

WAYNESBORO, VIRGINIA CITY COUNCIL REGULAR BUSINESS MEETING MINUTES



Council for the City of Waynesboro, Virginia held a Regular Business Meeting on Monday, September 26, 2022 beginning at 7:10 p.m. in the Council Chambers, 503 W. Main Street, Waynesboro, Virginia, Mayor Henderson presiding and calling the meeting to order. This meeting was also viewable by accessing the City’s YouTube Channel and Government Access Channel.

- PRESENT:**
- Council Members:** Bobby Henderson, Mayor
Lana Williams, Vice Mayor
Bruce Allen, Council member
Sam Hostetter, Council member
Terry Short, Jr., Council member
 - City Staff:** Michael Hamp, City Manager
Todd Wood, Assistant City Manager - Operations
Michael Wilhelm Assistant City Manager – Public Safety
Cameron McCormick, Assistant City Manager – Finance
Julia Bortle, Clerk of the Council
David Shaw, Police Chief
Greg Hitchin, Economic Development Director
 - Guest:** Joe Keiper, Executive Director for the Virginia Museum of Natural History
 - Counsel:** Jason Ham, Esq., Litten & Sipe, LLC
- ABSENT:** None

CALL TO ORDER AND PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

Mayor Henderson called the meeting to order and asked Council member Allen to lead everyone in the Pledge of Allegiance to the Flag of the United States of America. The procedure for citizen comment period was explained.

Council member Allen moved to adopt the meeting agenda. Having been seconded and with no objections, the meeting agenda was adopted 5:0:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

Regular Business Meeting
Monday, September 26, 2022
Adopted October 12, 2022

MATTERS FROM THE MAYOR

The mayor and vice mayor attended the Sheetz grand opening last week, welcoming a second location in the city.

MATTERS FROM COUNCIL MEMBERS

Council member Short appreciated the Parks and Recreation Department and the civic organizations that participated and supported the Coyner Spring Kite Flying Festival on Saturday.

Council member Hostetter highlighted the grand opening to the South River Greenway from Port Republic to North Park. The grand opening celebration will be on Thursday, September 29 at 5:30 p.m. at the North Park shelter with parking available at North Park. He also provided his COVID-19 update, noting he is still wearing a mask and the area is still rated red by the CDC. New boosters are available along with flu shots.

Council member Allen asked what the purpose is for the ribbons along the greenway, and he was told a response would be provided.

APPROVAL OF CONSENT AGENDA MEETING MINUTES

Council member Short moved to adopt the September 12, 2022 work session and regular business meeting minutes as presented. Having been seconded and with no objections, the minutes were adopted 5:0:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

VIRGINIA MUSEUM OF NATURAL HISTORY UPDATE

The Economic Development Director introduced Dr. Keiper, Executive Director of the Virginia Museum of Natural History, who provided an update on the project, also available at their website, www.vmnh.com, under the project tab. An updated construction cost estimate will be provided to the Commonwealth. A request will then be made of the General Assembly to move to the capital pool for construction funding. The foundation will then begin the campaign to raise the matching funds of approximately \$2 million.

CLOSE AND VACATE APPROXIMATELY 1.06 ACRES OF UNIMPROVED STREETS AND ALLEYS TO THE EAST OF THE INTERSECTION OF ELKIN CIRCLE AND 11TH STREET

Council member Hostetter moved to accept the viewer's report and set a public hearing for Wednesday, October 12, 2022 regarding an application from William T. Elder to close and vacate approximately 1.06 acres of unimproved streets and alleys to the east of the intersection of Elkin Circle and 11th Street in Winchester Heights, between block 9 and 10. Having been seconded, and with no objections, the viewer's report was received and the public hearing was set, on an affirmative 5:0 vote:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

CONSIDER ADOPTING A RESOLUTION APPROVING A THIRD AMENDMENT TO THE PERFORMANCE AGREEMENT WITH KM HOTELS, L.L.C.

