

Colonial Heights

City Council Regular Meeting

March 8, 2022

Colonial Heights City Council Meeting

March 8, 2022



- 1. Call to Order**
- 2. Roll Call**
- 3. Devotion – The Honorable T. Gregory Kochuba**
- 4. Pledge of Allegiance**
- 5. Adoption of Agenda**
- 6. Declarations of Personal Interest**

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7. **Commendations And Presentations:**

A. ***A PROCLAMATION***

Designating March 20-26, 2022 as “DeMolay Week” in the City of Colonial Heights, Virginia.

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8. Reading of Manner Addressing Council

ANY MEMBER OF THE PUBLIC addressing the Council shall approach the lectern, give his name and address in an audible tone of voice for the record, **AND ADDRESS THE COUNCIL AS A BODY RATHER THAN SPEAK TO ANY MEMBER.** Unless further time is granted by the Council, **ANY MEMBER OF THE PUBLIC** shall address the Council for a maximum of five (5) minutes, regardless of the number of issues he desires to discuss. **PROVIDED** however, that the main proponent of any application, petition, or plan that is the subject of a public hearing shall be allowed to address the Council initially for a maximum of ten (10) minutes and later in rebuttal for a maximum of three (3) minutes.

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9. Written Petitions and Communications By Members of the Public and Council Members

None

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10. Advertised Public Hearings

A. A RESOLUTION NO 22-8

A Resolution of the City Council of the City of Colonial Heights, Virginia Authorizing the Issuance of General Obligation Public Improvement and Refunding Bonds, Series 2022.

\$6 Million in Project Fund – Impact on Debt Service

- Below is an analysis comparing the potential savings achieved by a refunding (shaded green) vs. the new debt service from a City general purpose borrowing with \$6 million total in new money projects
- The savings reflects a frontloaded structure and assume an equity contribution matching FY2022 savings (\$287k)
- Frontloaded savings maximize savings through FY2027 and then are marginal after, as a way to smooth the City's aggregate debt service

| Summary of Issuance | |
|---------------------|---|
| Delivery Date | 4/26/2022 |
| Final Maturity | 12/1/2041 |
| Project Fund | \$6,000,000 |
| Total Par Amount | \$20,575,000 |
| Equity Contribution | \$286,918 |
| Refunded Maturities | All callable maturities for 2012 and 2018 |
| Refunded Par | \$18,025,000 |
| NPV Savings (\$) | \$911,182.15 |
| NPV Savings (%) | 5.06% |

| Annual Cash Flow | | | |
|------------------|---------------------|-----------------------------|------------------------------|
| | Frontloaded Savings | New Money DS (With Schools) | Net Increase in Debt Service |
| 6/30/2022 | \$0 | \$0 | \$0 |
| 6/30/2023 | \$203,064 | \$444,931 | \$241,867 |
| 6/30/2024 | \$199,833 | \$446,000 | \$246,167 |
| 6/30/2025 | \$204,673 | \$450,125 | \$245,452 |
| 6/30/2026 | \$205,936 | \$443,750 | \$237,814 |
| 6/30/2027 | \$208,570 | \$446,875 | \$238,305 |
| 6/30/2028 | \$12,727 | \$449,250 | \$436,523 |
| 6/30/2029 | \$4,196 | \$450,875 | \$446,679 |
| 6/30/2030 | \$8,162 | \$446,875 | \$438,713 |
| 6/30/2031 | \$4,625 | \$447,250 | \$442,625 |
| 6/30/2032 | \$4,000 | \$446,875 | \$442,875 |
| 6/30/2033 | \$2,761 | \$450,625 | \$447,864 |
| 6/30/2034 | \$4,185 | \$448,500 | \$444,315 |
| 6/30/2035 | \$1,259 | \$450,500 | \$449,241 |
| 6/30/2036 | \$0 | \$446,625 | \$446,625 |
| 6/30/2037 | \$0 | \$446,875 | \$446,875 |
| 6/30/2038 | \$0 | \$143,875 | \$143,875 |
| 6/30/2039 | \$0 | \$143,000 | \$143,000 |
| 6/30/2040 | \$0 | \$141,875 | \$141,875 |
| 6/30/2041 | \$0 | \$145,375 | \$145,375 |
| 6/30/2042 | \$0 | \$143,500 | \$143,500 |
| Total | \$1,063,989 | \$7,433,556 | \$6,369,567 |

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10. Advertised Public Hearings

B. A RESOLUTION NO 22-7

A Resolution to acquire by condemnation, if necessary, certain portions of Parcel Identification Numbers 50000200038, 50000200039, and 50000200044 in fee simple together with certain easements for the Westover Avenue Intersection Modernization and Improvement Project.

