



CITY OF FREDERICKSBURG, VIRGINIA

CITY COUNCIL

MINUTES

Council Chambers, 715 Princess Anne Street
Fredericksburg, Virginia 22401

ITEM #9A

HON. MARY KATHERINE GREENLAW, MAYOR
HON. CHARLIE L. FRYE, JR., VICE -MAYOR, WARD FOUR
HON. KERRY P. DEVINE, AT-LARGE
HON. MATTHEW J. KELLY, AT-LARGE
HON. JASON N. GRAHAM, WARD ONE
HON. JONATHAN A. GERLACH, WARD TWO
HON. DR. TIMOTHY P. DUFFY, WARD THREE

City Council Work Session October 11, 2022

Middle School Comprehensive Agreement Special Tourism District – Parking, Future of Expo Center Land Donation

The Council of the City of Fredericksburg, Virginia held a work session on Tuesday, October 11, 2022, beginning at 5:30 p.m. in the Council Chambers of City Hall.

Council Present. Mayor Mary Katherine Greenlaw (6:10 p.m.), Presiding. Vice-Mayor Charlie L. Frye, Jr. Councilors Kerry P. Devine, Timothy P. Duffy, Jonathan A. Gerlach and Jason N. Graham.

Council Absent. Councilor Matthew J. Kelly, family death.

Also Present. City Manager Timothy J. Baroody, Assistant City Manager Mark Whitley, Assistant City Manager David Brown, City Attorney Kathleen Dooley, Director of Planning and Building Services Charles Johnston, Senior Planner Michael Craig, Development Administrator Marne Sherman, Economic Development Director Bill Freehling, Assistant Tourism Director Margaret Morris, Tourism Stadium and Sales Manager Victoria Matthews, Budget Analyst Donna Leahy and Clerk of Council Tonya B. Lacey.

Disclosures. Councilor Duffy disclosed that he was an employee of the Fredericksburg City Public Schools and he was able to participate in the discussions fairly, objectively and in the public interest.

Vice-Mayor Frye disclosed that his spouse was an employee of the Fredericksburg City Public Schools and he was able to participate in the discussions fairly, objectively and in the public interest.

Middle School Comprehensive Agreement. Assistant City Manager Whitley reported that two of the three major votes on the new middle school was ready for Council's

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consideration. The first was the approval of City Council as the appropriating body of the Comprehensive Agreement between First Choice, LLC and the Fredericksburg City Public Schools for the design and construction of the new middle school. This is considered the contract.

The second item for approval will be the budget amendment in Fiscal Year 2023 to supplement the budget for the project. Both of these items are on the agenda for public hearing. Mr. Whitley stated that the Council may wish to hold the public hearing open for the Comprehensive Agreement.

The third vote would be the bond ordinance and that would come before Council the second meeting in October.

Mr. Whitley gave an overview of the new Middle School which will hold 1,100 students, grades 6-8 and it will replace the current middle school and that school will be converted into a new elementary school. The new middle school will be located at the intersection of Idlewild Boulevard and Gateway Boulevard. The City Schools have already been working through an Interim Agreement between the schools and First Choice which allows design to get underway. The first iteration of the Interim Agreement allowed the development of 35% plans which was completed in March at \$1.5 million and contained in that agreement was the ability to extend up to 65% plans and on September 12 the schools executed that at the cost of \$1.2 million. The design of the school is underway.

Mr. whitley said the major general business term was the cost. The Public-Private Education Facilities and Infrastructure Act (PPEA) envisions a process where the design-build works through a cost through several steps and they are at the first step, which is the Contract Cost Limit (CCL). The CCL is included in the Comprehensive Agreement. They listed a gross Comprehensive Agreement CCL of \$75,580,000 and Mr. Whitley said the value of the two interim agreements could be deducted from that amount and it leave a net CCL of \$73,075,000. Mr. Whitley explained that once the Comprehensive Agreement was finalized the design team, the City and the schools would continue working to finish the design and to see if there are more savings to be advanced through the project. This process will take the project to the second stage, which is the Guaranteed Maximum Price (GMP).

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The GMP will need to be established, and it is the not to exceed amount for the design-build team. He said there was a design-build contingency of \$3.3 million and it requires approval by the owner before use. There is also an owner's contingency in the budget, but it is not a part of the contract, it is in the amount of \$1.5 million. In the Comprehensive Agreement there is a shared savings clause and it provides that if the project comes in under the GMP amount the savings would be split. The schools would obtain 85% and First Choice 20%, but the First Choice teams amount is capped at \$250,000.