The Economic Development Director explained the reasons to consider an amendment to the agreement with KM Hotels that is building a new Holiday Inn Express on Chicurel Lane. The amendment changes the start date of the rebate period from January 2022 to no later than January, 2024. All other elements of the agreement remain in place. The rebate is for a portion of the construction and improvements of the public road leading to the hotel.

Council member Allen moved to adopt the resolution amending the agreement with KM Hotel. Having been seconded and with no objections, the resolution was adopted 5:0:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

RESOLUTION ^(R22-25)

AUTHORIZING THE CITY MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE PERFORMANCE AGREEMENT BETWEEN THE CITY OF WAYNESBORO, VIRGINIA, KM HOTELS, LLC, AND THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WAYNESBORO

WHEREAS, the City of Waynesboro, Virginia (the “City”), KM Hotels, LLC (the “Company”), and the Economic Development Authority of the City of Waynesboro (the “EDA”) entered into a Performance Agreement dated November 14, 2016, relating to the Company’s development of a mid-price chain hotel with approximately 90 rooms (the “Project”), and future development on the remaining acreage, on 101, 104, 105, 108, and 109 Chicurel Lane, off Windigrove Drive (the “Property”);

WHEREAS, the Parties entered into a First Amendment to the Performance Agreement on June 28, 2019, extending the rebate period start date to January 1, 2022;

WHEREAS, the Parties entered into a Second Amendment to the Performance Agreement in February, 2020, providing that the Company will construct the public road improvements;

WHEREAS, as a result of the COVID pandemic and resulting supply chain issues, the Company is requesting that the City and EDA extend the rebate period start date to the year following completion of the hotel, but no later than January 1, 2024;

WHEREAS, the Company began construction of the Project as soon as practical after the worst of the pandemic was over and the hospitality industry began to recover. The hotel is under construction with an estimated completion date in the second quarter of 2023;

WHEREAS, the Parties desire to enter a Third Amendment to the Performance Agreement to extend the rebate period start date;

WHEREAS, at the regular scheduled September 12, 2022 meeting, the EDA unanimously approved the amendment; and

WHEREAS, the City, the Company, and the EDA desire to enter the Third Amendment to the Performance Agreement, which is attached as Exhibit I hereto.

Regular Business Meeting
Monday, September 26, 2022
Adopted October 12, 2022

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Waynesboro, Virginia as follows:

1. The City manager is hereby authorized to execute the Third Amendment to the Performance Agreement between the City, KM Hotels, LLC, and the Economic Development Authority of Waynesboro, in substantially such form as attached hereto as Exhibit 1; and

2. The City Manager is hereby authorized to take any other actions that are deemed reasonable and necessary to effectuate the terms of the Third Amendment and/or this Resolution.

ADOPTED this 26th of September, 2022

ATTEST: _____
Clerk, City Council
City of Waynesboro, Virginia

Mayor, City Council
City of Waynesboro, Virginia

LIBRARY BOARD OF TRUSTEES APPOINTMENT

Ms. Emily Bardeen’s term on the Library Board of Trustees ended on August 31, 2022. Vice Mayor Williams moved to appoint Ms. Melissa Techman to the Library Board of Trustees to an unexpired four-year term ending August 31, 2025. Having been seconded and with no objections, the appointment was adopted 5:0:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

HISTORICAL COMMISSION APPOINTMENT

Mr. Duane Hill’s term on the Historical Commission ended on August 31, 2022. Vice Mayor Williams moved to appoint Ms. Veronica Bromann to the Waynesboro Historical Commission for a four-year term ending August 31, 2026. Having been seconded and with no objections, the appointment was adopted 5:0:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

COMMUNICATION, CORRESPONDENCE, CALENDAR

There is a called special meeting scheduled for Wednesday, September 28, 2022, and the city manager confirmed that there will be a quorum of council members present.

CITIZEN COMMENT PERIOD

Danny Ledford, Waynesboro: asked if there were plans to replace the trees along the recently opened portion of the South River Greenway around North Park that will help aid the trout habitat. He expressed concerns about public safety on the North Park area of the South River Greenway and the “tent city” in close proximity and the impact of it on the future Sunset Park.