Exhibit A

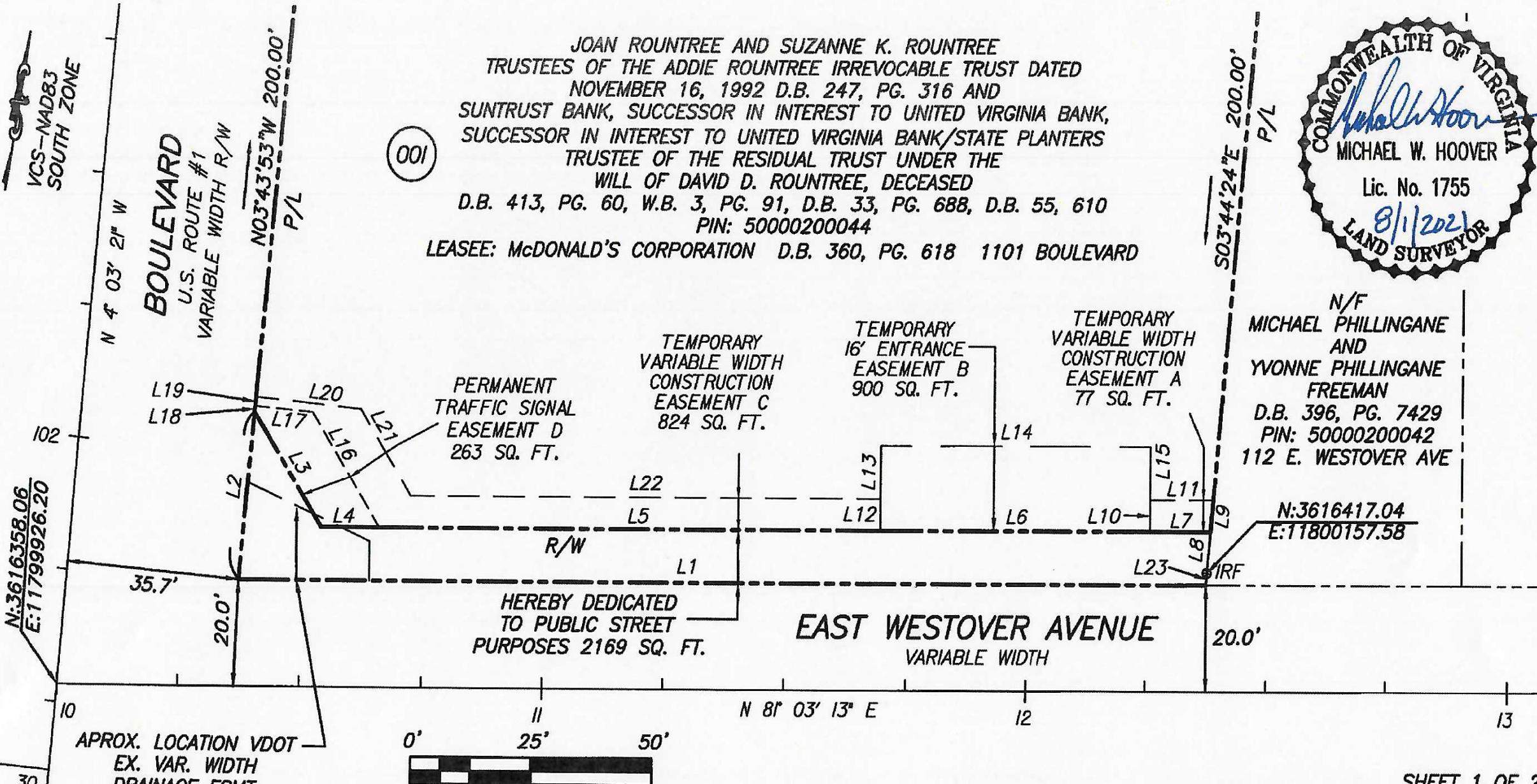


Exhibit B

Map
SOUTH ZONE
VCS-NAD83

| LINE TABLE | | |
|------------|---------------|----------|
| LINE | BEARING | DISTANCE |
| L1 | N 08°56'47" W | 6.00' |
| L2 | N 08°56'47" W | 10.00' |
| L3 | N 81°03'13" E | 50.00' |
| L4 | S 08°56'47" E | 10.00' |
| L5 | S 08°56'47" E | 6.00' |
| L6 | N 81°03'13" E | 50.00' |

