost neutral short-term plan is proposed to occur by the year 2021. The short-term plan does not increase service hours or peak vehicles and results in a minimal system-wide reduction in service miles (due to realigning routes and removing deviations). The changes recommended in the short-term plan are not expected to require additional capital or operating costs. Each of the service changes in the short-term plan are considered high priority.

Implementation of the mid-term plan includes reallocating resources between routes and increasing the service hours and service miles of PAT service. In the year 2022, the Ettrick/VSU route elimination and service adjustments to the Mall Plaza route are proposed. In the year 2023, the weekday span of service is proposed to increase by one hour. This is followed by a Saturday span of service increase by one hour in the year 2024. The weekday and Saturday spans of service are increased by one additional hour again in 2025 and 2026, respectively. This staggered approach to increasing service hours on an annual basis helps ease implementation, allowing PAT time to identify funding sources for each change. In addition, this approach allows PAT to have the opportunity to review the success of the increased service and slow the implementation if necessary.

The long-term plan includes improvements that can be considered by PAT after the successful implementation of the short-term and mid-term plans. This plan focuses on decreasing the headways of the best performing routes in the system from 60 minutes to 30 minutes. The increased frequency would require a total of four additional peak vehicles, adding about 15,200 revenue hours and 189,300 revenue miles annually. Sunday service is also included in the long-term plan and would require an additional 5,900 revenue hours and 74,000 revenue miles annually.

**Table 4-14. Service Implementation Plans over TDP Timeframe**

	Fiscal Year	Project	Priority Level	Annual Service Hours Change	Annual Service Miles Change	Operating and Maintenance Cost
Short-Term Plan	2019	-	-	-	-	-
	2020	Blandford/Hopewell route adjustments	High	0	-4,883	\$0
		Walnut Hill route adjustments	High	0	-7,879	\$0
		Interline of Halifax Street and Lee Avenue, and elimination of Virginia Avenue	High	-3,290	-19,185	-\$284,200
		Hopewell Circulator and Southpark Mall routes combined	High	0	-6,180	\$0
		County Drive (460) route adjustments	High	0	-7,979	\$0
		Change headways on South Crater Road from 60 minutes to 30 minutes	High	3,290	37,065	\$284,200
2021	-	-	-	-	-	
Mid-Term Plan	2022	Etrick/VSU route eliminated and adjustments to Mall Plaza	Medium	0	-10,325	\$0
	2023	Increasing weekday span of service by one hour	Medium	2,550	32,325	\$220,200
	2024	Increasing Saturday span of service by one hour	Medium	510	6,465	\$44,000
	2025	Increasing weekday span of service by one hour	Medium	2,550	32,325	\$220,200
	2026	Increasing Saturday span of service by one hour	Medium	510	6,465	\$44,000
	2027	-	-	-	-	-
	2028	-	-	-	-	-
Long-Term Plan	Beyond 2028	Change headways on Hopewell/Southpark Mall from 60 minutes to 30 minutes	Low	7,769	98,685	\$671,200
		Change headways on Walnut Hill route from 60 minutes to 30 minutes	Low	3,596	38,900	\$310,600
		Change headways on Blandford/Hopewell route from 60 minutes to 30 minutes	Low	3,876	51,743	\$334,900
		Add Sunday Service	Low	5,865	73,963	\$506,700

## 5 Implementation Plan

Chapter 5 of this TDP identifies the steps necessary to carry out the recommended operations and service improvements detailed in Chapter 4. Capital investments are needed to replace or upgrade rolling stock, facilities, passenger amenities, and technology. PAT participates in the Transit Asset Management Plan (TAMP) Group Plan, developed by DRPT for Tier II providers throughout the Commonwealth of Virginia, which can be used as an additional resource for capital cost planning.

### 5.1 Rolling Stock Utilization

An overview of PAT's existing vehicle fleet is discussed in Section 1.6, including an inventory of fixed-route vehicles (Table 1-4), paratransit vehicles (Table 1-5), and support vehicles (Table 1-6). PAT owns a total of 18 vehicles for fixed-route service, eight vehicles for paratransit service, and 12 support vehicles. Chapter 4 details recommended service changes for the short-term (1 to 3 years), mid-term (3 to 10 years) and long-term (beyond 10 years). The short-term and mid-term service plans do not require any additional vehicles to operate the recommended service. Additional vehicles would only be required in the long-term plan (after 2028) and since the planning horizon of the TDP is ten years, the cost of additional vehicles for the long-term service plan is not reflected in the implementation plan. As a result, the focus for the rolling stock utilization section is on the replacement of aging fleet to maintain a state of good repair and current service levels.

#### Rolling Stock Assumptions

PAT's existing fleet is composed of a variety of vehicle makes and models, with various passenger seating capacities. Maintaining a diverse fleet is oftentimes challenging because each vehicle requires specialized knowledge and replacement parts. Moving forward, PAT intends to standardize the fixed-route and paratransit fleets by replacing aging vehicles with fewer makes and models to establish greater consistency. For fixed-route service PAT intends to primarily purchase diesel Chevrolet Arboc 4500 vehicles to replace the existing fleet over the next seven years. The 22-passenger seating capacity of the Chevrolet Arboc 4500 is smaller than PAT's existing fleet but is consistent with most of the observed demand for PAT service. PAT also plans to purchase larger, 30-foot vehicles in FY26 to replace some of current vehicles that operate on the higher ridership routes. For paratransit service, PAT intends to purchase Ford E-450 vehicles. Vehicle replacement cost assumptions, including a 4% annual escalation rate, are shown in Table 5-1. Vehicle useful life guidelines from DRPT's Minimal Asset Useful Life Standards for FTA Grants are provided in Table 5-2.

