

The work session meeting of the Petersburg City Council was held on Tuesday, October 7, 2025, at the Petersburg Public Library. Mayor Parham called the meeting to order at 5:00 p.m. The meeting video link is <https://petersburgva.new.swagit.com/videos/357381>

1. ROLL CALL:

Present:

Samuel Parham, Mayor – Ward 3
Darrin Hill, Vice Mayor – Ward 2
Marlow Jones, Councilor – Ward 1
Charles Cuthbert, Jr., Councilor – Ward 4
W. Howard Myers, Councilor – Ward 5
Annette Smith-Lee, Councilor – Ward 6
Arnold Westbrook, Jr., Councilor – Ward 7

Absent:

Present from City Administration:

City Manager John “March” Altman, Jr.
City Attorney Anthony C. Williams
City Clerk Tangi R. Hill

2. PRAYER:

Vice Mayor Hill led the Council meeting in prayer.

3. PLEDGE OF ALLEGIANCE:

Mayor Parham led the Council and the citizens in the pledge of allegiance.

4. DETERMINATION OF THE PRESENCE OF A QUORUM:

A quorum was present.

5. PROCLAMATIONS/RECOGNITIONS/PRESENTATION OF CEREMONIAL PROCLAMATIONS

- a. Proclamation – Honoring the Petersburg High School Class of 1975 on the Occasion of Their 50th Reunion, Presented to Councilwoman Annette Smith-Lee, Petersburg High School Class of 1975

Mayor Parham presented the Proclamation Honoring the Petersburg High School Class of 1975 on the Occasion of Their 50th Reunion.

Council Member Smith-Lee accepted the Proclamation.

- b. Proclamation – Childhood Cancer Awareness Month in Honor and Remembrance of Sydney Hampton, Presented to Pamela and Sidney Hampton

Mayor Parham presented the Proclamation for Childhood Cancer Awareness Month in Honor and Remembrance of Sydney Hampton.

Pamela and Sidney Hampton accepted the Proclamation.

- c. Proclamation – Recognizing Breast Cancer Awareness Month, Presented to Ms. Regina Patham, Feelings to Fight Foundation in Petersburg, Virginia

Mayor Parham presented the Proclamation Recognizing Breast Cancer Awareness Month.

Regina Patham, representing the Feeling to Fight Foundation, accepted the Proclamation. She thanked the City of Petersburg for recognizing this important matter. She asked for everyone's continued support and prayers and emphasized that early detection of breast cancer saved lives of all people. She noted that breast cancer was not just a disease experienced by women; it was vital for both men and women to be aware of the risk.

- d. Proclamation – Recognizing Domestic Violence Awareness Month, Presented to Anna Smith and Deloris Jefferson, The James House

Mayor Parham presented the Proclamation Recognizing Domestic Violence Awareness Month.

Anna Smith and Deloris Jefferson, representing The James House, accepted the Proclamation.

Ms. Smith said that The James House provided services for victims of domestic violence, sexual assault, and stalking. They have an emergency hotline answered 24/7, as well as advocates providing case management, peer counseling, and other support services. Furthermore, they offer emergency shelter, food pantry, and clothing closet. They also provide accompaniment services to hospitals, police departments, courts, and other locations for victims who needed personal support. She asked everyone to please keep them in mind for anyone in need of these services.

6. PUBLIC COMMENTS

Barb Rudolph, 1675 Mount Vernon Street, stated that she simply wanted to advise Council not to be too strict in terms of delineating responsibilities between the School Board and City Council. She said that they should be more focused on them all being in this together. She said that if they were not all sharing in the support of Petersburg City Schools, many other goals would not come to fruition. She said that about a month ago, she attended a meeting about the Dealers Institute at Richard Bland, where she met a few Virginia Live employees, one of whom was going to be second-in-command at their casino. She explained that both employees had moved to Chesterfield because they felt it was the best place for their families. She said that people were moving from other major cities to work at the casino in Petersburg, yet they did not want to live in Petersburg. She thought that all the improvements the City were making were great, but ultimately people were most focused on the schools.

Ms. Rudolph said that she wished this issue could be acknowledged without it sounding like it was the fault of the children, teachers, or school administration. She emphasized that she was a strong believer in public education, but she felt the City was not addressing the most important issues with their school system. She noted that when she attended Council Member Westbrook's meeting at Pleasants Lane Elementary last week, the biggest topic brought forward by the School Board Member Mr. Dance was the field house. She said that while athletics and extracurricular activities were important, they should be focused on academics. She understood that martial arts and other activities were meant to encourage kids to be more involved in school, but it was more complex than that. She said that the time for City Council laying all responsibility with the School Board was over.