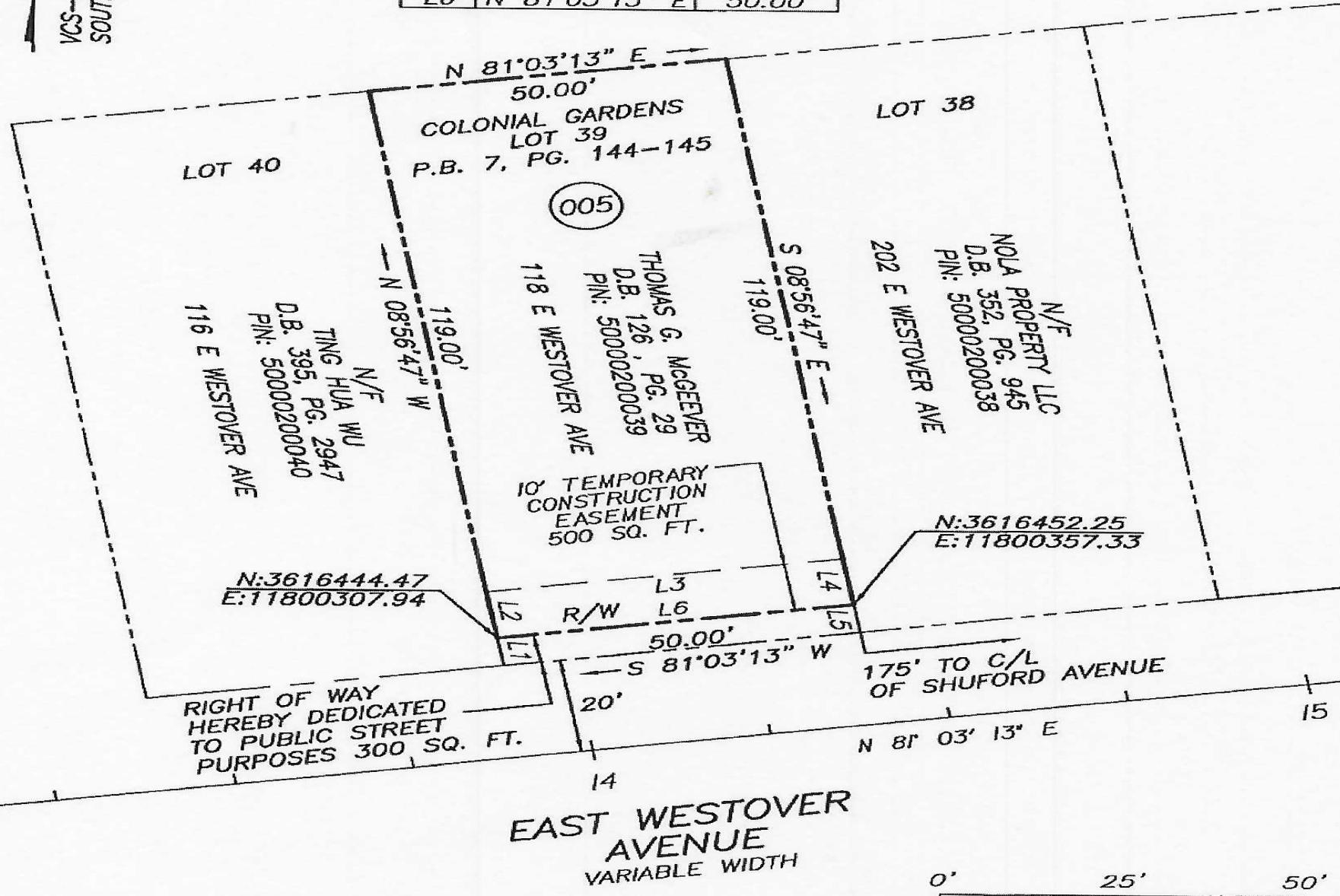
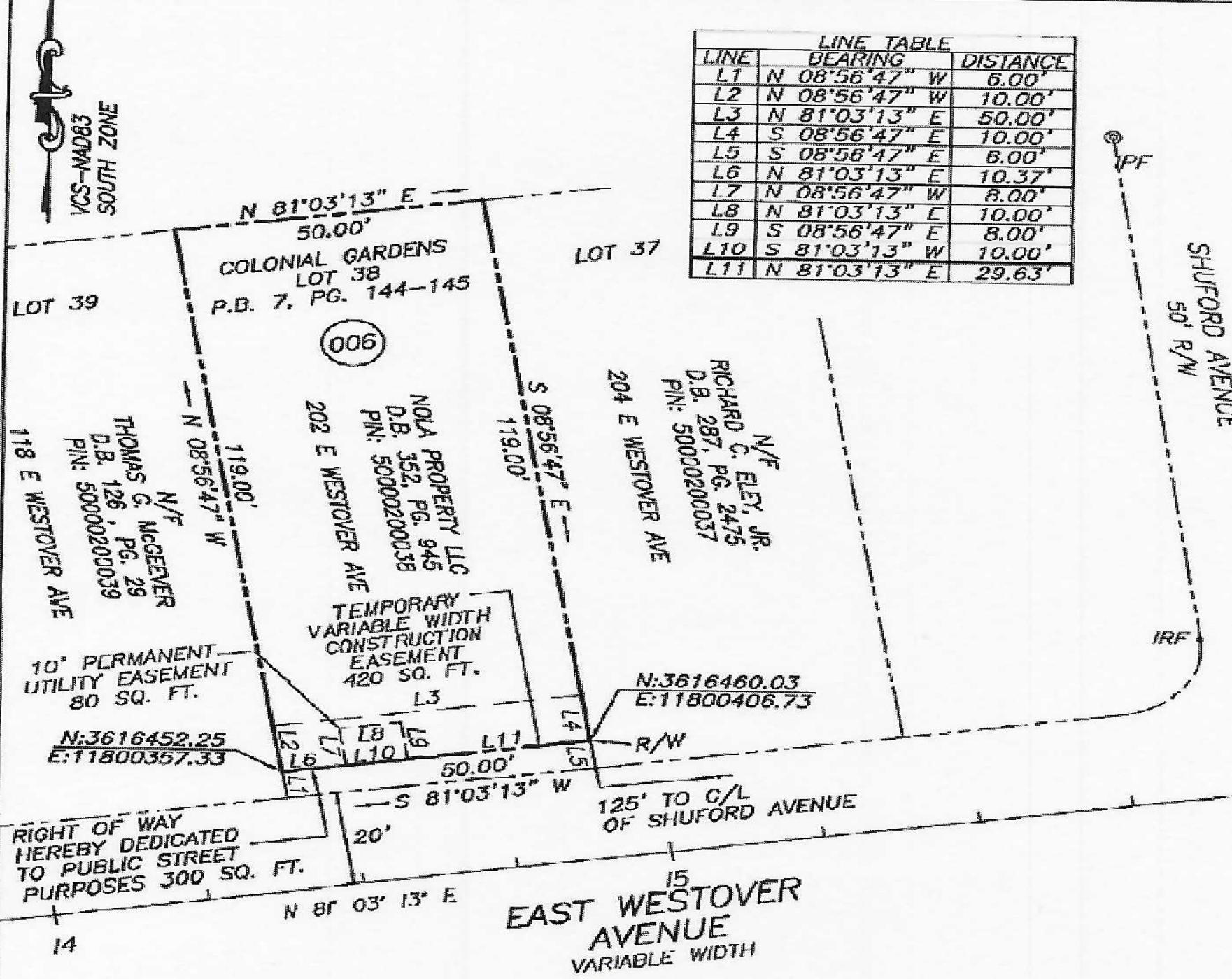


