CITY COUNCIL AGENDA

7:00 - 7:30 p.m. **Interactive Budget Forum (Council Chamber) or call 970-3101.**

TYPE OF ITEM	SUBJECT
CALL TO ORDER	
PLEDGE OF ALLEGIANCE	
ROLL CALL	
AWARDS/RECOGNITIONS	Distinguished Budget Presentation Award
MATTERS BY THE PUBLIC	Public comment will be permitted until 8:05 p.m. (limit of 3 minutes per speaker) and at the end of the meeting on any item, including items on the agenda, provided that a public hearing is not planned or has not previously been held on the matter. Persons are asked to sign up in advance of the start of the meeting.

1. CONSENT AGENDA* (Items removed from the consent agenda will be considered at the end of the regular agenda)

a. Minutes of January 5
b. APPROPRIATION: $21,697 - All Hazards Planning Grant (2nd reading)
c. APPROPRIATION: $6,500 - Demolition Fund Reimbursement (2nd reading)
d. APPROPRIATION: $9,521.22 - Quality Community Council (2nd reading)
e. RESOLUTION: Accepting Spruce Street into City Street System
f. ORDINANCE: Step Back Amendment to Zoning Ordinance (2nd reading)

2. PUBLIC HEARING APPROPRIATION*	$6,000,000 - Interoperable Communications Equipment Grant
3. REPORT	Jefferson School Task Force Report
4. REPORT	Comprehensive Services Act
5. REPORT	City Manager's 2003 Year End Review
6. RESOLUTION*	Amending Contract for 5th and Water Street Lot
7. APPROPRIATION*	$5,000,000 - Loan from Utility Fund for Integrated Systems Project
MATTERS BY THE PUBLIC	
OTHER BUSINESS	
ADJOURNMENT	

Tuesday, January 20, 2004
7:30 p.m.

*ACTION NEEDED
Reasonable accommodations will be provided for persons with disabilities if requested.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 5, 2004
Action Required:	Appropriation
Staff Contacts:	Leslie Beauregard, Budget Manager
Reviewed By:	Gary O'Connell, City Manager
Title:	All Hazards Planning Grant (Disaster Planning and Operations Program)

Background: The Virginia Department of Emergency Services has awarded the All Hazards Planning Grant (Disaster Planning and Operations Program) to the City of Charlottesville in the amount of $21,697.

Discussion: This grant will fund costs associated with updating the Emergency Operations Plan, which involves covering costs for research, and the planning and preparation necessary to plan, prepare and purchase items for the annual regional disaster exercise as mandated by our Emergency Operating Procedures and other regulations.

Alternatives: The alternative to accepting this grant is to not do these projects.

Budgetary Impact: There is no ($0) impact on the General Fund.

Recommendation: Appropriate grant funds.

APPROPRIATION
All Hazards Planning Grant (Disaster Planning and Operations Program)
$21,697

WHEREAS, the Virginia Department of Emergency Services has awarded the All Hazards Planning Grant (Disaster Planning and Operations Program) to the City of Charlottesville in the amount of $21,697;

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that a total of $21,697 is hereby appropriated into account 11-260-042108-50111 in the Grants Fund.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 5, 2004
Action Required:	Approval
Staff Contacts:	Jerry Tomlin, Neighborhood Development Services Leslie Beauregard, Budget Manager
Reviewed By:	Gary O'Connell
Title:	Housing Demolition Reimbursement

Background: Initial $30,000 fund set up to assist in demolition efforts on behalf of property maintenance code enforcement for citywide nuisance and blight ordinance violations.

Discussion: As structures deemed public nuisances are removed by the City, a lien is placed on the property, or the owner directly reimburses the City via check, which is deposited back into the Demolition account for future demo work. A minority of property owners handle the structure removal themselves.

A current reimbursement amount (check #1253 for $6,500) has been received from Page Street, LLC (Piedmont Housing Alliance) for the removal of 1113 Page Street.

Alternatives: Alternatives include eliminating the program altogether or continuing the program and spending more time in court in order to obtain a court order to achieve the same goal.