**Table 5-1. Vehicle Costs by Year (\$1000s, YOY\$)**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Bus (<30-ft)	\$133	\$139	\$144	\$150	\$156	\$162	\$169	\$175	\$182	\$190
Bus (30-ft)	\$600	\$624	\$649	\$675	\$702	\$730	\$759	\$790	\$821	\$854
Paratransit Fleet	\$68	\$71	\$74	\$76	\$80	\$83	\$86	\$89	\$93	\$97
Support Vehicle Fleet	\$42	\$43	\$45	\$47	\$49	\$51	\$53	\$55	\$57	\$59

1. All costs in \$1,000s
2. Vehicle costs assume a 4% annual escalation rate

**Table 5-2. Vehicle Useful Life**

Vehicle Category	Useful Life	
	Years	Miles
Large heavy-duty transit buses 35'-40'	12	500,000
Small heavy-duty transit buses 30'	10	350,000
Medium medium-duty transit buses 25'-35'; Sprinter bus	7	200,000
Medium light-duty transit buses 25'-35', BOC vehicles, Expansion vans	5	150,000
Light-duty vehicles (vans, sedans, light-duty buses); Support vehicles; BOC (15-19 passenger), < 30 ft	4	100,000

Source: DRPT Minimal Asset Useful Life Standards for FTA Grants

A summary of the number of replacement vehicles and associated costs for FY19 to FY28 is provided in Table 5-3. As of 2018, PAT has a total of 23 vehicles in the existing fleet that have met or exceeded the useful life guidelines in terms of age. The total replacement cost of all these vehicles is estimated to be \$2,822,000 (in FY19 dollars). Since replacing all 23 vehicles in a single year would be very costly, PAT has elected to spread the replacement costs over several years. PAT plans to maintain some vehicles past the standard useful life in order to defer replacement of these vehicles to years with fewer capital needs.

Table 5-3. Rolling Stock Capital Needs (\$1000s, YOES)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Replacement Vehicles</b>										
Bus (<30-ft)	3	6	3	3	0	0	0	0	1	1
Bus (30-ft)	0	0	0	0	0	0	0	2	0	0
Paratransit Fleet	2	1	0	0	0	1	1	0	1	0
Support Vehicle Fleet	0	0	0	0	3	0	0	0	0	2
Total Vehicles	5	7	3	3	3	1	1	2	2	3
<b>Replacement Costs (\$1,000s)</b>										
Bus Fleet (<30-ft)	\$400	\$832	\$433	\$450	\$0	\$0	\$0	\$0	\$182	\$190
Bus Fleet (30-ft)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,579	\$0	\$0
Paratransit Fleet	\$136	\$71	\$0	\$0	\$0	\$83	\$86	\$0	\$93	\$0
Support Vehicle Fleet	\$0	\$0	\$0	\$0	\$146	\$0	\$0	\$0	\$0	\$119
Total Costs	\$536	\$903	\$433	\$450	\$146	\$83	\$86	\$1,579	\$276	\$308

1. All costs in \$1,000s
2. Vehicle costs assume a 4% annual escalation rate

### 5.1.1 Fixed-Route Vehicle Fleet

All 18 vehicles in PAT's existing fixed-route vehicle (Bus) fleet are planned for replacement over the course of the 10-year TDP timeframe. Nine 30-foot buses manufactured in 2007 that are currently used for fixed-route service have exceeded their useful life. The planned replacement vehicles (Chevrolet Arboc 4500) are 25-foot mid-size buses with a seating capacity of 22 passengers and two wheelchairs. The useful life of this category of vehicles is seven years or 200,000 miles, and costs approximately \$133,000 (FY19 dollars). The next group of vehicles up for replacement are the 35-foot Gillig vehicles manufactured in 2013. PAT plans to replace two of these vehicles in FY26 with 30-foot vehicles, with the local match coming via bank financing. The fixed-route vehicle fleet purchases during these years will enable PAT to retire and sell older rolling stock while replacing them with a more consistent line of vehicles.

### 5.1.2 Paratransit Vehicle Fleet

PAT anticipates capital investment in replacement of six paratransit vehicles that will meet or exceed the useful life over the TDP lifecycle. The strategy for replacement of paratransit vehicles considers useful life standards and other capital needs, so that the capital needs are not exceedingly high in any given year. PAT replaced two vehicles in FY19 and will replace one more in FY20. The next paratransit vehicles will be replaced in FY24 and FY25. PAT plans to replace and sell retired vehicles. The replacement vehicles are planned to be light-duty vehicles (Ford E-450), with a seating capacity of thirteen to fourteen passengers. The useful life of this type of vehicle is four years or 150,000 miles, and costs approximately \$68,000 (FY19 dollars).

### 5.1.3 Support Vehicle Fleet

Although all 12 of PAT's support vehicles will have met the useful life by FY20, the continued maintenance and light use of these vehicles warrants deferral of replacement. PAT does not anticipate an immediate need for replacement of any support vehicles in FY19 or FY20. However, by FY23, the average age of the support vehicle fleet will be over 10 years and scheduling for replacements of the aging support vehicle fleet is needed. The vehicles

replacement for the support vehicles is strategically chosen in years when other capital needs are not high. PAT plans to replace three support vehicles in FY23 and two in FY28, with a cost of \$41,700 (FY19 dollars).