Hashim Halstead, Waynesboro: asked about how he could help move city projects forward, and the mayor advised him to speak with council after the meeting, noting that there are boards and commissions that would help him get involved in the community.

ADJOURN

Vice Mayor Williams moved to adjourn the meeting. Having been seconded and with no objections, the meeting was adjourned at 7:25 p.m. on an affirmative 5:0 vote:

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|----------------------------|------------|---------------------------------|------------|
| Mayor Henderson | Aye | Council member Allen | Aye |
| Vice Mayor Williams | Aye | Council member Hostetter | Aye |
| | | Council member Short | Aye |

Julia Bortle, MMC, Clerk of Council

Bobby Henderson, Mayor

THIRD AMENDMENT TO PERFORMANCE AGREEMENT

This THIRD AMENDMENT is made and entered this __ day of September, 2022, by and between the **CITY OF WAYNESBORO, VIRGINIA**, a municipal corporation (the “City”), **KM HOTELS, LLC**, a Virginia Limited Liability Company (the “Company”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WAYNESBORO, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “EDA”).

WHEREAS, the City, Company, and EDA entered into a Performance Agreement dated November 14, 2016, relating to the Company’s development of a mid-price chain hotel with approximately 90 rooms (the “Project”), and future development on the remaining acreage, on 101, 104, 105, 108, and 109 Chicurel Ln., off Windigrove Drive (the “Property”);

WHEREAS, the Parties entered into a First Amendment to the Performance Agreement on June 28, 2019 extending the rebate period start date to January 1, 2022;

WHEREAS, the Parties entered into a Second Amendment to the Performance Agreement in February, 2020 providing that the Company will construct the public road improvements;

WHEREAS, as a result of the COVID pandemic and resulting supply chain issues, the Company is requesting that the City and EDA extend the rebate period start date to the year following completion of the hotel, but no later than January 1, 2024;

WHEREAS, the Company began construction of the Project as soon as practical after the worst of the pandemic was over and the hospitality industry began to recover. The hotel is under construction with an estimated completion date in the second quarter of 2023;

WHEREAS, the Parties desire to enter a Third Amendment to the Performance Agreement to extend the rebate period start date;

WHEREAS, at the regular scheduled September 12, 2022 meeting, the EDA unanimously approved the amendment; and

WHEREAS, at the regularly scheduled September 26, 2022 meeting, City Council approved the Third Amendment to the Performance Agreement and authorized the City Manager to execute the Third Amendment to the Performance Agreement on behalf of the City, as detailed in Exhibit 1.

NOW, THEREFORE, in consideration of the mutual covenants herein and in the Performance Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the City, Company, and EDA agree as follows:

1. **Amendment**. Section 2. C. is deleted in its entirety and replaced with the following:
 2. C. **Rebate Period**: The rebate period will begin the year following the year that the hotel certificate of occupancy is issued, but no later than January 1,

2024, and end December 31 of the eighth year following the first year or until the maximum rebate as identified below has been reimbursed, whichever comes earlier. For illustrative purposes only, should the hotel receive its certificate of occupancy in September 2022, year one would be 2023, and the rebate period would end December 31, 2030.

2. **Ratification.** Except as modified by this Third Amendment, the Performance Agreement, the First Amendment and Second Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the Economic Development Authority of the City of Waynesboro, Virginia, KM Hotels, LLC, and the City of Waynesboro, Virginia have caused this Third Amendment to Performance Agreement to be executed in their respective names, all as of the date first above written.

CITY OF WAYNESBORO, VIRGINIA

By: _____
Michael G. Hamp, II, City Manager

Attest:

Julia Bortle, City Clerk

Approved as to form:

Melisa G. Michelsen, City Attorney

and

KM HOTELS, LLC

By: _____
Anil Patel, Vice President Development & Construction

Attest:

Name:

and

**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF WAYNESBORO, VIRGINIA**

By: _____
Chairman

Attest:

Greg Hitchin, Secretary