Budgetary Impact: None. City funding spent for demolition work on behalf of code enforcement is reimbursed to the City 100% by way of a property lien or cash payment.

Recommendation: Staff recommends approval.

APPROPRIATION

Housing Demolition Reimbursement
$6,500

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that $6,500 from Piedmont Housing Alliance is hereby appropriated from 26-280-051677-46299 to 26-280-051678-50111 for the purpose of replenishing the revolving fund to assist in future demolitions.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 5, 2004
Action Required:	Appropriation
Staff Contacts:	Rochelle Small-Toney, Assistant City Manager Leslie Beauregard, Budget Manager
Reviewed By:	Gary O'Connell, City Manager
Title:	Quality Community Council

Background: Appropriation of funds raised by Quality Community Council (QCC) prior to its receipt of 501(c)3 designation to clear books from FY03 & FY 04.

Discussion:
FYO3: $100.00 Innovative Management (reimbursement of expenses for CCF focus group)
$500.00 University of Virginia Office of African American Affairs honorarium
FYO4: $8,921.22 National Housing Trust Enterprise Preservation Corp-Friendship Court

TOTAL APPROPRIATION: $9,521.22

These funds are contributions made to QCC and a payment from the National Housing Trust for services rendered by Karen Waters during her tenure as a city employee. The funds will be transferred to QCC for general operating expenses.

Alternatives: N/A

Budgetary Impact: There is no ($0) operating impact on the General Fund budget.

Recommendation: Approval of appropriation.

APPROPRIATION

Quality Community Council
$9,521.22

WHEREAS, the City of Charlottesville was until recently the fiscal agent for the Quality Community Council (QCC); and

WHEREAS, the QCC is now a 501 (c)(3) non profit agency and funds that remain on the City's books should be transferred to the QCC to cover their general operating expenses; now, therefore

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that $9,521.22 is hereby appropriated from account code 26-020-092205-46202 to the Quality Community Council.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 20, 2004
Action Required:	Yes
Staff Contacts:	Claudette Grant, Neighborhood Planner
Reviewed By:	Gary O'Connell, City Manager
Title:	Spruce Street Acceptance into City Street System

Background: In October of 2002, the City approved a subdivision plat for Belmont Commons, LLC Planned Unit Development as part of the Belmont Lofts PUD. The Spruce Street portion is adjacent to the Belmont Lofts project and initially was to be part of that project. However, it was decided to make Spruce Street its own development. Therefore, it is not part of the Belmont Lofts PUD. The Spruce Street section off of Cherry Street is now ready for acceptance. The City Engineers have inspected it and deemed it built to proper standards.

Discussion: This portion of Spruce Street is the extension of a pre-1950 street. It is an old right of way. Spruce Street is a dedicated, but not accepted street. The City Engineers have deemed the street acceptable with parking on one side of the street. The Spruce Street section has been built and asphalted to acceptable standards. It is ready to be accepted into the City system by City Council.

Alternatives: City Council can either accept or deny Spruce Street into the City system.

Budgetary Impact: None. This is eligible for State Maintenance funds.

Recommendations: Staff recommends acceptance of the street into the City system.

Attachments: Map; Resolution.

cc: Jim Tolbert

RESOLUTION
ACCEPTING SPRUCE STREET
INTO THE CITY SYSTEM FOR MAINTENANCE

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, on recommendation of the City Engineer and City Manager that Spruce Street, which has been built to City standards and specifications, from its intersection with Cherry Street to its terminus at the CSX railroad tracks, is hereby accepted into the City street system for maintenance. The street hereby accepted is shown on the attached copy of City Real Property Tax Map #57.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 5, 2004
Action Required:	Adoption of Ordinance
Staff Contacts:	James E. Tolbert, Director, AICP
Reviewed By:	Gary O'Connell, City Manager
Title:	**Streetwall Step-back**

Background: When we drafted the zoning ordinance, we continued with the concept of stepping back walls adjacent to the street after they had reached a certain number of stories. This was a concept that had been used quite successfully in the Transition Zone in the old zoning ordinance. However, in drafting the regulations with the new language, we inadvertently made a change in the Downtown that seriously impacts the ability to construct any buildings taller than four stories on corner properties along the Downtown Mall. Because we have a pending development proposal, this is one of those matters that requires immediate attention.