7. APPROVAL OF CONSENT AGENDA (TO INCLUDE MINUTES OF PREVIOUS MEETINGS)

a. Minutes of Previous Meetings

- September 2, 2025, Special Joint Public Hearing with Planning Commission (Revised Pages 14-15)
- September 16, 2025, Regular City Council Minutes

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- b. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and I AM POWER to Purchase the City-Owned Properties at 35 and 17 Bank Street, Located in Petersburg, VA
 - c. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and ZEBRINA MEADE for the Development of 746 Airy Street, Located in Petersburg, VA
 - d. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and K&K BEGINNINGS LLC for the Development of 110 Spruce Street, Located in Petersburg, VA
 - e. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and ENTRUSTED VISIONS LLC and FETKO PROPERTIES LLC for the Development 126 Kentucky Avenue, Located in Petersburg, VA
 - f. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and NEW TOWN STATION LLC for the Development of 321 Witten Street, Located in Petersburg, VA
 - g. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreements Between the City of Petersburg and ENTRUSTED VISIONS, LLC for the Development of 704 and 706 Wesley Street, Located in Petersburg, VA
 - h. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and ANTHONY JACKSON for the Development of 724 Harding Street, Located in Petersburg, VA
 - i. First Read and to Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and SKYE IS THE LIMIT RESIDENTIAL SERVICES LLC for the Development of 137 Franklin Street, Located in Petersburg, VA
 - j. First Reading and to Schedule a Public Hearing for Consideration of an Amendment to the FY26 Grants Fund
 - k. First Read and to Schedule a Public Hearing for Consideration of the FY26-FY30 Capital Improvement Program
 - l. First Reading and to Schedule a Public Hearing for Consideration of an Ordinance to Request Enactment of the Petersburg Parking Authority Act
 - m. First Read and to Schedule a Public Hearing for Consideration of an Amendment to the Community Development Block Grant Program Year 2025 Action Plan for the Purpose of Reallocating COVID Funds to Peoples Advantage Helping Hands
 - n. First Read and to Schedule a Public Hearing for Consideration of an Ordinance to Amend and Re-Adopt Chapter 50 – Environment, of the Petersburg City Code to Include Article VI, Tree Protection and Planting
 - o. First Read and to Schedule a Public Hearing for Consideration of a Resolution Authorizing the Issuance of General Obligation Bond Anticipation Notes

- p. First Read and to Schedule a Public Hearing to Consider an Amendment and Re-Adopt Section 114-136 and Section 114-236 of the City Code Increasing the Public Utility Rates for Water and Sewer Commodity and Capacity Charges

Vice Mayor Hill made a motion to adopt the consent agenda as presented. Council Member Smith-Lee seconded the motion.

On a roll call vote, voting yes: Cuthbert, Jones, Myers, Westbrook, Smith-Lee, Hill, and Parham; no: N/A; Abstain: N/A; Absent: N/A.

8. SPECIAL REPORTS

a. Staff Presentation on Sign Ordinance and Proposed Amendments

Jared Crews, Planning Manager, provided background information on the item. He explained that last month, they held a public hearing on some text amendments to their sign ordinance. The item had been tabled to give Council some more time to review and consider that language. He said that they worked with the Planning Commission from May to the present, with the Commission recommending approval of those changes, and last month they held a public hearing, which ended with Council tabling the item for additional consideration.

Mr. Crews stated that he would provide an overview of their sign ordinance. He explained that the purpose of the sign ordinance was to permit and regulate all signs in the City in such a manner as to protect property values, promote neighborhood character and stability, ensure safety, promote clarity of information, and create an attractive and harmonious community. He said that every sign that was erected in the City, except for some that were exempt, would require a sign permit, which involved an application, a review process, and a review fee.

Mr. Crews noted that there were some exemptions for things like hours of operation, government buildings sharing public information, for sale signs, traffic warning signs, construction signs, and so on. He said that he would note that while these were exemptions, some of these were subject to maximum sizes. There were also some signs prohibited across the board, as well as rules for sign maintenance, and failure to maintain signs could be considered a zoning violation, while in some instances a building code violation.

Mr. Crews said that furthermore, they also had rules about the abandonment of a sign, requiring a sign that advertised an activity or business that was no longer active to be removed within 90 days. He said that this could also be considered a zoning violation if not completed. He said that in residential districts, one was generally allowed one smaller sign, while larger signs were allowed in commercial and industrial districts. Additionally, they had specific regulations for the area and height of a sign.