Mr. Whitley noted there were a few things that had not been negotiated including the design phase so that the GMP could be established. The material price fluctuation clauses and direct purchase clauses were also under negotiations.

Mr. Whitley said the project budget was increased from \$55.7 million to \$74.78 million and it included the \$1.5 million owner's contingency and an additional half a million of City fund balance dedicated to school's capital and the amounts from the State Construction Grants. There will be a bond issuance for the project and this will require an increase in revenues and will require a real estate tax increase. The new school will also have operating costs but they will not need to budget for those for another two years. The estimated operating costs are \$2.425 million.

Councilor Graham asked how much the tax increase would be and Mr. Whitley said it would be between \$0.04-\$0.06.

Councilor Duffy asked for an update on the State Construction Grant and Mr. Whitley stated that this was a new program and the eligibility is determined by several requirements and he said the City met all those and the amount of support was based off the lesser or more distressed of two factors, the Local Composite Index (LCI) or the fiscal stress score in a report by the Commission on Local Government. The fiscal stress score is based off the median income, the tax burden and the tax effort as they measure it. The City has always had a low LCI score and the Local Government Commission has always scored the City as above average fiscal stress. Mr. Whitley explained that because of this the City would be eligible for 20 percent for the School Construction Grant (\$14 million). He said when the report came out in July it was two years in the rears (2020) and the City was in the below average fiscal stress, and because of that, the State support fell from 20 percent to 10 percent. Mr. Whitley explained that because

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of the pandemic the City was starting to feel the fiscal stress by the end of that year. He said because of that they are going to ask the State to take a look at the average over the last several years.

Mr. Whitley noted that Mr. Baroody would be traveling to Richmond to meet with the Committee at the Board of Education and they are the Committee that would be looking at the suggestion and implementing the grant program.

Councilor Devine said the City has been looking at this for some time although the numbers are hard to digest she wanted to thank staff for their work. She said this will be a worthy project.

Mr. Whitley stated that staff recommends a first read on the budget, but Councilor Kelly requested that Council postpone action on the Comprehensive Agreement and hold the public hearing open until the next meeting. Mr. Whitley said staff was amendable to this request.

Vice-Mayor Frye stated that he was in hopes the schools would consider project labor agreements to give people the opportunity to get certified and have local workers on the project.

Special Tourism District – Parking. Mr. Craig presented a PowerPoint presentation and he gave an overview of the Special Tourism and Events District, the Existing Transect Map the Proposed Transect Map and the Proposed Zoning Overlay, Parking Lot Materials, Occupancy vs. Parking Regulations vs. the Transportation Network, Conference Center and Stadium Events, photos of Central Park and Celebrate Virginia and the Planning Commission Recommendations. See Attachment I for more information.

Mr. Craig explained that unless there was a capacity of 10,000 we are losing out on mid-sized concerts.

Mr. Craig explained how the shared parking would work with multi-events. Councilor Duffy asked if the Council would be updated on the plan to promote transit and other forms of transportation that will reduce parking needs and Mr. Craig said they would.

Councilor Graham asked staff if they saw a regularly higher capacity or attendance at the Expo Center would there be a risk of this coming back for increasing parking requirements. Mr. Craig said there is always the risk but the ordinance could be adjusted. Councilor Graham said he would like to cap the parking as much as possible or make it a last resort option. He said he

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would like to maximize and leverage the transit options we currently have. He also mentioned that he would like to see this in FRED Transit's strategic planning.

Future of Expo Center. Economic Development Director Freehling said this area is seen as a tourism district for the City. he said the stadium was deliberately located where it is because of the synergies with the Expo Center.

Mr. Freehling presented a PowerPoint presentation to present a formal proposal for some investments in the Expo Center, which is a large economic driver for the City. He reviewed the Who, What, When Where, When, the Why and the How. He explained that the City would invest \$500,000 in the Expo Center. They would invest \$250,000 up front out of the Opportunity Fund, and \$50,000 a year for five years. The what, is upgrades to the Expos Center HVAC, carpet, chairs, painting, lighting, safety, etc. He explained that the Expo Center has lost events because of the uncomfortable temperatures in the building. They will use \$375,000 and invest it in the HVAC system and the remaining monies will be used on chairs, carpet and other subsequent upgrades. SAJ Entertainment will also invest \$250,000 upfront. The Economic Development Authority (EDA) is likely to support and invest in an FXBG loan to SAJ Entertainment for the amount of \$250,000. The EDA would be repaid over the five subsequent years. This agreement will ensure that Fredericksburg would remain in the name of the facility, they would get a satellite visitor center in two areas to display information on the City. He said having this permanent display would be significant because in 2019 170,000 went through the Expo Center and that is valuable marketing for the City and its tourism efforts. The City would also get placement on the Fred Nats Interstate 95 billboard. This exposes the City to another 100,000 people a day.