Discussion: The current regulations guiding development in the Downtown corridor district, particularly Section 34-558 (Streetwall Regulations), require that there be a minimum step-back of 15 feet along at least 70% of the length of the "streetwall" for any part of a building above four stories. However, our new ordinance defines streetwall as any part of a building façade fronting on a public street. By definition, this makes any street side of a corner lot subject to the step-back provisions.

The corner lots along the Downtown Mall range in width from 22 feet to 76 feet. Most are less than 40 feet wide with only five being greater than 50 feet. When a 15-foot step-back is applied to potential buildings on these lot widths, it effectively removes the ability to do anything practical above four stories, thereby effectively limiting corner buildings in the downtown to four stories.

I do not believe that this was the intent of this ordinance. The theory behind this section was to reduce the possibility for a canyon like appearance along the Downtown Pedestrian Mall by keeping the buildings that were visible along the Mall at a pedestrian scale.

Alternatives: Leave ordinance as is. Eliminate streetwall requirements.

Budgetary Impact: None.

Recommendation: The Planning Commission recommends that Section 34-558 (Streetwall Regulations), subsection A be amended to add the following: "This regulation shall not apply to any streetwall fronting upon a numbered street within this district between Ridge Street and 10th Street, East."

This would ensure that we maintain the step-back along Market, Main and Water Streets, but that it won't apply to the numbered side streets leading off of the Mall.

Attachment: Proposed Ordinance.

AN ORDINANCE
AMENDING AND REORDAINING SECTION 34-558 OF ARTICLE IV
OF CHAPTER 34 (ZONING) RELATING TO
STEPBACK REQUIREMENTS FOR MULTI-STORY BUILDINGS
IN THE DOWNTOWN MIXED USE CORRIDOR DISTRICT

Sec. 34-558. Streetwall regulations.

(a) *Stepback requirement.* The maximum height of the streetwall of any building or structure shall be four (4) stories. After four (4) stories, there shall be a minimum stepback of fifteen (15) feet along at least seventy (70) percent of the length of the streetwall. <u>This requirement shall not apply to any streetwall fronting upon a numbered street within this district between Ridge Street and 10th Street, East.</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 20, 2004
Action Required:	Appropriation
Staff Contacts:	Leslie Beauregard, Budget Manager Charles Werner, Fire Department
Reviewed By:	Gary O'Connell, City Manager
Title:	Interoperable Communications Equipment Grant

Background: The Federal Emergency Management Agency (FEMA) has awarded the Interoperable Communications Equipment Grant to the City of Charlottesville in the amount of $6,000,000.

Discussion: This grant will fund costs associated with the new 800 MHz public safety radio system and other interoperable communications equipment as part of a regional effort between the City of Charlottesville, Albemarle County and the University of Virginia, to achieve interoperability between public safety and to serve as a national model. The City of Charlottesville will act as the fiscal agent for this grant. There is a 25% match that is required, but has already been met from each of the jurisdictions' contributions to the overall project. The grant funds will be used to offset $4.5 million dollars for the radio system and $1.5 million will fund the building of a data infrastructure for public safety and other tactical interoperability equipment. Disbursement of the grant to each of the jurisdictions is based on a formula established by the Emergency Communications Center Management Board.

Alternatives: The alternative to not accepting this grant is to fully fund the 800 MHz radio system and not do the other associated interoperability projects.

Budgetary Impact: There is no ($0) impact on the General Fund.

Recommendation: Appropriate grant funds.

APPROPRIATION
INTEROPERABLE COMMUNICATIONS EQUIPMENT GRANT (ICE)
$6,000,000

WHEREAS, the Federal Emergency Management Agency has awarded the Interoperable Communications Equipment Grant (ICE) to the City of Charlottesville in the amount of $6,000,000.00, which will be used to fund costs associated with the new 800 MHz public safety radio system; now, therefore

BE IT RESOLVED by the Council of the City of Charlottesville, Virginia, that the sum of $6,000,000 is hereby appropriated into account 11-260-042111-50111 within the grants fund. This appropriation is conditioned upon receipt from the Federal Emergency Management Agency of $6,000,000.00 in grant funds.