## 5.2 Major System Maintenance and Operations Facilities

PAT's operating, maintenance (including fueling), and vehicle storage facility is located at 309 Fairgrounds Road. The facility was built in 1981. Due to the age of the facility, PAT plans to replace with a new maintenance facility within this TDP lifecycle. The process would begin with a feasibility study conducted in FY23, followed by the design and engineering in FY24. Construction is anticipated for FY25 and is expected to cost \$15 to \$20 million dollars. This estimate assumes that the new facility will be built on city-owned property. The cost estimate will be refined as part of the feasibility study and engineering design. PAT also plans to purchase shop equipment for the maintenance facility that would enable more maintenance to be completed inhouse. Purchasing additional shop equipment is programmed for years FY21, FY23, and FY25.

The administration building located at 100 W. Washington Street is expected to require renovation, including bathroom renovations and other necessary repairs to the building, during the TDP timeframe. These renovations are planned to occur in FY22 cost approximately \$100,000. Table 5-4 summarizes the anticipated years and costs for PAT's maintenance and operations facilities capital needs.

Table 5-4. Maintenance and Operations Facilities Capital Needs (\$1000s, YOES)

Project	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Rehab/Renovation of Admin Building				\$100						
Feasibility study for Maintenance Facility					\$40					
Design & Engineering of Maintenance Facility						\$500				
Construction of Maintenance Facility (low to high range)							\$15,000 -20,000			
Purchase Shop Equipment			\$53		\$101		\$107			
Total	\$0	\$0	\$53	\$100	\$141	\$500	\$15,107 -20,107	\$0	\$0	\$0

1. All costs in \$1,000s

### 5.3 Passenger Amenities

PAT plans to upgrade the existing passenger amenities over the ten-year TDP timeframe. Approximately 400 bus stop signs would be purchased in FY21. Ideally, the outdated bus stop signs would be replaced with signs that have maps and unique stop identifiers. The maps would help passengers with wayfinding, making the transit system easier to navigate and more accessible to passengers. The stop identifiers would help with bus stop inventory and communication of the location between drivers and dispatch should any issues arise in the field. In addition to signage, PAT plans to add two bus shelters and 30 benches (seven in FY21, eight in FY23, and 15 in FY25) to high ridership locations over the TDP timeframe. Table 5-5 shows the planned years and estimated costs for the new signs, shelters, and benches.

**Table 5-5. Passenger Amenities Capital Needs (\$1000s, YOES)**

Project	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Signs			\$33							
Shelters			\$40							
Benches			\$17		\$20		\$37			
Total	\$0	\$0	\$90	\$0	\$19	\$0	\$47	\$0	\$0	\$0

1. All costs in \$1,000s

### 5.4 Technology Systems

Table 5-6 summarizes PAT's technology system needs over the course of the ten-year TDP, including computer hardware, radios, and security equipment. PAT plans to replace computer hardware for employees in FY22 and FY25. The purchase of 13 radios is planned for FY24. In addition, the purchase of a recording system for the security cameras at PAT's maintenance facility is planned for FY21.

**Table 5-6. Technology System Needs (\$1000s, YOES)**

Project	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
ADP Hardware				\$30			\$30			
Radios						\$20				
Security Equipment		\$10								
Total	\$0	\$10	\$0	\$30	\$0	\$20	\$30	\$0	\$0	\$0

1. All costs in \$1,000s

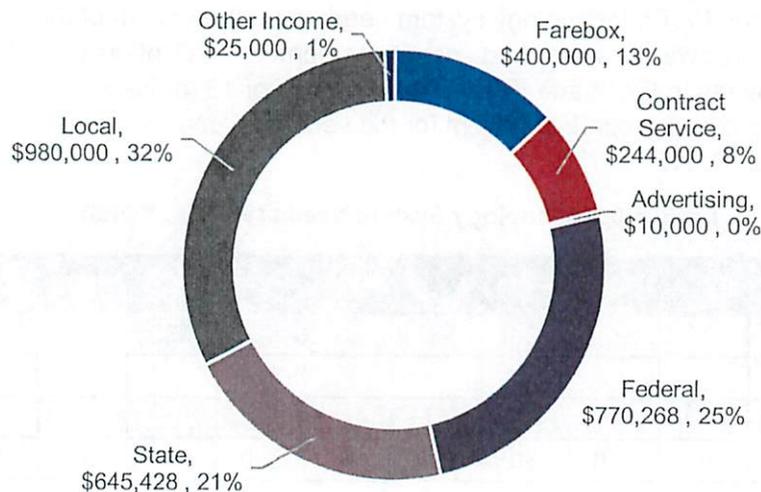
## 6 Financial Plan

The financial plan presented in Chapter 6 of this TDP provides a projection of the anticipated expenditures and revenues over the ten-year TDP timeframe. This chapter is organized into three sections: operating and maintenance cost and funding sources; vehicle purchase costs and funding sources; and facility improvement and other capital costs and funding sources. Financial projections presented in each section are based on the most recently available financial data provided by PAT and DRPT. Future year revenues and expenditures were projected using a series of assumptions based on standard escalation rates and information from the Six-Year Improvement Program (SYIP). As with any projection, the uncertainty in the financial plan increases the further into the future it extends. Both financial conditions and needs change over time. While the focus of this chapter is on financial projections, a three-year retrospective of operating and capital expenses is also provided in Appendix A for reference.