Mr. Freehling said the facility needed investment because it had not been invested in for about 20 years. He reminded the Council of their priority Number 6, to create a top tier tourism effort and he said the Expo Center was a big part of that. He said in the report that Renaissance Planning did that this facility was a significant economic driver for the City. There is an \$800,000 plus tax impact for the City, about \$225,000 directly from the Expo Center. Renaissance took a look at what the City's return on investment would be for the \$500,000 investment and they said it would be a positive net value even with modest gains.

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Mr. Freehling said most localities own their convention centers and they invest in them routinely, but the City does not own this facility and this has been a benefit to the City. He said he believe the Silber Family, the Oakview Group and Marlene Kemp were all fully committed to growing the business alongside the Fred Nats. Mr. Freehling asked the Council to support the five-year performance agreement between SAJ Entertainment, the City and the EDA.

Mr. Seth Silber explained that they took over the Expo Center in February 2019 and two weeks later and the COVID pandemic hit and they had to shut down the business. He said they spent a couple of years putting money into it to keep it operating. Mr. Silber said they are optimistic about the future of the facility due to the team they have in place but they have faced tremendous difficulties with the facility, particularly the infrastructure. He explained how hard it is to get events to renew when the facilities HVAC is not working properly. He mentioned the other improvements needed such as décor, AV and other things. He said they cannot make all these improvements on their own. Mr. Silber said if the City is able to assist, this would be a huge boost for the business.

Mr. Silber said he was greatly appreciative of the loan through the EDA in the amount of \$250,000. He said they would immediately invest the \$250,000 from the City and the \$250,000 from the loan into the facility. He said the additional \$50,000 a year would allow them to continue to make improvements over the next five years.

Councilor Graham asked what modest gains were and Mr. Freehling explained that in the Renaissance report there were three different scenarios a three percent attendance growth, a one and a half percent growth and no growth. At three percent attendance growth it pencils out at three, five and seven percent discount rates, at one and a half attendance growth it pencils out at three and five percent discount rate and at zero percent it doesn't pencil out.

Councilor Devine asked for clarification on the conference center name which will have Fredericksburg or FXBG in it and no other governmental entity. She wanted to know if this meant there would not be a private entity in the name as well. Mr. Silber explained that they had considered selling naming rights for the convention center as an additional resource to allow them to invest in the facility. He said they were preliminary inquiries but it was not on the table at the moment but it could potentially bring in a significant source of revenue. He said keeping Fredericksburg or FXBG in the name was something everyone wanted to do.

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Councilor Duffy asked if the work would require the facility to shut down and Mr. Silber said the work could be done while they are open but they may have to shut down for a weekend or two. He said they were hopeful to get this work done before Christmas.

Mayor Greenlaw thanked Mr. Silber and his family for their investment in the community. She said this was a significant asset that lots of people come to visit.

Land Donation. Ms. Sherman explained that the land donation was from the Spratt Family. The Spratt family owns several pieces of property along Alum Springs Road and the Blue-Gray Parkway. Much of the land is undevelopable for conventional projects with limited access unavailable from the Blue-Gray Parkway. She noted that the City had accepted a donation immediately east of this property as part of the Fredericksburg Park project. The Spratt's are offering to donate 1.8 acres to the previous half acre the City already owns. Ms. Sherman said with no objection from the Council she would prepare a resolution for the Council to formally accept the donation.