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	January 20, 2004
Action Required:	Yes
Staff Contacts:	Craig Brown, City Attorney Aubrey Watts, Chief of Operations
Reviewed By:	Gary O'Connell, City Manager
Title:	Contract for Development of Fifth and Water Street Property

Background: In January, 2001 the City sold the parking lot located at the corner of 5th and Water Street to Water Street, LLC for development. A pertinent part of the agreement between the City and Water Street LLC provides as follows:

> *Purchaser will construct a "Class A" five-story office building on the Property consisting of four floors which total approximately 48,000 square feet of space to be used for commercial, office and retail purposes, and a top floor of six or seven residential condominiums. Purchaser will also construct a minimum of 41 underground parking spaces on the Property, which parking spaces will belong to Purchaser. The requirements of this paragraph shall survive Closing on the Property. It is the intent of both Seller and Purchaser that the total cost of the development will be $6,000,000 - $7,000,000.*

Development of the property has not commenced, and while title to the property remains in Water Street, LLC, the company has been sold to a new owner.

Discussion: The new owner of Water Street, LLC, Bill Nitchmann, has started to pursue plans to develop the property. His proposed development does differ from the project originally contemplated in the contract, and Mr. Nitchmann is requesting an amendment to the contract to incorporate his new plans. He has

asked that the above-quoted contractual provision be replaced with the following:

> *Purchaser will construct a five story building on the Property consisting of five floors which will total approximately 41,000 gross square feet of building area consisting of approximately 8,000 square feet of retail on the first level, parking on the second level, and three floors of condominiums consisting of approximately twenty to twenty-four units. Purchaser will provide 27 to 30 parking spaces on site, which parking will belong to the Purchaser. It is the intent of the Purchaser that the project cost will be $4,000,000 - $5,500,000.*

According to Mr. Nitchmann groundbreaking is scheduled to occur in March, 2005, with occupancy beginning in May, 2006. During the period prior to the start of construction he is planning to use the property as a paid hourly/monthly lot, to create some cash flow to defray the cost of the new building. Some of the spaces will serve the commercial property immediately to the north of the lot, which is under common ownership.

Alternatives: City Council could decline to approve the proposed amendment to the contract, but given the difficulties encountered by the prior owner that may mean that the property does not get developed. A second alternative would be to propose a different development than that envisioned by the current owner.

Budgetary Impact: Since the property is currently being used for free parking, there is no direct budgetary impact on the City. Development of the property will result in increased tax revenues for the City.

Recommendation: We recommend that City Council authorize the City Manager to execute an amendment to the contract in the form attached.

Attachments:
-- Proposed Resolution approving an amendment to the existing agreement
-- Proposed Amendment
-- Letters from Bill Nitchmann dated October 3, 2003 and December 15, 2003
-- Sales Agreement dated January 3, 2001

RESOLUTION
APPROVING AN AMENDMENT TO A CONTRACT DATED JANUARY 3, 2001 BETWEEN THE CITY AND WATER STREET, LLC

WHEREAS, in 2001 the City of Charlottesville conveyed certain property identified as Parcel 72 on City Real Estate Tax Map 53, located at the intersection of 5th Street, S.E. and Water Street (the "Property"), to Water Street, LLC pursuant to a contract dated January 3, 2001 (the "Contract"); and,

WHEREAS, ownership of Water Street, LLC has been transferred and the new owner is pursuing plans to develop the property, which differ from the development originally contemplated in the Contract; and,

WHEREAS, Water Street, LLC, through its new owner, has proposed an amendment to the agreement between the City and Water Street, LLC, to reflect the development envisioned for the site.

NOW, THEREFORE, BE IT RESOLVED by the Council for the City of Charlottesville, Virginia that the City Manager is authorized to execute an amendment to the Contract dated January 3, 2001 between the City and Water Street, LLC, a copy of which is attached to this Resolution.