### 6.1 Operating and Maintenance Costs and Funding Sources

PAT's FY19 expenditures were used as the baseline for projecting future year revenues and expenses. In FY19, PAT's spent \$3,074,696 with revenue sources categorized into farebox, contract service, advertising, federal, state, local, and other income. The breakdown of these sources is summarized in Figure 6-1.

Figure 6-1. Revenue Sources (FY19 Actual Expenditures)



Assuming a 3% annual inflation rate, PAT's budget is projected to increase from \$3,074,696 to slightly more than \$4,011,000 between FY19 and FY28 due to inflation alone. The cost of the existing service is expected to increase at the same rate. Optional service expansion discussed in Chapter 4 of this TDP would further increase operating costs. To account for the increase in operating and maintenance costs due to inflation and service expansion, additional funding will need to be secured. A summary of PAT's revenue sources and future funding expectations of these sources is provided below.

Federal funding is expected to remain consistent with current allocations. In FY19, PAT received approximately \$770,000 in federal funding, which made up 25.1% of PAT's total operating and maintenance costs. To be conservative in this estimate, the amount of federal revenue PAT receives in future years was assumed to remain flat at \$770,000. It is possible that federal funding could increase but should not be counted on as a future federal funding is unknown.

State funding, which in FY19 accounted for 21.0% of PAT's total operating and maintenance costs, is anticipated to increase over the next ten years. Total state operating assistance projections were obtained for FY19 to FY24 from the FY19 SYIP. Projected changes in total operating assistance funding over this period were calculated on a year-over-year basis and are summarized in Table 6-1. The projections from the FY19 SYIP were used for the purposes of estimating PAT's anticipated funding from the state. For FY20 to FY24, the year-over-year percent change from the FY19 SYIP was applied to PAT's state funding from the previous year to approximate the operating assistance provided by the state. For FY25 through FY28, the average annual percentage change from FY19 to FY24 (1.9%) was applied to PAT's state funding from the previous year. By the end of the TDP timeframe in FY28, a total of \$814,000 in state funding is anticipated for PAT.

**Table 6-1. State Operating Assistance Anticipated Rate Change**

Year	Percent Change from Previous Year
FY19 to FY20	3.26%*
FY20 to FY21	1.59%
FY21 to FY22	2.11%
FY22 to FY23	1.14%
FY23 to FY24	1.33%

*\*Note: FY19 to FY20 change is actual, not anticipated, based on DRPT budget for both years*

While this approximation of state funding gives a sense of the anticipated state operating assistance, state funding for future years is likely to change and the exact amount will depend on a variety of factors including an evaluation of PAT's performance compared to other transit agencies in Virginia. In 2018 the Virginia General Assembly passed a statute requiring transit grant funding to be based on performance (Section 33.2-1526.1 of the Code of Virginia). Prior to this change, the funding allocation for each transit agency was based on the share of each agency's operating costs to the total operating costs for all transit providers that receive state assistance. Performance-based allocation of state transit operating funding, which begins in FY20 as a transition year and is fully implemented in FY21, accounts for both the size of the agency and three years of performance trends of the agency. Sizing metrics are used to correlate funding allocations with the size of the agency and include operating cost (50%), ridership (30%), revenue vehicle hours (10%), and revenue vehicle miles (10%). The sizing allocation is then adjusted based on a comparison of performance trends of the agency to statewide trends for five performance metrics:

- Passengers per Revenue Vehicle Hour
- Passengers per Revenue Vehicle Mile
- Operating Cost per Revenue Vehicle Hour
- Operating Cost per Revenue Vehicle Mile
- Operating Cost per Passenger

To lessen the immediate impacts of the change in funding, the FY20 sizing calculation was modified to give greater weight to operating cost (60%) and lower weight to ridership (20%). Therefore, FY21 will be the first year that the new legislation will take full effect. Because the allocation of performance-based funding is dependent on PAT's performance relative to the performance of all transit agencies statewide, it is difficult to project state funding amounts. As a result, the analysis presented in this chapter assumes that the state funding received by PAT is proportional to the statewide operations funding increases projected in the FY19 SYIP.

Anticipated operating expenses and revenue sources for FY19 to FY28 are shown in Table 6-2 for a scenario where there is no change to the existing service (baseline) and in Table 6-3 for a scenario that implements the service changes presented in Chapter 4. The revenue hours are constant for all years in the baseline scenario and increase to reflect the timing of the proposed service changes in the service change scenario. Projected operating expenses reflect an assumed inflation rate of 3% each year as well as additional operating expenses associated with any increased service. Similarly, farebox revenues are expected to remain constant in the baseline scenario and vary based on projected ridership in the service change scenario. In both scenarios, contract service is expected to remain constant, while advertising and other income is expected to increase with the rate of inflation (3%). The remaining balance is expected to be captured in the local revenue contribution.

In the baseline scenario shown in Table 6-2, operating costs are expected to increase by \$92,000 between FY19 and FY20 due to inflation alone. The total increase by FY28 is over \$937,000. Over the ten-year TDP timeframe, the local contribution will need to increase from \$980,000 to \$1,736,000.

In the service change scenario shown in Table 6-3, implementation of the short-term service changes presented in Chapter 4 is projected to increase the farebox revenue and decrease the required local contribution in FY20 compared to the baseline scenario. Looking outward past FY20, the service change scenario projects an increase of 6,120 revenue hours by FY28, resulting in \$689,000 in additional operating costs when compared to the baseline scenario. Farebox revenues are anticipated to increase by \$55,000 annually by FY28 due to the new service. The resulting local contribution in the service change scenario increases to \$2,371,000 in FY28, which is \$634,000 more than in the baseline scenario.