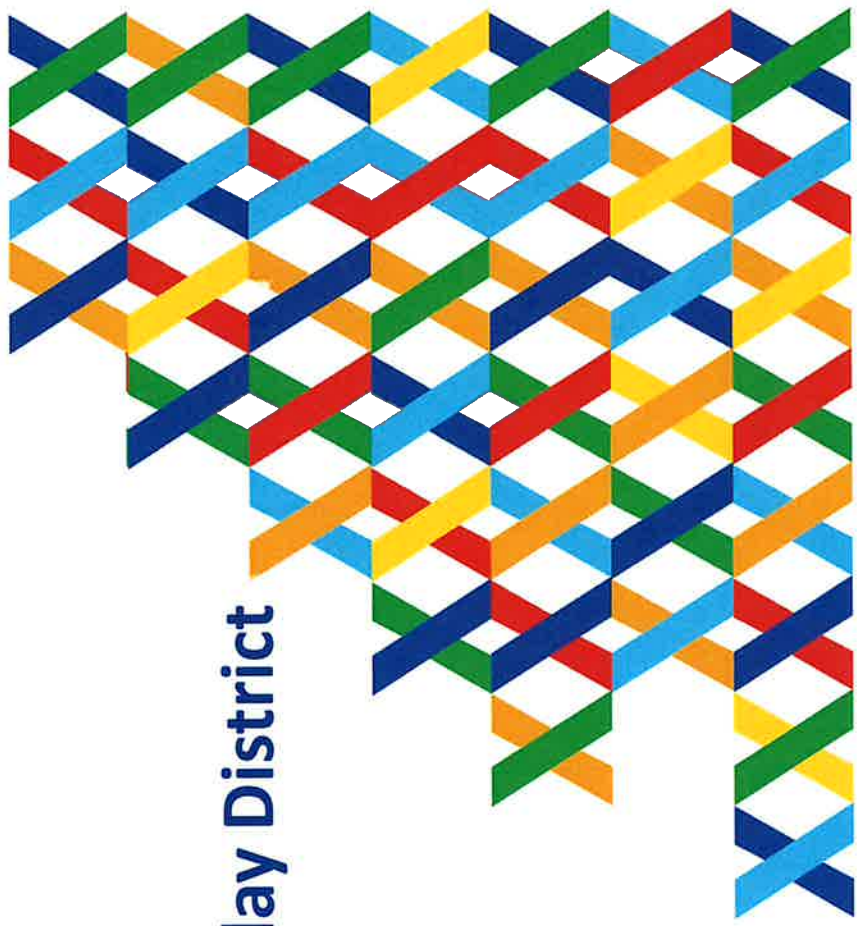
Councilor Gerlach said there was some talk about having a pedestrian walkway over the Blue-Gray Parkway and he asked if accepting this donation would dovetail this sort of project. Ms. Sherman said when they originally considered the donation request that was an option but based on the environmental features and the slopes it is unlikely they would use this tract, but it was an option they wanted to keep open.

Ms. Sherman said the only downside to accepting the property was the maintenance.

Adjournment. There being no further business to come before the Council at this time. Mayor Greenlaw declared the session officially adjourned at 6:54 p.m.

**Tonya B. Lacey, MMC
Clerk of Council
City of Fredericksburg**

Special Tourism and Events Overlay District



OVERVIEW – UPDATING THE ORDINANCE

- Opening Year Experience – Three issues to solve:
 - Parking lot materials.
 - Conference Center and Stadium Events.
 - Occupancy vs. Parking Regulations vs. the Transportation Network.
- Planning Commission and Staff Recommendation.

THE SPECIAL TOURISM AND EVENTS DISTRICT

The Special Tourism and Events District includes the Fredericksburg Nationals Stadium, the Fredericksburg Expo and Convention Center, and the adjacent hotels and commercial areas within Celebrate Virginia South. The existing buildings were developed as individual sites linked together by the arterial road network. Better integration of these uses is needed to tap unrealized synergy in the District. The following tools are basic infrastructure improvements that can tie these sites more strongly together. In addition, formal open spaces, public art and other amenitization should be applied in the District to continue to enliven the area.

This District designation should be used to attract additional regional tourism draws and to fund streetscape, lighting, signage, public art, and other cohesive improvements. Temporary uses and seasonal events should be encouraged to locate within the District.

There are 1,265 parking spaces located in and around the Exposition Center and Stadium arranged as a large shared parking area. The volume of asphalt is currently a distinctive feature of the District, yet current parking rules cap the occupancy of the stadium substantially below what the building and fire code regulations would permit. The Exposition Center and the Stadium will continue to be major regional draws and under current transportation conditions, a high volume of parking will be needed for large events. However, on a typical day the asphalt will be vacant and, as transportation conditions continue to evolve, will be less necessary.

The use of existing asphalt should be shared as much as possible as additional uses or larger events occur within the District. Use of excess lanes on Carl D Silver Parkway should be considered for temporary on-street parking, which would be reevaluated at the time an interstate interchange is built to the North.