CONTRACT AMENDMENT

THIS CONTRACT AMENDMENT is entered into this ____ day of January, 2004 by and between the City of Charlottesville, Virginia, a municipal corporation, and Water Street, LLC, a Virginia limited liability company.

WHEREAS, in 2001 the City of Charlottesville conveyed certain property identified as Parcel 72 on City Real Estate Tax map 53, located at the intersection of 5th Street, S.E. and Water Street (the "Property"), to Water Street, LLC pursuant to a contract dated January 3, 2001 (the "Contract"); and,

WHEREAS, ownership of Water Street, LLC has been transferred and the new owner is pursuing plans to develop the property, which differ from the development originally contemplated in the Contract; and,

WHEREAS, Water Street, LLC and the City of Charlottesville have agreed that an amendment to their existing contract is required to reflect conditions which have changed since the original conveyance.

Water Street, LLC and the City of Charlottesville hereby agree as follows:

(1) Paragraph IV. D of the Contract dated January 3, 2001 is hereby amended to state as follows:

> *Purchaser will construct a five story building on the Property consisting of five floors which will total approximately 41,000 gross square feet of building area consisting of approximately 8,000 square feet of retail on the first level, parking on the second level, and three floors of condominiums consisting of approximately twenty to twenty-four units. Purchaser will provide 27 to 30 parking spaces on site, which parking will belong to the Purchaser. It is the intent of the Purchaser that the project cost will be $4,000,000 - $5,500,000.*
>
> *Purchaser will use its best efforts to meet the following development schedule for the property:*
>
> *March 1, 2004: Application for site plan submitted*
> *June 1, 2004: Completion of exterior design and portion of interior lay out*
> *September 1, 2004: Complete working drawings issued with RFQ*
> *November 5, 2004: Review of bid packages*
> *March 1, 2005: Groundbreaking for project*
> *May 1, 2006: Project ready for occupancy*

During the period between the execution of this Amendment and March 1, 2005 Purchaser may use the Property as a paid hourly/monthly parking lot. The parties agree that the continued use of the property as a parking lot is intended to be temporary in nature, and does not relieve Purchaser from his development obligations as set forth in the agreement of January 3, 2001, as amended herein. Use of the property for paid hourly or monthly parking after the date of March 1, 2005 shall require the prior approval of the Charlottesville City Council.

At the conclusion of each six (6) month period following the execution of this Contract Amendment Purchaser shall submit a progress report stating whether the development is on schedule, and stating the reasons for any anticipated delays.

(2) All other terms and conditions of the Contract dated January 3, 2001 shall remain in full force and effect. For purposes of clarification, the parties agree that Paragraph VII. (E) of the Contract, prohibiting the transfer or assignment of any rights or obligations under the Contract by anyone having an interest therein, without the advance written consent of all other persons or entities having an interest in the Contract, shall include the sale, transfer or assignment of any ownership interest in Water Street, LLC.

WITNESS the following authorized signatures:

PURCHASER:
WATER STREET, LLC

By: _____

Title: _____

Date: _____

SELLER:
CITY OF CAHRLOTTESVILLE, VIRGINIA

By: _____

Title: _____

Date: _____

CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA

Agenda Date:	20 January 2004
Action Required:	Approve Appropriation Resolution
Staff Contacts:	Linda Peacock, Assistant City Manager Steve Scarano, Project Manager
Reviewed By:	Gary O'Connell, City Manager
Title:	Integrated Systems Project

Background: City government in Charlottesville is committed to building a great community in which to live and work and to planning for its future. There has long been a vision of Charlottesville as a Connected Community, a virtual community that links government, business and citizens together locally, regionally, and globally by providing common access to information as well as opportunities for interaction, dialogue, awareness and involvement.

Discussion: In order to realize this vision of service to citizens and easy access to information,
we must replace our older core technology and business systems with a state-of-the-art group of functionally integrated software applications that will effectively and efficiently support the core missions and the strategic vision of the City. There is a greater need than ever for timely strategic management information that is not available from the current systems.