Mr. Crews said he would review some changes staff had proposed and the Planning Commission had recommended approval of. Firstly, regarding window signs, the City received a steady stream of complaints about businesses with too many signs on their windows; however, with the current ordinance's exemption for non-illuminated advertising, they were not breaking any rules because many advertisements were not considered to be signs. Therefore, staff recommended amending the definition of sign to remove the exemption for non-illuminated advertising and introduce a new definition that clearly stated what a window sign was.

Mr. Crews said that staff had initially drafted an amendment that stated these signs were permitted, provided that the aggregate area of all the window signs on each window or door did not exceed 20% of that glass surface; this generated some discussion from Council so he had provided some context on what other localities had considered, different percentages for the maximum size, limiting this

provision to just the historic district or downtown district, as well as potentially inverting the rule to focus on transparency, requiring a certain amount of window visibility rather than a maximum sign size.

Mr. Crews said that regarding flag signs, currently, the ordinance language was unclear, and this had led to issues with enforcement, as the magistrate's office had been unclear about whether these signs were allowed or not according to the ordinance. He said that the City had received a significant amount of complaints about these signs, citing visual clutter, material quality, durability, and safety hazards. He said that staff proposed a clear definition that stated exactly what a flag sign was without ambiguity; and proposed adding sail signs to the list of signs that were prohibited in the City, meaning they would not be allowed. He noted that some localities did allow them, but usually were subject to a permit, with limits on the number of signs, timing, and placement.

Mr. Crews continued that another weak spot in their current sign ordinance pertained to signs in the B-1, Shopping Center Zoning District. According to the ordinance, during rezoning to the B-1 district, the applicant was required to provide a plan of use and development, which included specific regulations for signs within that shopping center. However, in many cases, those plans were not part of the rezoning process, leaving unclear rules about how much signage was allowed and how large the signs can be. Then, when new owners came in to redevelop or new tenants tried to move into an existing space in a shopping center, they were looking at unclear rules about how much signage they were allowed to have.

Mr. Crews said that to address this, staff proposed introducing a new standard into the list that detailed how much signage was allowed in any given district. He had discussed this previously, and had a provision for individual tenants, allowing them to have a certain amount of space based on the size of their storefront, as well as one large ground-mounted sign that could be used as a shared sign for all tenants in the shopping center. This provided guidance for both individual businesses and anyone coming in to do a larger-scale redevelopment or rehab of an existing shopping center.

Mr. Crews stated that additionally, in the current ordinance's language regarding sign permits for new signs, even when someone was just making an alteration to an existing sign face, they still needed to pay a \$150 fee. Therefore, staff would like to introduce a definition for what counts as a sign face, which would exclude removal or replacement within an existing structure, but would include any kind of addition or expansion, as well as introduce a smaller review fee for these sign refacing at \$50. He said that another alternative to consider was exempting sign reface from permit requirements, so using an existing structure and just swapping out that panel would have no cost involved.

Mr. Crews summarized that the goals of staff's amendments were to promote attractive signage that promotes civic pride, enhances community character, elevates the appearance of the city, and creates a sense of place. He said that the comprehensive plan encouraged them to look at ways to improve the look of signs, particularly in their corridor commercial areas. He said that with the anticipated development and redevelopment along their major local corridors, staff believed that a stronger focus on attractive and consistent signage throughout the City was necessary.

Council Member Jones stated that he felt the regulation of "quality of materials" was an unnecessary detail and should be taken out of the proposed amendments. He understood the issues of clutter and safety, but specifying materials seemed too controlling. Otherwise, he agreed with the recommendations of staff.

Mr. Crews said that he understood Council Member Jones' point. He clarified that the concerns staff was trying to address with that regulation were more about the stability and durability of the sign rather than whether the material was expensive.

Council Member Jones asked how businesses were expected to advertise if some signage was only allowed temporarily.

Mr. Crews replied that from his perspective, businesses still would have the opportunity to have a permanent ground-mounted sign as well as any signage on their storefront. While there may be a higher cost involved, it would encourage less visual clutter.

Council Member Jones asked if these new sign ordinance amendments would be sent out to all their local business owners and realtors so that everyone was aware. He expressed concern that if they did not disseminate this information to the full community, it could lead to more difficult issues for businesses and for the City to resolve in the future. He asked what would be done regarding old, abandoned signs throughout the City, and whether the City could fine property owners for that.