Temporary parking areas should be permitted with non-paved, non-erosive surfaces to provide for overflow parking in existing cleared portions of the District.

Modifications to stadium parking requirements to permit higher occupancy should be explored. Reduced car storage requirements should apply where circulation for side-share vehicles separate from traffic parking at the stadium is provided and advertised and / or where transit service exists in accessible proximity to the stadium.

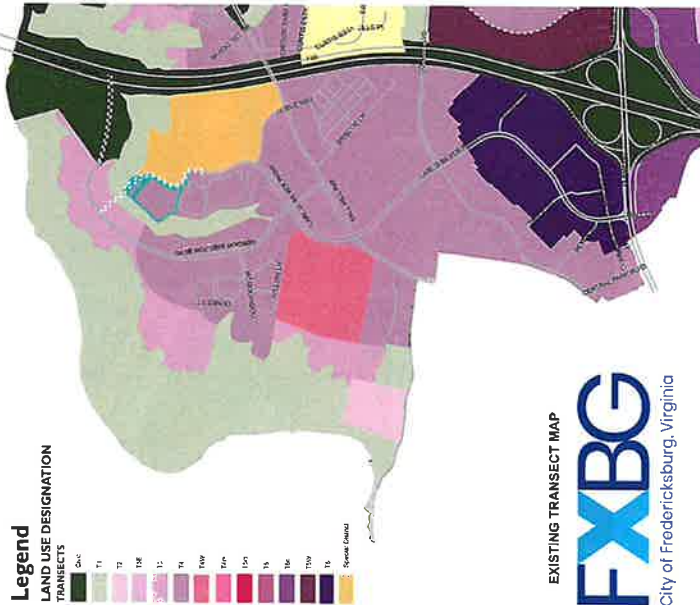
The District is adjacent to the Central Park commercial center, a collection of commercial uses in Celebrate Virginia, and residential uses to the west and to the south. The City's trail system currently runs in front of the District along Fall Hill Avenue. New multi-use paths should be developed through the District and the rest of the North End to create a density of multi-use trail paths and connections.

Recreational paths should be built to retain and enhance connections between the District and the Wild Riverfront Park and other recreational activities along the Riverfront. Signage and potential trail heads should be created to reinforce the connection between these amenities.

LAND USE



Existing Transect Map



Opening Year Experience – Parking Lot Materials.

- The current parking ordinance requires a fully paved parking lot for every required parking space. This requires major expense to accommodate events like the Concert Series. Having a large investment in an equally large underutilized parking lot is counterproductive.
- In the Special Tourism and Events District many “required” parking spaces will only be used for a quarter of the year (90 days) or less.
- As use of the stadium, transportation networks, etc. evolve, less standard paved parking will be needed overtime. New parking areas are not the highest and best use of the land.

Ordinance Amendment Solutions

- Permit “temporary materials” for parking lots used for standing room / temporary seating. Drive aisles will have to be stone, asphalt, or a comparable surface but parking spaces would be grass or other pervious material.
- Eliminate landscaping requirements for lots with pervious parking spaces.
- Ensure a maintenance plan and proper stormwater and erosion controls are in place.

Opening Year Experience – Occupancy v. PK Regulations v. the Transportation Network

- The current parking ordinance limits the usability of the Special Events and Tourism District by capping occupancy at 5,000 seats in the baseball stadium. The life / safety rules in the building code would permit around 8,000 occupants in the stadium.
- Some higher occupancy events have been permitted through “special events permits” with several different parking solutions on grass lots or in the public ROW that are approved by City Management.
- The current stadium parking ordinance, like most in the state, was developed prior to innovative transportation solutions like rideshare apps.

Ordinance Amendment Solutions

- Permit a reduction in parking requirement to 1 PK / 6 seats and 1 PK / 12 standing room / temporary seating occupants if an Annual Alternative Transportation Plan is developed.
- The Plan shall include separate circulation for transit and rideshare vehicles so they avoid parking lines and shall be sufficiently advertised on social media, websites, print materials, and any other of the applicant’s communications platforms.

Opening Year Experience – Conference Center and Stadium Events

- The Conference Center and Stadium “share” required parking. The ordinance requires that uses that “share” parking cannot operate simultaneously.
- Baseball game attendance varies with a few peak events and a substantial amount of less attended games. The parking areas in front of the Conference Center are unused, yet the Conference Center cannot operate.
- The Conference Center parking requirement is low, which would risk an undercount of appropriate parking if simultaneous events were permitted.