Exhibit C



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10. Advertised Public Hearings

C. AN ORDINANCE NO 22-1

(First Reading) To grant a special exception permit to Southpark Mall CMBS LLC to permit multi-family residential apartments at the site of the former Sears Building located at Southpark Circle, also known as parcel identification number 68204700013, which is zoned GB – General Business District.

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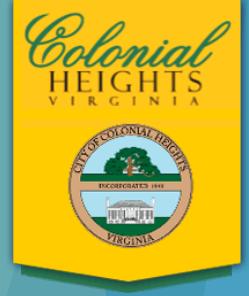
10. Advertised Public Hearings

D. AN ORDINANCE NO 22-2

(First Reading) To grant a special use permit to Southpark Mall CMBS LLC, located at Southpark Circle, also known as parcel identification number 68204700013, and zoned GB – General Business, to allow the redevelopment of the former Sears Building into multi-family residential apartments.

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11. Hearing of Citizens Generally on Non-Agenda Items

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12. Introduction And Consideration Of Ordinances And Resolutions:

A. AN ORDINANCE NO 22-FIN-2

(Second Reading) To amend the General Fund Budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022, by appropriating \$32,300, consisting of 1) \$1,200 in assigned fund balance to Water and Sewer; 2) \$26,000 in assigned facility fund balance for the Courthouse HVAC Software upgrade; and 3) \$5,100 in donations to the Sheriff's Department.

To amend the Water and Sewer Fund Budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022, by appropriating \$125,712, consisting of 1) \$124,512 in refund from the South Central Wastewater Authority (SCWA) for emergency repairs of Crestwood Drive sewer lines; and 2) \$1,200 transferred from the General Fund Assigned Balance.

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12. Consideration of Uncontested Minutes, Ordinances, Resolutions, and Motions in Accordance with the Consent Agenda

- B. February 8, 2022 Special Meeting Minutes***
- C. February 8, 2022 Regular Meeting Minutes***
- D. February 15, 2022 Special Meeting Minutes***
- E. February 24, 2022 Special Meeting Minutes***

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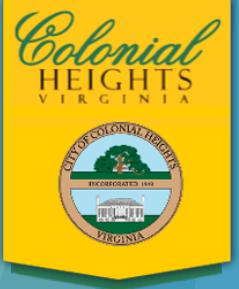
13. Unfinished Business, Contested Ordinances And Resolutions, And Items Removed From The Consent Agenda

A. AN ORDINANCE NO. 22-FIN-3

(First Reading) To amend the General Fund Budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022, by appropriating \$7900, consisting of 1) \$7,500 in E-Citation funds to the Police Department; and 2) \$400 in donations to the Library.

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14. Unfinished Business, Contested Ordinances And Resolutions, And Items Removed From The Consent Agenda

None

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15. Reports of Officers and Documents Related Thereto:

A. *City Manager*

1. General Activity Report

Dates of Interest

| <u>March 2022</u> | <u>April 2022</u> | <u>May 2022</u> |
|--|--|--|
| <u>March 15th (6:00 pm)</u> - City Council Special Meeting - Council Chambers (Tentative) | <u>April 5th (7:00 pm)</u> - Planning Commission Meeting - Council Chambers | <u>May 3rd (7:00 pm)</u> - Planning Commission Meeting - Council Chambers (Tentative) |
| | <u>April 12th (7:00 pm)</u> - City Council Regular Meeting-Council Chambers | <u>May 10th (7:00 pm)</u> - City Council Regular Meeting- Council Chambers |
| | <u>April 19th (6:00 pm)</u> - City Council Special Meeting - Council Chambers | <u>May 17th (6:00 pm)</u> - City Council Special Meeting - Council Chambers |