Mr. Crews agreed; he explained that the City had a number of open violation cases for a number of abandoned signs in the East Washington corridor, so they may summon those property owners to court in order to rectify each situation. He said that for those signs that were not seriously dilapidated, they asked that at a minimum they put a blank sign face in the frame, so they were not empty holes. He confirmed that they treated those signs as zoning violations and would continue to do so.

Council Member Jones said that he had some specific signs in mind that he would share with staff to follow up on. He emphasized that they had to address this, as it had been a long-standing issue in the City in general.

City Attorney Williams added that in 2015, the Supreme Court decision in the case of *Reed v. Town of Gilbert* clarified that municipalities could not enforce sign code based on the content of the sign. He asked staff to consider the fact that they could not technically distinguish between window decorations and signage without evaluating the content. He said that this would have to be considered as they drafted the final ordinance.

Mayor Parham asked what the next steps would be for this item.

Mr. Crews said that Council had already held and closed a public hearing on this item, so if Council wished to discuss it again, they could bring it back up as Old Business at a future meeting.

Mayor Parham confirmed that they would bring it up as Old Business.

9. MONTHLY REPORTS

There was no report.

10. FINANCE AND BUDGET REPORT

There was no report.

11. CAPITAL PROJECTS UPDATE

There was no report.

12. UTILITIES

a. Jacob Presentation – City of Petersburg, VA Rate Study Updates 2025

March Altman, City Manager, introduced Rolan Kooch from Davenport & Company and Keith Bishton from Jacobs, who would be presenting the rate study and recommendations to Council.

Roland Kooch, Senior Vice President with Davenport & Company, provided background information on the rate study and Mr. Bishton would provide the detailed analysis. He said that tonight's presentation was a continuation of the summary Davenport had provided to Council over the summer. He explained that in fall 2024, the City of Petersburg had engaged Jacobs through Davenport to perform the 2024-2025 water and sewer rate study update. This was the fourth in a series of rate studies that the City had undertaken since 2017 as part of their return to fiscal health. The last rate increase was in 2019, so it had been a while since they had considered this.

Mr. Kooch noted that conducting a rate study was a best practice for water and sewer authorities, including municipalities. He said that it provided the necessary information to make informed decisions about maintaining the Utilities system and ensuring the finances remain self-supporting. He said that the goal was to design the finances to charge for the services provided, such as water and sewer service, without relying on General Fund support.

Keith Bishton, Senior Management Consultant with Jacobs, reviewed the content of the study. He summarized the drivers for the rate analysis, which included deferred water and sewer capital infrastructure investments, debt funding, eliminating the payment in lieu of taxes (PILOT), grants used to supplement the Water Sewer fund revenues since the 2019 rate increase, rescindment of the COVID-19 pandemic moratorium of water shutoffs due to non-payment, and the systemwide collection rate of 85%.

Mr. Bishton provided an overview of the scenarios. He explained that Scenario 1 considered long-term debt funding for the CIP and continuation of approximately \$867,000 PILOT payment to the General Fund; Scenario 2 considered long-term debt funding for the CIP and no PILOT assumed in FY 2026 and beyond; and Scenario 3 was the same as Scenario 2 but with strategic use of interim short-term financing in the form of a 3-year Bond Anticipation Note (BAN) followed by a permanent bond issuance. He said that Scenario 3 was the recommended path forward.

Mr. Bishton further explained that Scenario 3 would include a five-year rate plan, which would begin at 9.5% in FY 2026 and then be reevaluated each year after that. The reasoning for the recommendation was due to operating expenditures projected to increase to \$14.7 million by 2030, assuming 3.5% annual inflation in City costs, South Central Wastewater Authority (SCWWA) and Appomattox River Water Authority (ARWA) budgets, and annual debt service increasing from \$1M to \$7M in 2030. The projected rate increases would help the Utilities Department achieve and maintain financial performance and metrics needed to support debt funding.

Mr. Bishton clarified that for Petersburg customers, a 9.5% rate increase translated to approximately \$7.50 per month for a typical residential bill, composed of \$2.30 per month for water and \$5.21 per month for sewer. He provided context on the impact to residential bills and affordability. He said that the U.S. Census and Environmental Protection Agency (EPA) had data that the City could use to determine whether the 9.5% rate increase was appropriate and affordable for their residents in future years.