Table 6-4 summarizes the total revenue hours and operating costs of the existing system and service additions. By the end of the ten-year timeframe, the total revenue hours, including the service additions, increases to 65,694 hours. The total operating costs, including the service additions, increases to \$4,700,000. The largest increases in operating costs occur in FY23 and FY25, where the service plan in Chapter 4 proposes an increase to the weekday span of service by one hour. In FY24 and FY26, additional operating costs are the result of increasing the Saturday span of service by one hour.



Table 6-2. Projected PAT Costs and Revenues Under Baseline Scenario (\$1000s, YOE\$)

Fiscal Year	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Hours	59,574	59,574	59,574	59,574	59,574	59,574	59,574	59,574	59,574	59,574
Total Operating Cost (YOE\$)	\$3,074	\$3,166	\$3,261	\$3,359	\$3,460	\$3,564	\$3,671	\$3,781	\$3,894	\$4,011
Required Additional Local Dollars (YOE\$)	-	-\$4	\$48	\$98	\$157	\$217	\$274	\$333	\$395	\$458
<b>Expected Revenue Sources</b>										
Farebox	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Contract Service	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244
Advertising	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13
Federal	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
State	\$645	\$711	\$722	\$738	\$746	\$756	\$770	\$785	\$799	\$814
Local	\$980	\$1,005	\$1,088	\$1,169	\$1,260	\$1,353	\$1,444	\$1,539	\$1,636	\$1,737
Other Income	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33

1. Revenue hours remain constant under baseline scenario
2. FY19 O&M costs based on FY19 actuals. FY20-FY28 O&M costs based on 3% inflation rate
3. Required additional local dollars reflect the difference between the projected local funding for a given year and the FY19 local funding inflated to the future year
4. State funding levels for FY19 and FY20 are actuals, after which growth is assumed consistent with DRPT's SYIP (2021=1.59%, 2022=2.11%, 2023=1.14%, 2023=1.33%); Growth in state funding from FY25-FY28 is assumed to be the average annual growth from FY20-FY24 (1.9%).
5. State funding identified in this table are projections and subject to change
6. Federal funding remains constant based upon previous funding allocations
7. Farebox and contract service revenues assumed to remain constant
8. Advertising and other income assumed to increase at the rate of inflation (3%)
9. Local funding captures remaining amount of funds required
10. All costs in \$1,000s



Table 6-3. Projected PAT Costs and Revenues Under Service Change Scenario (\$1000s, YOES)

Fiscal Year	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Revenue Hours	59,574	59,574	59,574	62,124	62,634	65,184	65,694	65,694	65,694	65,694
Total Operating Cost (YOES)	\$3,074	\$3,166	\$3,261	\$3,359	\$3,708	\$3,870	\$4,249	\$4,430	\$4,563	\$4,700
Required Additional Local Dollars (YOES)	-	-\$24	\$28	\$69	\$365	\$481	\$800	\$928	\$1,009	\$1,092
<b>Expected Revenue Sources</b>										
Farebox	\$400	\$419	\$419	\$429	\$440	\$442	\$453	\$455	\$455	\$455
Contract Service	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244	\$244
Advertising	\$10	\$10	\$11	\$11	\$11	\$12	\$12	\$12	\$13	\$13
Federal	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770	\$770
State	\$645	\$711	\$722	\$738	\$746	\$756	\$770	\$785	\$799	\$814
Local	\$980	\$985	\$1,068	\$1,140	\$1,468	\$1,617	\$1,970	\$2,133	\$2,250	\$2,371
Other Income	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$32	\$33

1. Revenue hours increase based on service plans described in Chapter 4
2. FY19 O&M costs based on FY19 actuals. FY20-FY28 O&M costs based on 3% inflation rate
3. Required additional local dollars reflect the difference between the projected local funding for a given year and the FY19 local funding inflated to the future year
4. State funding levels for FY19 and FY20 are actuals, after which growth is assumed consistent with DRPT's SYIP (2021=1.59%, 2022=2.11%, 2023=1.14%, 2023=1.33%); Growth in state funding from FY25-FY28 is assumed to be the average annual growth from FY20-FY24 (1.9%).
5. State funding identified in this table are projections and subject to change
6. Federal funding remains constant based upon previous funding allocations
7. Farebox revenues assumed to increase based on increasing ridership described in Chapter 4
8. Advertising and other income assumed to increase at the rate of inflation (3%)
9. Local funding captures remaining amount of funds required
10. All costs in \$1,000s



Table 6-4. Projected Operating Cost for Service Additions (\$1000s, YOES)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Existing System</b>										
Fixed Route Revenue Hours	52,466	52,466	52,466	52,466	52,466	52,466	52,466	52,466	52,466	52,466
Paratransit Revenue Hours	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108
Existing Operating Costs (in YOES)	\$3,074	\$3,166	\$3,261	\$3,359	\$3,460	\$3,564	\$3,671	\$3,781	\$3,894	\$4,011
<b>Service Additions</b>										
Additional Revenue Hours (yearly improvement)					2,550	510	2,550	510		
Additional Operating Cost (yearly improvement by YOES)					\$248	\$51	\$263	\$54		
Cumulative Fixed Route Operating Cost (in YOES)					\$248	\$306	\$578	\$650	\$669	\$689
<b>Totals</b>										
Total Revenue Hours	59,574	59,574	59,574	59,574	62,124	62,634	65,184	65,694	65,694	65,694
Total Operating Cost (YOES)	\$3,074	\$3,166	\$3,261	\$3,359	\$3,708	\$3,870	\$4,249	\$4,430	\$4,563	\$4,700