CITY HOLIDAYS

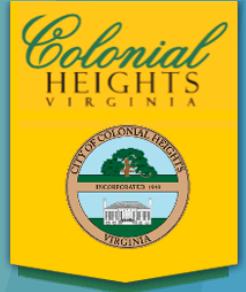
- April –
 - Friday, April 15th – (Government Offices Closed)
- May –
 - Monday, May 30th – (Government Offices Closed)

CITY ACTIVITIES/EVENTS

- Tri-Cities Home and Garden Show (March 25-27, 2022 at Keystone Truck and Tractor Museum)
- Kids Fun Day (Sunday, April 24, 2022 from 1:00pm-3:00pm at White Bank Park)
- 2022 Fort Clifton Festival (May 7&8, 2022 from 10:30am-5:00pm)

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15. **Reports of Officers and Documents Related Thereto cont.:**

B. City Attorney

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15. Reports of Officers and Documents Related Thereto cont.:

C. Director Of Planning And Community Development

1. Planning Boards And Commissions Summary

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16. Adjournment



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ORDINANCE NO. 22-01: Southpark Mall: First Reading

To grant a special exception permit to Southpark Mall CMBS LLC to permit multi-family residential apartments at the site of the former Sears Building located at Southpark Circle, also known as parcel identification number 68204700013, which is zoned GB – General Business District.

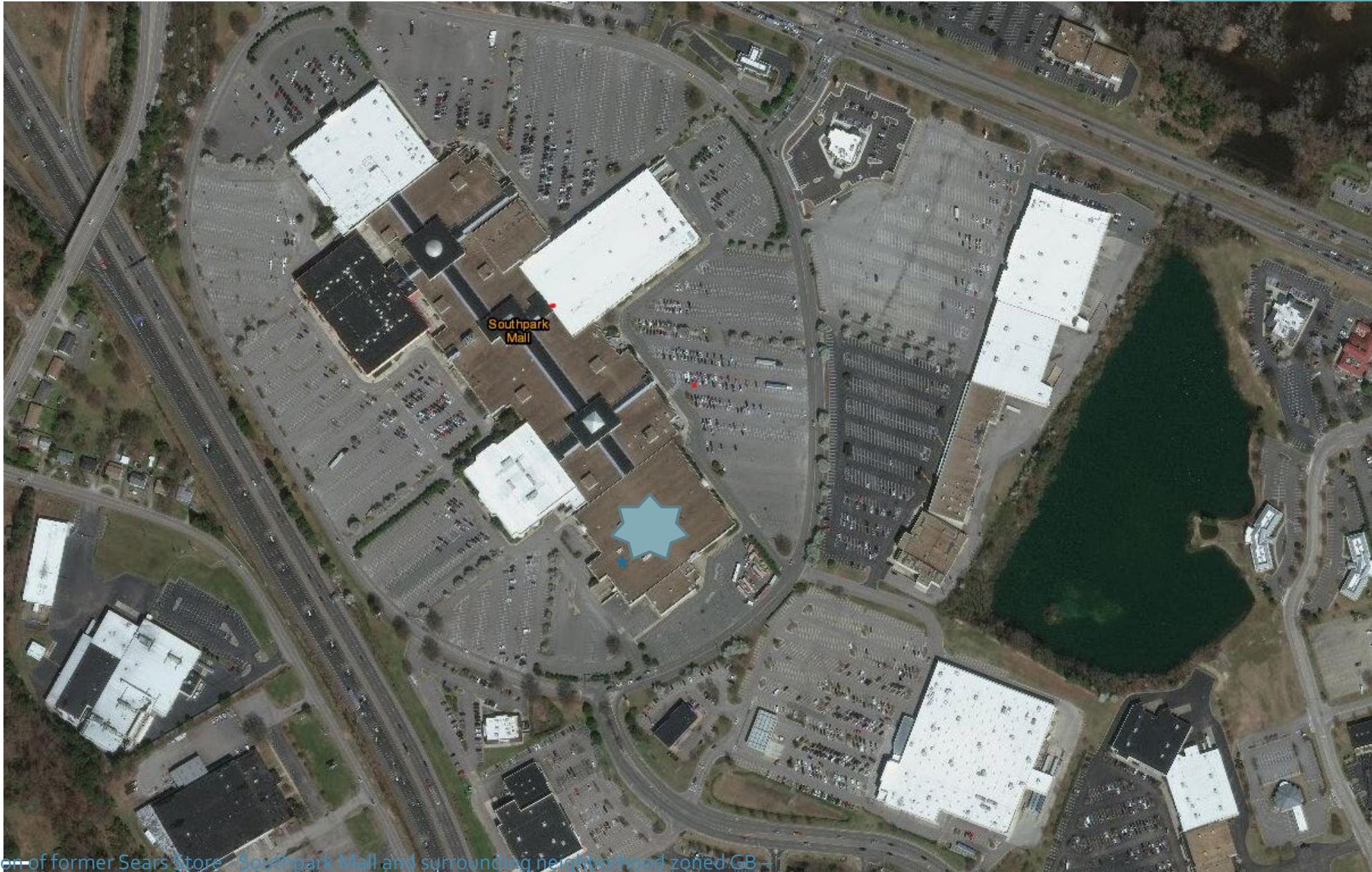
Ord No. 22-01: Location of former Sears Building Southpark Circle





Project data:
4 – Story Apartments
280 units
1,100 sq. ft. avg.
454 parking spaces.