Mr. Bishton summarized the key findings of the rate study. He said that the last rate increase went into effect on July 1, 2019, for both water and sewer rates, and since that time, the City had received grant funding that helped avoid additional rate increases. Based on the Annual Comprehensive Financial Reports (ACFR) for the past several years, the Water and Sewer Fund accounts receivable and allowance of uncollectibles had increased year over year. During 2020, the City implemented a policy that prevented water shut offs for non-payment; this policy was rescinded in 2023. Systemwide, the water and sewer collection rates were estimated to be approximately 85%, but improvement could be achieved for some master meter multifamily accounts.

Mr. Bishton further summarized the key findings. He stated that economic development required investment in capital infrastructure to provide water and sewer services. Based on the evaluation of audited FY 2024 financial information prepared by the City, continuation of PILOT payments was not

recommended, and water and sewer utility resources can be used for capital infrastructure investments. The Water and Sewer CIP identified significant capital infrastructure investment in response to deferred maintenance and recent economic development. To help fund the capital requirements, the Pro forma analysis evaluated several debt financing options. Based on the funding options considered, using strategic interim financing followed by permanent GO Bond issuances provided the least amount of impact to rate increases compared to the other scenarios. He concluded that the recommendation was to adopt a "rolling" five-year rate plan based on Scenario 3 that included FY 2026 rate increase of 9.5% and planned rates for FY 2027 through FY 2030.

Council Member Cuthbert asked if City Manager Altman had a recommendation for Council.

City Manager Altman recommended that Council move forward with the rate increase. He explained that in their previous work session they had reviewed millions of dollars of infrastructure improvements that were needed for their water and sewer side, including \$100 million in immediate needs. He emphasized that the City had an aging system. He said that they were replacing the main pipe from ARWA, which had a parallel 16-inch line running with that, and that parallel pipe was asbestos-wrapped and 108 years old. He said that this was just one example of the infrastructure they definitely needed to replace, particularly in order to support future economic development and redevelopment in the City.

City Manager Altman said that the 2019 rate increase approved by Council was a 12.2% increase and they had anticipated to approve another 12.2% increase in subsequent years; that never happened and was partially why they were here today. He said that this was necessary to fund improvements as well as ensuring their eligibility for the VRA loan, which required the City to address their current rates. He noted that the VRA loan had an extremely low interest rate and therefore was an excellent option for the City. He felt that it was essential that they address their rates as part of taking on this substantial amount of utilities work, which required a significant amount of capital.

Council Member Cuthbert asked when the City Manager anticipated he could present an Ordinance to Council with that recommendation.

City Manager Altman replied that on the Consent Agenda this evening they had an Ordinance for scheduling the public hearing for October 21, 2025, to consider the rate increase along with the financing mechanism that Davenport had reviewed previously with Council.

Council Member Cuthbert noted that there were a few related issues that he would like to address as part of this topic. He said that the first was moving stormwater to the real estate tax rate. He asked if the City Manager could address that.

City Manager Altman answered that there had been some past discussions about potentially taking the stormwater fees, which were currently in the Utilities bill, and moving that to the real estate tax bill. Therefore, the property owner would be responsible, allowing tenants to avoid those costs. He said that it was most likely that with it being attached to real estate tax bills, they could increase collections on stormwater fees. He noted that Chesterfield did this currently and had been largely successful in collecting those fees, so he thought this was something Petersburg should consider. He acknowledged that the City had major needs for stormwater improvement, arguably as much as they did on the Utilities side.

Council Member Cuthbert agreed that they had to pay for these improvements in order to prevent a similar situation as they experienced in July.

City Manager Altman replied absolutely; they had been successful in obtaining grant funding from the Virginia Department of Conservation and Recreation (DCR), but those grant monies could not cover all of the costs of the improvements the City needed.

Council Member Cuthbert asked what City Manager Altman's recommendation was in terms of transferring stormwater fees to the real estate tax bills and the timetable for bringing that item back to Council for consideration.

City Manager Altman clarified that they would not be in a position to consider that at the October 21, 2025, meeting, but could look into having something done at their next work session. However, if Council was prepared to provide direction tonight, staff could work with the City Attorney to see what legal action or ordinance amendments were necessary to do that. He said that then, they could decide the date when they would add the stormwater fees to the real estate tax bills.

Council Member Cuthbert asked if that could be added as an item on Council's next work session agenda.

City Manager Altman confirmed that staff could add that to the November work session agenda.

Council Member Cuthbert asked if City Manager Altman had anything to add regarding the rate study's finding that the City's accounts receivable and allowance of uncollectibles had increased year after year.