1. Costs are stated in year of expenditure dollars, with the assumed escalation factors of 3% per year
2. Operational changes include only the changes that incur additional operating costs
3. All costs in \$1,000s

## 6.2 Vehicle Purchase Costs and Funding Sources

The anticipated costs of vehicle procurement are driven by the implementation plan presented in Chapter 5. PAT's vehicle replacement schedule calls for new vehicles every year and ranges from one to seven vehicles in any given year. Anticipated vehicle costs by year are shown in Table 6-5. On average, PAT's vehicle purchase costs are approximately \$480,000 annually (YOES). FY26 is expected to have the largest vehicle replacement costs at \$1,579,000 (YOES), with FY21 also a larger than average expenditure at \$902,700 (YOES). PAT will need to plan accordingly to absorb these larger than average expenditures.

Funding for vehicle purchase costs is expected to come from three sources: federal, state, and local. The composition of funding sources, in terms of percentages, is based on the following assumptions: 28% from federal, 68% from state, and 4% from local. Therefore, funding amounts will vary based on the vehicle replacement needs for each year outlined in Chapter 5.

It should be noted that, similar to the state operating assistance, the 2018 Virginia General Assembly reformed state capital assistance grant programs to include a prioritization process for allocating limited capital funds to the most critical projects. Under the new capital assistance prioritization process, which began in FY20, transit capital projects are classified into one of three categories:

- State of Good Repair (SGR)
- Minor Enhancement (MIN)
- Major Expansion (MAJ)

Each category of capital projects has its own scoring approach for prioritization. SGR projects are evaluated based on an asset condition score (age and mileage) and a service impact score (operating efficiency; frequency, travel time, and/or reliability; accessibility and/or customer experience; and safety and security). MIN projects are scored based on the service impact score alone. MAJ projects are scored based on congestion mitigation, economic development, accessibility, safety, environmental quality, and land use. For PAT, vehicle purchases will fall into the SGR classification and will be scored as such. Facility improvements and other capital cost projects will fall into the MIN category if the project cost is \$2 million or less and into the MAJ category if the project cost exceeds \$2 million. PAT anticipates that some of the construction funds for the new maintenance facility will come from CMAQ funding.



Table 6-5. Financial Plan for Funding Vehicle Purchases (\$1000s, YOES)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Vehicle Costs</b>										
Bus (<30-ft)	\$400.0	\$832.0	\$432.6	\$449.9	\$0.0	\$0.0	\$0.0	\$0.0	\$182.5	\$189.8
Bus (30-ft)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,579.1	\$0.0	\$0.0
Paratransit Fleet	\$136.0	\$70.7	\$0.0	\$0.0	\$0.0	\$82.7	\$86.0	\$0.0	\$93.1	\$0.0
Support Vehicle Fleet	\$0.0	\$0.0	\$0.0	\$0.0	\$146.3	\$0.0	\$0.0	\$0.0	\$0.0	\$118.7
<b>Total Vehicle Costs</b>	<b>\$536.0</b>	<b>\$902.7</b>	<b>\$432.6</b>	<b>\$449.9</b>	<b>\$146.3</b>	<b>\$82.7</b>	<b>\$86.0</b>	<b>\$1,579.1</b>	<b>\$275.5</b>	<b>\$308.5</b>
<b>Anticipated Funding Sources</b>										
Federal	\$150.1	\$252.8	\$121.1	\$126.0	\$41.0	\$23.2	\$24.1	\$442.2	\$77.2	\$86.4
State	\$364.5	\$613.8	\$294.2	\$306.0	\$99.5	\$56.3	\$58.5	\$1,073.8	\$187.4	\$209.8
Local	\$21.4	\$36.1	\$17.3	\$18.0	\$5.9	\$3.3	\$3.4	\$18.3	\$29.2	\$30.5

1. Vehicle costs identified in Chapter 5 of the TDP
2. Vehicle purchases assume 28% funding through FTA (Section 5339 program), 68% funding from State, and the remaining 4% funding from local government
3. The local match for purchase of 30-ft buses in FY26 are expected to be financed at a financial institution, with an anticipated principal of \$63,165, a four-year repayment period, monthly payment structure, and an 8% interest rate. Costs for this financing are reflected in FY26-28 in this table.
4. All costs in \$1,000s

### **6.3 Facility Improvement and Other Capital Costs and Funding Sources**

In addition to vehicle costs, PAT has capital needs to improve facilities, passenger amenities, and technology improvements over the course of the TDP life cycle. Table 6-6 shows these anticipated capital cost by category by year, as well as anticipated revenue from federal, state, and local funding sources. The greatest need occurs in FY25, where \$1,207,000 would be needed, primarily due to the 10% local match needed for construction of the bus maintenance facility. The next greatest need occurs in FY24, when the design and engineering of the bus maintenance facility is anticipated.

As with vehicle purchase costs, the facility improvements and other capital costs are accounted for by a combination of federal, state, and local dollars. Also, similar to the vehicle purchase costs, the funding for these capital costs is expected to remain at a split of 28% federal, 68% state, and 4% local, with state funding tied to project prioritization scores. The maintenance facility, however, does not follow the same funding split. The feasibility study for the maintenance facility will likely come from a planning grant with 50% funding from state and 50% funding from local dollars. The construction of the maintenance facility includes a \$3.0M from CMAQ, with the specific funding sources for the remainder of the cost assumed to be supplied with 90% funding from the Federal government and 10% funding from local dollars.