This project does not
propose any tax
incentives and will be
seeking market rate
financing.



Location of former Sears Store - Southpark Mall and surrounding neighborhood zoned GB –
General Business

Special Exception Permit – Reason for Request:

The City's Zoning Ordinance allows multi-family dwellings in the General Business District, subject to obtaining a special exception permit, in addition to complying with additional, modified or more stringent standards as listed in Article V, Use and Design Standards.

In accordance with the City's Zoning Ordinance §286-622.02 - Special Exception Permits General Standards, the City Council has the authority to issue a special exception permit subject to the following:

1. Conformance with Article IV, Use and Design Standards;
2. Conformance with the City comprehensive plan; and
3. Minimum adverse impact on the surrounding neighborhood or community. Adverse impacts shall be evaluated with consideration to items such as, but not limited to, traffic congestion, noise, lights, dust, drainage, water quality, air quality, odor, fumes and vibrations. In considering impacts, consideration shall be given to the timing of the operation, site design, access, screening, and other matters that might be regulated to mitigate adverse impacts.

Planning Commission Recommendation: Planning Commission voted 7- 0 at their January 4, 2022 meeting to approve Planning Commission Resolution No. 22-1, recommending approval of the special exception permit to City Council.

Staff Recommendation: Staff recommends that City Council approve Ordinance No. 22-1 to grant the special exception request subject to the following conditions:

1. The development shall be in substantial accord with the concept/site plan, prepared by Poole & Poole Architecture LLC; and
2. A site plan will be required for the development, which complies with all other City standards and specifications.

Questions for Staff:

The application will be represented by the applicant, Mr. Shane Burnette and Architect Dave Kelley. Mr. Lewis Hilton, property owner, is also in attendance.

ORDINANCE NO. 22-02 – Southpark Mall: First Reading

To grant a special use permit to Southpark Mall CMBS LLC, located at Southpark Circle, also known as parcel identification number 68204700013, and zoned GB – General Business, to allow the redevelopment of the former Sears Building into multi-family residential apartments.

Ord No. 22-02: Location of former Sears Building Southpark Circle





Project data:
4 – Story Apartments
280 units
1,100 sq. ft. avg.
454 parking paces

Special Use Permit – Reason(s) for Request:

The special use permit is needed to allow multi-family residential dwellings in the GB – General Business District without complying with the following City Code provisions:

1. Section 286-404.20 D (1): The multi-family use shall be allowed only in the same structure as, and in conjunction with, an associated civic, office or commercial use type; and
2. Section 286-404.20 D (2): The civic, office or commercial use type must occupy at least 50% of the gross floor area of the structure.

The applicants cannot meet the above conditions in the GB – General Business District as the multi-family units will be stand-alone structures and not located in the same structure as, and in conjunction with, any civic, office or commercial use type. There are no civic, office or commercial use types associated with the proposal.

Planning Commission Recommendation: Planning Commission voted 7-0 at their January 4, 2022 meeting to approve Planning Commission Resolution No. 22-2, recommending approval of the special use permit to City Council.

Staff Recommendation: Staff recommends that City Council approve Ordinance No. 22-2 to grant the special use permit request subject to the following conditions:

1. The development shall be in substantial accord with the concept/site plan, prepared by Poole & Poole Architecture LLC; and
2. A site plan will be required for the development, which complies with all other City standards and specifications.

Questions for Staff:

The application will be represented the applicant, Mr. Shane Burnette and Architect Dave Kelley. Mr. Lewis Hilton, property owner, is also in attendance.



Colonial Heights, VA

Series 2022 Bond Issuance Overview

February 3, 2022

PFM Financial
Advisors LLC

3200 Lauderdale Drive
Suite 102
Richmond, VA 23233

804.780.2850
pfm.com

Summary of Series 2022 Issuance

- ▶ Under current market conditions with a 25bps cushion, the preliminary sizing for Series 2022 indicates \$18.79 million of par and \$3.667 million of premium, for a total of \$22.743 million of proceeds
- ▶ This produces NPV savings of \$1.01 million (5.6%) assuming frontloaded savings on the refunding component, level debt service on the new money component and a first principal and interest payment of 12/1/2022
- ▶ The refunding component currently includes all callable maturities of Series 2012 and Series 2018

| Series 2022 Preliminary Summary | | | | |
|---------------------------------|---|--------------------------------|---------------------|------------------|
| | New Money Component General Purposes | New Money Component Schools | Refunding Component | Total |
| Par Amount (\$) | \$1.485 million | \$1.8 million | \$15.505 million | \$18.79 million |
| True Interest Cost (%) | 2.21% | 2.66% | 1.73% | 1.99% |
| Refunded Par (\$) | | | \$18.025 million | \$18.025 million |
| NPV Savings (\$) | | | \$1.01 million | \$1.01 million |
| NPV Savings (%) | | | 5.6% | 5.6% |

1. Assumes market conditions as of February 2, 2021 + 25 basis points.
2. Assumed delivery date of April 26, 2021
3. Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond
4. New money project fund of \$3,968,088