City Manager Altman explained that some of the legislation during the pandemic had restricted localities from performing water shutoffs. He recalled that some policies remained in effect; however, they must review how they rescinded the policy they adopted during COVID-19, then create a plan to increase collections through payment plans or other proactive methods in order to get everyone caught up on payments.

Council Member Cuthbert asked if staff could add that as an agenda item for their November work session. He said that Council should look into how to improve their collection rate, which was crucial in order to prevent steeper water and sewer rates increases.

City Manager Altman confirmed that staff could look into bringing that back to Council for further consideration and discussion.

Council Member Cuthbert noted that an improved collection rate could prevent steeper tax rate increases, as well. He would appreciate it if staff could look into how they could increase collections of past water and sewer bills as part of the November work session.

Mayor Parham thanked Mr. Kooch and Mr. Bishton for the presentation. He said that Council would continue this conversation at their October 21, 2025, meeting.

b. Public Works & Utilities Update

Randall Williams, Assistant Director of Public Works, provided an update to Council. He reported that the Husting Court ceiling repair and painting project had been completed. They also recently finished masonry work on the Commonwealth Attorney building. Additionally, on September 27, 2025, they held the Citywide Cleanup, which was a great success, with 109 cars and almost 14 tons of trash collected. They were also in the process of planning a shredding event for November, which would be promoted on the City website and message boards as usual.

Mr. Williams provided the 2025 fall leaf pick-up schedule, which he noted was also on the City's website. He said that the pick-up dates were as follows: Ward 5 – November 17 through November 21; Ward 6 – November 4 through November 28 (excluding Thanksgiving holiday); Ward 7 – December 1 through December 5; Ward 1 – December 8 through December 12; Ward 4 – December 15 through December 19; Ward 2 – December 22 through January 2, 2026 (excludes Christmas and New Year's holidays); and Ward 3 – January 5, 2026 through January 12, 2026.

Mr. Williams provided the report on milling and paving work completed in the month of September. He said that on the Utilities side, they had worked with the Fire Department to flush hydrants and address any hydrant issues. They also developed and were maintaining a tracking system for fire hydrants. They also had work orders opened and tracked to ensure the status of hydrants was known at all times. He said that Utilities would continue to work with the Fire Department to ensure these issues were resolved and future problems were prevented.

Mayor Parham asked if leaf pickup could be done sooner for Ward 3, before Christmas if possible.

Mr. Williams said that staff would see what they could do.

Council Member Westbrook noted that the City may need two rounds of leaf pick-up during the season.

City Manager Altman confirmed that staff would look into expediting leaf pick-up in the City year.

13. STREETS

There was no report.

14. FACILITIES

There was no report.

15. ECONOMIC DEVELOPMENT

a. UVA Presentation – Innovate Petersburg Fund

Brian Moore, Director of Economic Development, introduced the item. He said that this was a continuation of a previous presentation on the Innovate Petersburg Fund. One of the requests from Council was to receive an analysis for an additional downtown hotel.

Bryan David, Program Director for Southern Virginia for Weldon Cooper Center's Virginia Institute of Government, presented to Council. He explained that the Downtown Hotel Market Study was prepared by Mr. Hanis with Hospitality Marketers International, Inc. (HMI), with the goal of analyzing whether a second downtown hotel could be supported by the current and future market in the City of Petersburg. He explained that they analyzed overall market characteristics, the subject site, economics of the market, lodging demand potential and competitive occupancy, as well as analysis to present preliminary operational performance of the recommended type, style and size of the hotel researched.

Mr. David explained that the general market conditions included Petersburg's strategic location within east-central Virginia, including proximity to major interstate highways and other metropolitan areas, as well as Richmond International Airport and daily traffic through their local highway interchange. They also analyzed the estimated current lodging demand, including customer segmentation, key generators of hotel demand, and historic occupancy. In terms of lodging supply and competition, they utilized data from CoStar to understand Petersburg's regional market and competitive set for the downtown market. He noted that the available hotel service was limited and select service, which was an important consideration. The subject property they analyzed was on Bank Street.

Mr. David stated that the market conditions appeared to be such that could support an additional, upper-midscale to upper select-service hotel, with full-service being a possibility. In terms of theme, it was recommended that it fit the culture and history of the market and community. At the present time in downtown Petersburg, a maximum 90-room hotel could fit the market and profile of the competitive set but could be reduced by the developer to better perform to the market. Reducing the

number of rooms to less than 60 or 65 rooms may make it difficult to attract a major brand affiliation. The profitability of a smaller-sized hotel may be challenging given the rate positioning identified in the market.