Table 6-6. Financial Plan for Funding Facility Improvement and other Capital Costs (\$1000s, YOES)

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
<b>Anticipated Costs</b>										
<b>Facilities</b>										
Rehab/Renovation of Admin Building				\$100.0						
Feasibility study for Maintenance Facility					\$40.0					
Design & Engineering of Maintenance Facility						\$500.0				
Construction of Maintenance Facility							\$20,000.0			
Purchase Shop Equipment			\$53.0		\$101.3		\$107.5			
<b>Passenger Amenities</b>										
Signs			\$33.0							
Shelters			\$40.0							
Benches			\$17.0		\$20.0		\$37.0			
<b>Technology</b>										
ADP Hardware				\$30.0			\$30.0			
Radios						\$20.0				
Security Cameras		\$10.0								
<b>Total</b>	\$0.0	\$10.0	\$143.0	\$130.0	\$161.3	\$520.0	\$20,174.5	\$0.0	\$0.0	\$0.0
<b>Anticipated Funding Sources</b>										
Federal	\$0.0	\$2.8	\$40.1	\$36.4	\$34.0	\$145.6	\$18,048.9	\$0.0	\$0.0	\$0.0
State	\$0.0	\$6.8	\$97.3	\$88.4	\$102.5	\$353.6	\$118.6	\$0.0	\$0.0	\$0.0
Local	\$0.0	\$0.4	\$5.7	\$5.2	\$24.9	\$20.8	\$1,707.0	\$0.0	\$0.0	\$0.0

1. Facility improvement costs identified in Chapter 5 of TDP
2. The feasibility study for the maintenance facility is anticipated to be 50% state funded and 50% locally funded
3. Construction of the bus maintenance facility assumes a cost of \$20,000,000, the upper end of the range. Funding sources include a \$3.0M CMAQ grant, with the rest of the cost assumed to be provided by 90% Federal funding and 10% local match.
4. All capital and facility purchases (with the exception of the maintenance facility) assume 28% funding through FTA (Section 5339 program), 68% funding from State, and the remaining 4% funding from local government
5. All costs in \$1,000s



## APPENDIX A: Fleet

### Fixed Route Fleet

PAT Vehicle Number	Manufacturer	Type	Year	Seating Capacity	Fuel Type	VIN	Useful Life <sup>1</sup>			Mileage <sup>2</sup>	Replacement Year
							Category	Years	Miles		
624	Gillig	30-ft Bus	2007	29	Diesel	15GGE291X71091265	Small heavy-duty bus	10	350,000	445,506	2019
625	Gillig	30-ft Bus	2007	29	Diesel	15GGE291171091266	Small heavy-duty bus	10	350,000	395,855	2019
626	Gillig	30-ft Bus	2007	29	Diesel	15GGE291371091267	Small heavy-duty bus	10	350,000	397,747	2019
627	Gillig	30-ft Bus	2007	29	Diesel	15GGE291571091268	Small heavy-duty bus	10	350,000	387,628	2020
628	Gillig	30-ft Bus	2007	29	Diesel	15GGE291371091270	Small heavy-duty bus	10	350,000	479,813	2020
629	Gillig	30-ft Bus	2007	29	Diesel	15GGE291771091269	Small heavy-duty bus	10	350,000	492,413	2020
630	Gillig	30-ft Bus	2007	29	Diesel	15GGE291971091273	Small heavy-duty bus	10	350,000	412,956	2020
631	Gillig	30-ft Bus	2007	29	Diesel	15GGE291571091271	Small heavy-duty bus	10	350,000	435,214	2020
632	Gillig	30-ft Bus	2007	29	Diesel	15GGE291771061272	Small heavy-duty bus	10	350,000	323,806	2020
701	Gillig	35-ft Bus	2013	32	Diesel	15GGB2719D1182504	Large heavy-duty bus	12	500,000	144,989	2026
700	Gillig	35-ft Bus	2013	32	Diesel	15GGB2710D1182505	Large heavy-duty bus	12	500,000	135,451	2026
703	Gillig	35-ft Bus	2013	32	Diesel	15GGB2712D1182506	Large heavy-duty bus	12	500,000	148,110	2022
702	Gillig	35-ft Bus	2013	32	Diesel	15GGB2714D1182507	Large heavy-duty bus	12	500,000	159,160	2022
718	Ford	E-450	2015	22	FLEX <sup>3</sup>	1FD4E4FSXFDA17364	Medium light duty bus	7	200,000	122,437	2021
719	Ford	E-450	2015	22	FLEX <sup>3</sup>	1FD4E4FS1FDA17365	Medium light duty bus	7	200,000	118,246	2021
720	Ford	E-450	2015	22	FLEX <sup>3</sup>	1FD4E4FS3FDA17366	Medium light duty bus	7	200,000	98,285	2022
721	Ford	E-450	2015	22	FLEX <sup>3</sup>	1FD4E4FS5FDA17367	Medium light duty bus	7	200,000	128,239	2021
726	Freightliner (Trolley)	30-ft Trolley	2016	29	Diesel	4UZADEU5GCHJ7567	Small heavy-duty bus	10	350,000	64,888	2027