Effect of Additional Schools New Money Component

- Below is an analysis comparing the potential savings achieved by a refunding (shaded green) vs. the new debt service from a City general purpose borrowing without (no shading) or with additional school needs (red shading)
- The savings reflects a frontloaded structure and assume an equity contribution matching FY2022 savings (\$287k)
- Frontloaded savings maximize savings through FY2027 and then are marginal after, as a way to smooth the City's aggregate debt service

| Summary of Options | | |
|----------------------------|---|--------------|
| | Without Schools | With Schools |
| Delivery Date | 4/26/2022 | 4/26/2022 |
| Final Maturity | 12/1/2036 | 12/1/2041 |
| Project Fund | \$1,780,000 | \$3,968,088 |
| Total Par Amount | \$16,990,000 | \$18,790,000 |
| Equity Contribution | \$286,918 | |
| Refunded Maturities | All callable maturities for 2012 and 2018 | |
| Refunded Par | \$18,025,000 | |
| NPV Savings (\$) | \$1,008,929 | |
| NPV Savings (%) | 5.60% | |

| Annual Cash Flow | | | |
|------------------|---------------------|---------------------------|-----------------------------|
| | Frontloaded Savings | New Money DS (No Schools) | New Money DS (With Schools) |
| 6/30/2022 | \$0 | \$0 | \$0 |
| 6/30/2023 | \$211,779 | \$139,969 | \$282,594 |
| 6/30/2024 | \$207,958 | \$139,500 | \$280,875 |
| 6/30/2025 | \$212,548 | \$140,875 | \$284,375 |
| 6/30/2026 | \$213,561 | \$142,000 | \$282,500 |
| 6/30/2027 | \$215,945 | \$142,875 | \$285,250 |
| 6/30/2028 | \$14,977 | \$143,500 | \$287,500 |
| 6/30/2029 | \$11,321 | \$143,875 | \$284,375 |
| 6/30/2030 | \$15,037 | \$139,125 | \$281,000 |
| 6/30/2031 | \$16,125 | \$139,250 | \$282,250 |
| 6/30/2032 | \$19,875 | \$139,125 | \$283,000 |
| 6/30/2033 | \$8,136 | \$143,625 | \$288,125 |
| 6/30/2034 | \$4,435 | \$142,750 | \$287,625 |
| 6/30/2035 | \$6,384 | \$141,625 | \$286,625 |
| 6/30/2036 | \$0 | \$140,250 | \$285,125 |
| 6/30/2037 | \$0 | \$143,500 | \$288,000 |
| 6/30/2038 | \$0 | \$0 | \$143,875 |
| 6/30/2039 | \$0 | \$0 | \$143,000 |
| 6/30/2040 | \$0 | \$0 | \$141,875 |
| 6/30/2041 | \$0 | \$0 | \$145,375 |
| 6/30/2042 | \$0 | \$0 | \$143,500 |
| Total | \$1,158,079 | \$2,121,844 | \$4,986,844 |

1. Assumes market conditions as of February 2, 2021 + 25 basis points.

2. Assumed delivery date of April 26, 2021

3. Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond

* Negated by equity contribution

Existing and Projected Debt Service

- ▶ The chart below shows the City's existing debt by year
- ▶ Red indicates debt service that will be refunded by Series 2022 (as thus retired), and the green indicates additional debt service created by Series 2022 (both refunding and new money needs)

| Year | Debt Service | | | | | | Total after Series 2022 |
|--------------|---------------------|--------------------|--------------------|--------------------|--------------------------|---------------------|-------------------------|
| | Series 2012 | Series 2015_NM | Series 2015_Ref | Series 2016 | Series 2018 ¹ | Bank Loan | |
| 2022 | \$1,284,075 | \$232,400 | \$652,700 | \$110,781 | \$89,143 | \$0 | \$2,369,099 |
| 2023 | \$1,505,550 | \$279,250 | \$712,550 | \$847,038 | \$497,725 | \$2,074,090 | \$3,912,928 |
| 2024 | \$1,506,150 | \$280,450 | \$715,250 | \$847,688 | \$496,433 | \$2,075,500 | \$3,918,888 |
| 2025 | \$1,501,500 | \$281,550 | \$712,650 | \$847,738 | \$494,798 | \$2,068,125 | \$3,910,063 |
| 2026 | \$1,505,950 | \$281,550 | \$710,650 | \$843,713 | \$497,736 | \$2,072,625 | \$3,908,538 |
| 2027 | \$1,504,200 | \$280,250 | \$705,550 | \$846,563 | \$495,245 | \$2,068,750 | \$3,901,113 |
| 2028 | \$1,501,400 | \$278,800 | | \$843,113 | \$497,327 | \$2,271,250 | \$3,393,163 |
| 2029 | \$1,502,550 | \$277,200 | | \$845,063 | \$498,896 | \$2,274,500 | \$3,396,763 |
| 2030 | \$1,502,500 | \$280,450 | | \$844,213 | \$495,037 | \$2,263,500 | \$3,388,163 |
| 2031 | \$1,501,250 | \$278,400 | | \$847,500 | \$495,750 | \$2,263,125 | \$3,389,025 |
| 2032 | \$1,503,800 | \$281,200 | | \$844,394 | \$495,950 | \$2,262,875 | \$3,388,469 |
| 2033 | | \$278,700 | | | \$495,636 | \$775,625 | \$1,054,325 |
| 2034 | | \$281,050 | | | \$494,810 | \$778,000 | \$1,059,050 |
| 2035 | | \$278,100 | | | \$498,384 | \$778,625 | \$1,056,725 |
| 2036 | | | | | | \$285,125 | \$285,125 |
| 2037 | | | | | | \$288,000 | \$288,000 |
| 2038 | | | | | | \$143,875 | \$143,875 |
| 2039 | | | | | | \$143,000 | \$143,000 |
| 2040 | | | | | | \$141,875 | \$141,875 |
| 2041 | | | | | | \$145,375 | \$145,375 |
| 2042 | | | | | | \$143,500 | \$143,500 |
| Total | \$16,318,925 | \$3,869,350 | \$4,209,350 | \$8,567,800 | \$6,542,869 | \$25,317,340 | \$43,337,058 |