Mr. David explained that the 200-room Live! Casino Virginia resort hotel would be minimally competitive with the subject hotel and would primarily serve casino guests and groups. In terms of growth in lodging demand, the forecast was that demand was growing and would continue to do so, and even conservative estimates looked to be promising. He said that for a branded hotel, there would be an area of franchise protection, meaning the franchisor would not license another hotel under the same brand within a certain geographic area. Operating with a national brand would assist the property in competing with the strong national hotel brands currently in the broader regional competitive set and market.

Mr. David added that he recently met with Mr. Moore and Mr. Hanis to discuss the proposed Marriott Courtyard to see how that factored into this feasibility study. He said that Mr. Hanis would adjust his report but was of the opinion that even with that Marriott development, there remained market potential for a third hotel downtown. He acknowledged that a developer must put risk capital into that, and the City had some latitude with the site they owned on Bank Street, and development agreements the City would enter into with hotel developers would come into play. He noted that the Marriott Courtyard was in a certain niche, so there was certainly a possibility for an upper-scale, full-service type of hotel as that niche had not yet been filled in the City.

Mr. David said that furthermore, with a third hotel, they would have approximately 300 rooms all within a walkable area downtown, which could support a potential event space in an adjacent area. He noted that this would be a new and separate consideration for the City, but he and HMI had identified it as a possibility that he wanted to mention. He summarized that HMI felt there would be interest from high-end hotel franchises for this hotel development.

Council Member Cuthbert asked if the 65% occupancy rate mentioned in the report was a breakeven rate for a full-service hotel.

Mr. David said that it was determined to be a reasonable occupancy rate given the growth projections; however, he was unsure if it was the breakeven rate. He said that he could ask Mr. Hanis for what a minimum breakeven rate would be in this scenario. He added that the true breakeven rate and return on investment (ROI) need to be determined by a developer.

Council Member Cuthbert asked for clarification regarding what constituted a "desktop analysis."

Mr. David explained that it meant the analysis was based on proprietary data and hospitality industry experience, rather than an on-site analysis. This analysis was meant to answer the preliminary question of whether a second hotel could be viable in downtown Petersburg, and the answer was yes.

Mayor Parham asked if this analysis had taken WoodSpring Suites on Crater Road into account.

Mr. David replied no; however, he could notify Mr. Hanis of that.

Mayor Parham said that furthermore, Cordish was adding two more hotels to their site, so that may need to be considered in the analysis as well.

Mr. David said that they had acknowledged that the casino hotel and the downtown hotel would be serving different markets, but he would make Mr. Hanis aware of that.

Mayor Parham noted that Shamin Hotels was building at the Cordish site and had expressed interest in doing more in the City of Petersburg, so he wanted to make sure they were aware of that in terms of occupancy rates for profitability.

Council Member Jones expressed concern that the desktop analysis may not be accurate in terms of their actual local market. He asked Mr. David how they decided to retain Mr. Hanis for this work.

Mr. David said that he had been recommended him by other Virginia communities that had used him to recruit hotels to their communities.

Council Member Jones said that he did not understand why the City needed to procure a consultant to do this type of preliminary analysis. He thought that their staff could handle this type of desktop analysis.

City Manager Altman said that when performing a first look at potential economic development projects such as this, and especially when considering markets, it often required looking at high-level data rather than having boots on the ground. He said that also, Mr. Hanis and HMI not only had access to that data, they also had the capability to do more in-depth studies if the City was interested, and it was just a matter of deciding to go to that next step. In this case, they wanted to find out if there was a market tolerance for an additional hotel in downtown Petersburg, and the initial data suggested the answer was yes. Now, they could perform a more in-depth study to find out the details of profitability, occupancy, and rates. He believed that this type of initial analysis was absolutely the right step, and now they could choose to do a deeper study if they so choose.

Mayor Parham added that Hotel Petersburg's success was a key component in proving that hotels could be successful in the downtown area. He recalled that in the past, the City had tried to explain to hotel developers that they were well-positioned for more hotels but lacked the data to support it. He said that Hotel Petersburg was the catalyst for serious consideration of more hotels and ultimately led to this current analysis.

Council Member Smith-Lee agreed that data was important in order for businesses to have confidence and reasoning to make an investment in the City.