1. Useful life based on DRPT Minimal Asset Useful Life Standards for FTA Grants
2. Mileage as of June 30, 2018
3. FLEX fuel is a combination of gasoline and propane



Paratransit Vehicle Fleet

PAT Vehicle Number	Manufacturer	Type	Year	Seating Capacity	Fuel Type	VIN	Useful Life <sup>1</sup>			Mileage <sup>2</sup>	Replacement Year
							Category	Years	Miles		
660	Ford	E-450	2011	14	FLEX <sup>3</sup>	1FD FE4FS2BDA09947	Light-duty vehicle	4	150,000	74,918	2019
661	Ford	E-450	2011	14	FLEX <sup>3</sup>	1FD FE4FS4BDA09948	Light-duty vehicle	4	150,000	93,757	2019
675	Chevrolet	2500	2012	14	FLEX <sup>3</sup>	1GB6G5BG7C1119616	Light-duty vehicle	4	150,000	87,255	2020
676	Chevrolet	2500	2012	14	FLEX <sup>3</sup>	1GB6G5BG9C1157168	Light-duty vehicle	4	150,000	103,467	2024
724	Ford	E-450	2016	14	FLEX <sup>3</sup>	1FEFE4FS9GDC03947	Light-duty vehicle	4	150,000	59,844	2025
725	Ford	E-450	2016	14	FLEX <sup>3</sup>	1FD FE4FS2GDC03949	Light-duty vehicle	4	150,000	56,996	2027
731	Ford	E-450	2017	14	Gasoline	1FD FE4FS1HDC01496	Light-duty vehicle	4	150,000	70,061	
730	Ford	E-450	2017	14	Gasoline	1FD FE4FS3HDC01497	Light-duty vehicle	4	150,000	38,675	

1. Useful life based on DRPT Minimal Asset Useful Life Standards for FTA Grants
2. Mileage as of June 30, 2018
3. FLEX fuel is a combination of gasoline and propane



Support Vehicle Fleet

PAT Vehicle Number	Manufacturer	Type	Year	Seating Capacity	Fuel Type	VIN	Useful Life <sup>1</sup>			Mileage <sup>2</sup>	Replacement Year
							Category	Years	Miles		
433	GMC	4500	1997	3	Diesel	1GDJ7H1J1VJ501806	Light-duty vehicle	4	100,000	18,387	2023
527	Dodge	1500	2002	3	Gasoline	1D7HA16K12J183054	Light-duty vehicle	4	100,000	204,177	2023
640	Chevrolet	2500	2009	3	Gasoline	1GCEC19069Z251653	Light-duty vehicle	4	100,000	94,189	2028
722	Ford	E-450 Snow Plow	2015	5	Diesel	1FDUF4HT0FEC90625	Light-duty vehicle	4	100,000	1,981	
568	Ford	SUV	2005	5	Gasoline	1FMDU72K16UA72785	Light-duty vehicle	4	100,000	134,552	2023
678	Ford	SUV	2013	5	Gasoline	1FM5K8B89DGA46713	Light-duty vehicle	4	100,000	48,931	2028
707	Ford	SUV	2014	5	FLEX <sup>3</sup>	1FM5K8B87EGC02409	Light-duty vehicle	4	100,000	35,608	
706	Ford	SUV	2014	5	FLEX <sup>3</sup>	1FM5K8B83EGC02410	Light-duty vehicle	4	100,000	26,480	
708	Ford	SUV	2014	5	FLEX <sup>3</sup>	1FM5K8B83EGC02438	Light-duty vehicle	4	100,000	33,452	
723	Jeep	SUV	2014	5	Gasoline	1C4NJCBA2ED925079	Light-duty vehicle	4	100,000	44,608	
728	Ford	F-150	2016	3	Gasoline	1FTMF1E85GKD82499	Light-duty vehicle	4	100,000	27,334	
729	Ford	F-150	2016	3	Gasoline	1FTMF1E85GKD82500	Light-duty vehicle	4	100,000	14,265	

1. Useful life based on DRPT Minimal Asset Useful Life Standards for FTA Grants
2. Mileage as of June 30, 2018
3. FLEX fuel is a combination of gasoline and propane

## Appendix B: Three-Year Retrospective of Finances

### Three-Year Retrospective of Operating Revenues

Fiscal Year	Farebox Revenue	Federal	State	Local	Other	Total
FY16	\$470,652	\$1,219,013	\$549,439	\$298,163	\$272,216	\$2,809,483
FY17	\$425,077	\$881,036	\$729,707	\$1,168,372	\$46,044	\$3,250,236
FY18	\$393,426	\$620,763	\$840,618	\$1,544,074	\$32,460	\$3,431,341

### Three-Year Retrospective of Capital Revenues

Fiscal Year	Federal	State	Local	Other	Total
FY16	\$555,237	\$238,776	\$160,953	\$0	\$954,966
FY17	\$515,751	\$86,400	\$118,438	\$0	\$720,589
FY18	\$24,617	\$0	\$0	\$14,202	\$38,819

### Three-Year Retrospective of Operating and Capital Expenses

Fiscal Year	Operating Expenses			Capital Expenses		
	Fixed Route	Paratransit	Total	Fixed Route	Paratransit	Total
FY16	\$1,966,638	\$842,845	\$2,809,483	\$954,966	\$0	\$954,966
FY17	\$3,122,888	\$127,348	\$3,250,236	\$720,589	\$0	\$720,589
FY18	\$3,263,919	\$167,422	\$3,431,341	\$38,819	\$0	\$38,819