The City's strategic vision cannot be met with current administrative systems or processes. Many of the core financial systems and the business practices we support are twenty to twenty-five years old. Replacement is past due in some cases, and the risk of system failure in others increases with time.

A number of critical systems, such as financial management, utility billing, purchasing and warehouse, and personnel and payroll, currently operate on an aging mainframe (HP3000), which is no longer supported by the manufacturer. We are hampered by the current technology base, which cannot accommodate the technological requirements of many best business practices or the realization of access to information and services both in person and via the Internet (e-government).

Staff is recommending the purchase and implementation of an Enterprise Resource Package (ERP) to support the Integrated Systems Project and its goal of converting these older core technology and business systems and practices to realize integration among its business systems.

Through procurement and with due diligence, staff has determined that SAP software best suits the business needs of the City. We have also determined that ea Consulting is best suited to serve as the implementer for the Integrated Systems Project. Tonight, we are asking Council's authorization to move forward with this $6.6 million dollar project. The attached appropriation resolution authorizes a 10-year, inter-fund loan of $5 million dollars to be repaid at 3% interest. It also authorizes the City Manager to execute a contract with ea Consulting to implement the SAP software package.

Expected benefits from this investment include improved customer services, on-line access to City services (e-government), increased citizen satisfaction, increased availability of information to tie results to strategies, goals and mandates, and recognition of Charlottesville as a connected community.

Alternatives: The only alternative is to purchase best of breed, non-integrated systems at a much higher initial cost (a partial solution to the City's business requirements was bid at $10.4 million), with associated higher support costs over the long-term.

Budgetary Impact: The Utility Funds would loan $4,000,000 and the Capital Fund contingency would loan $1,000,000 to the project. These loans would be repaid through annual transfers to the Technology Fund (from non-General Fund sources) over a ten-year period at 3% interest. The balance of the project cost would be paid by funds set aside for this purpose and currently available in the Technology Fund.

Recommendation: Approve appropriation resolution authorizing the inter-fund loan and the City Manager's signature on a contract approved by the City Attorney.

APPROPRIATION RESOLUTION
AUTHORIZING AN INTER-FUND LOAN IN THE AMOUNT OF $5,000,000
IN SUPPORT OF THE INTEGRATED SYSTEMS PROJECT

WHEREAS, the City of Charlottesville ("City") has determined that its core financial software systems are outdated, that its mainframe hardware system is at the end of its service life, and that there is no appreciable integration among its more than 160 business system applications; and

WHEREAS, the City wishes to purchase and put into place an Enterprise Resource Package (ERP) to support the Integrated Systems Project and its goal of converting these older core technology and business systems and practices to realize integration among its business systems; and

WHEREAS, the City expects the benefits from an ERP package to include improved customer services, on-line access to City services (e-government), increased citizen satisfaction, increased availability of information to tie results to strategies, goals and mandates, and recognition of Charlottesville as a connected community; and

WHEREAS, the City has determined through procurement that SAP software is best suited to the business needs of the City, and ea Consulting was selected as best suited to serve as the implementer for the Integrated Systems Project; and

WHEREAS, the total project cost is estimated to be $6.6 million dollars;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Charlottesville that the sum of $4,000,000 is hereby appropriated from the unappropriated balance of the Utility Fund and the sum of $1,000,000 is hereby appropriated from the Capital Projects contingency fund, and said amount ($5,000,000) is hereby transferred to the Technology Fund as a loan, the proceeds for which shall be used to support the costs of the Integrated Systems Project.

BE IT FURTHER RESOLVED that the term of the inter-fund loan shall be for ten (10) years, beginning on the date this appropriation is approved by City Council. This appropriation is conditioned upon execution by the Mayor of a Promissory Note, in form approved by the City Attorney, which shall require annual payments of principal and interest to the Utility Fund based on a ten-year amortization schedule. The rate of interest charged for the loan shall be set at 3%.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute a contract, in form approved by the City Attorney, with ea Consulting for implementation of the Integrated Systems Project.