Mr. David confirmed that numbers, pictures, and a story were the crucial components of this type of economic development work. They must first start with the numbers to recruit investment, regardless of the type of industry. He said that they would keep working on this project and come back to Council at an appropriate future date.

Mayor Parham thanked Mr. David and Mr. Moore for the presentation.

b. Economic Development Intern Presentation – Man By Design

Shalonda Venable-Royster, Project Manager, provided a presentation to Council. She reported that over the summer, Joshua Lee from Man By Design joined the Economic Development Department to work with their interns in their summer program.

Joshua Lee, Man By Design, thanked the Board for the opportunity to speak with them this evening, and thanked the Economic Development Department for allowing him to assist the interns this summer. He explained that the summer interns visited small businesses and worked with the owners to identify their needs from the City from an economic development perspective. He said that he helped the Department's interns create a recap video to summarize the work they completed. He noted that the decisions the City made would impact the future generation of Petersburg residents, and he felt this was an important aspect of how their interns evolved as people and future community members and leaders. He then provided a video presentation to Council.

Council Member Smith-Lee expressed her gratitude for the investment the City had made in this internship program, which was evidently a major success and an important asset for their students. She thanked Mr. Lee for being part of this program. She said that she looked forward to continuing their investment in their students and their careers.

Mayor Parham said that he was eager for the internship program next summer to make more progress in answering some of the questions that arose from their work this year. He said that he looked forward to seeing the City evolve next year and hoped they would capture all of that positive development.

16. CITY MANAGER'S AGENDA

March Altman, City Manager, stated that he had no report this evening.

Council Member Cuthbert asked if City Manager Altman had any updates on the downtown improvement plan that Council previously allocated \$1 million to during the summer. He said that he had not seen any difference downtown.

City Manager Altman replied that there had been a lot of activity downtown, some of which may not be noticeable as of yet. He explained that the improvements began literally below the ground level. They have received prices for paving their parking lots and must determine which lots they would prioritize for paving, considering some of the other construction and demolition work planned for the area. Additionally, they were making plans for landscaping and streetscaping and installation of additional trash receptacles. He said that staff was working on multiple improvement projects in conjunction with private vendors to assist in the work. He added that staff would be glad to provide a full presentation on this work at a future Council meeting to provide details on what they could expect to see in the near future.

Council Member Cuthbert expressed concern that if the improvements were not noticeable, they were not making a difference in terms of making the downtown area more attractive.

City Manager Altman clarified that the \$1 million Council had appropriated for this work was intended to get some of this work started in the short term. He said that most of the work they needed to do would exceed that \$1 million and would require additional funding over a longer period of time. He reiterated that staff was actively working on projects, but the improvements could not be made immediately.

Council Member Cuthbert noted that the Petersburg Information Center had not yet been moved into the Southside Depot. He asked when they could expect that to happen.

City Manager Altman said that they were targeting November 14, 2025, for a grand opening and ribbon cutting ceremony as part of an event happening in Old Towne. He said that staff was there yesterday with Public Works to identify touch-ups and making preparations for that space to be occupied in November.

17. BUSINESS OR REPORTS FROM THE CLERK

Tangi Hill, City Clerk, reported that Council would be considering Boards and Commissions appointments at their next meeting. She stated that for anyone interested in serving, she encouraged them to submit applications. The Boards and Commissions appointments up for consideration were the Community Development Block Grant (CDBG) and Arts Council. She noted that the Arts Council was actively seeking a treasurer. Also, she wanted to announce that she was recently appointed to the Crater Area Coalition on Homelessness (CACH) Board of Directors. She said that in recognition of Domestic Violence Awareness Month, she invited the public to the Petersburg Domestic Violence Task Force's Advocate and Ally Conference at the Petersburg Event Center on Tuesday, October 28, 2025, at 8:30 a.m. She asked that everyone please give their prayers to the 23rd District Delegate Candi King, as September

was Childhood Cancer Awareness Month, and unfortunately Delegate King and her family lost their 15-year-old daughter to sickle cell disease this past weekend. She asked everyone to please keep Delegate King and her family in their thoughts and prayers.

18. BUSINESS OR REPORTS FROM THE CITY ATTORNEY

Anthony Williams, City Attorney, stated that he had nothing to report this evening.

19. ADJOURNMENT

Mayor Parham made a motion to adjourn. All members of the Council present voted in the affirmative. Meeting adjourned.

The City Council adjourned at 7:25 p.m.

Adopted: 11/05/2025



Mayor, Samuel Parham

ATTEST:



City Clerk, Tangi R. Hill

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