Ordinance Amendment Solutions

- Change “Convention Center” parking requirement from 1/400 sf to 1/8 occupants.
- Modify “Stadium” parking requirement to clearly differentiate between fixed seats and standing room / temporary seating occupants. Require 1 PK / 4 seats and 1 PK / 8 standing room / temporary seating occupants.
- Permit simultaneous events through an “annual permit” to calculate parking based on the total proposed occupancy of both events.

Planning Commission and Staff Recommendation:

- Planning Commission recommended approval at their September 14 meeting of the **UDO Text Amendment, the Comprehensive Plan Amendment, and the Zoning Map Amendment** to the City Council by a 6-0 vote (one member absent).



City of Fredericksburg

Fredericksburg Expo Center investment

Oct. 11, 2022

The Who/What/Where/When

- \$500,000 City investment in Fredericksburg Expo Center
- \$250,000 upfront (Opportunity Fund), \$50,000 a year for five years
- Used for upgrades to Expo Center:
 - HVAC, carpet, chairs, painting, lighting, safety, etc.
- SAJ Entertainment (Silbers) to invest \$250K
 - EDA supportive of \$250K loan to SAJ Entertainment
- City to get benefits: Name, satellite VCs, billboard

The Why

- Facility needs investment to enhance tourism potential
- City Council Priority #6
 - Create a top-tier tourism effort
- \$800K-plus fiscal impact annually
- Investment will pay off with modest attendance gains

The How

- Five-year performance agreement with SAJ, City, EDA
- Staff recommendation: Approval
- Subsequent meeting: Appropriation resolution for the \$250,000 from the Opportunity Fund
- The \$50,000 additional appropriations would be in the FY24-FY28 recommended budgets
- Discussion



MEMORANDUM

TO: Timothy J. Baroody, City Manager
FROM: Marne Sherman, Development Administrator
DATE: October 5, 2022 (for the October 11 City Council Work Session)
SUBJECT: Donation of 1.8 Acre Open Space Parcel on the North Side of Blue Gray Parkway, GPIN 7779-71-0000

ISSUE

Should the City accept the land donation offer of a 1.8-acre parcel, identified as GPIN 7779-71-0000, for open space from the Spratt W Campbell Jr Estate?

RECOMMENDATION

Provide feedback to staff regarding the offered donation.

DISCUSSION

Spratt W Campbell Jr Estate is in the process of selling some of its property along Alum Spring Road and the Blue Gray Parkway. As part of this effort, the property owner has offered to donate a 1.8-acre tract on the north side of the Blue Gray Parkway to the City for the preservation of open space. This portion of the collective Spratt properties was separated from the rest due to the 1990s extension of the Blue Gray Parkway. Hazel Run serves as the northern boundary of this area.

The property is currently zoned I-1, Light Intensity Industrial, and R-2, Residential and lies within Planning Areas 5 and 9, but is proposed to be shifted to Area 10. Hazel Run, a tributary of the Rappahannock River, and a public sanitary sewer easement encumber the majority of the property. It is almost entirely within the FEMA designated 1% Annual Chance Flood Hazard Zone and later this year be identified as a newly designated floodway with the expected FEMA map update.

The City of Fredericksburg's 2015 Comprehensive Plan identifies goals for Public Facilities and Preserved Open Spaces, Environmental Protection, and Preservation Areas within Planning Areas 5 (north side of Hazel Run) and 9. The Plan recognizes that preservation of environmentally sensitive areas and connectivity of open spaces and trails are of strategic importance to the City of Fredericksburg and its residents. If practical, it is good floodplain management practice to preserve floodplains and flood-prone areas by acquiring the property to inhibit future encroachment or development.

In 2019, the Planning Commission found that the donation of the adjacent 0.5359-acre tract (GPIN 7779-70-2819), also located between the Blue Gray Parkway and Hazel Run, was

consistent with the City's Comprehensive Plan and the City Council subsequently voted to accept the donation. On October 12, 2022, the Planning Commission will conduct a Comprehensive Plan compliance review of the proposed Spratt property donation.

ATTACHMENTS

Spratt Donation Offer, dated September 7, 2022

GIS Exhibit, dated October 5, 2022

Spratt Open Space Donation Offer



October 5, 2022

-  City Boundary
- Road Labels
- Addresses