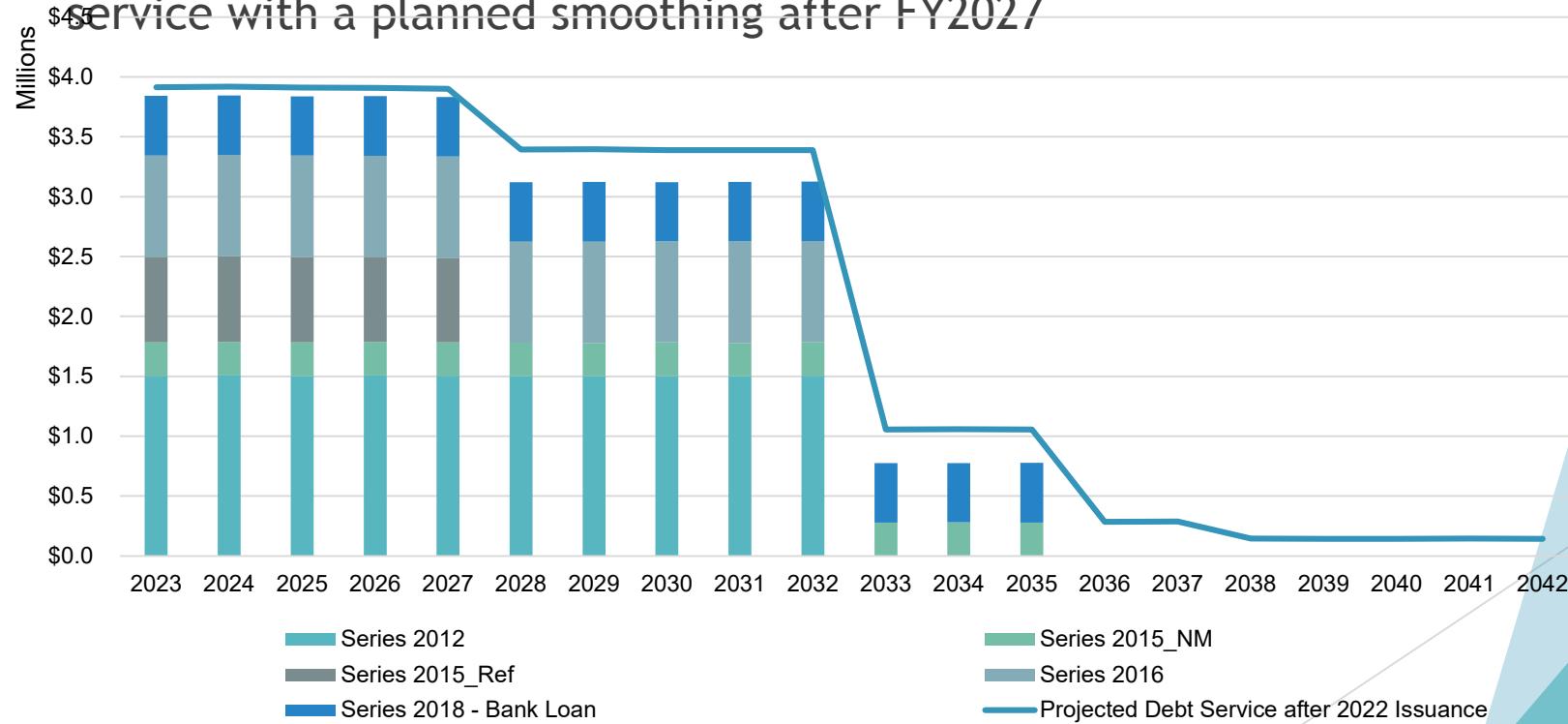
1. Assumes school component is included

2. FY 2022 debt service does not include payments prior to 2/1/22. Total annual debt service is approximately

3. \$3.91 million.

Existing and Projected Debt Service

- ▶ The graph below shows the City's aggregate debt service before and after the 2022 bond sale
- ▶ The bar shows current debt service, the line shows projected debt service with a planned smoothing after FY2027



1. Assumes school component is included