



CEDA NOMINATION FORM

INTRODUCTION

The 2012 VEDA Community Economic Development Awards (CEDA) will be presented during VEDA's Spring Conference in Williamsburg, March 22-23, 2012. One winner can be selected from each of the 5 population categories. These selections will be based on the most significant contributions to economic and community development in the nominees' respective communities.

AWARD CATEGORIES

The CEDA may be given to one community from each of the following five population categories: (population will be based on the most recent published decennial census)

- I. Population less than 5,000
- II. Population of 5,001 to 15,000
- III. Population of 15,001 to 40,000
- IV. Population of 40,001 to 100,000**
- V. Population of over 100,000

For the purpose of this award, a "community" shall be defined as any unincorporated town or city, incorporated town or city, county/parish, formally established multi-jurisdictional region, metropolitan statistical area, or state. The "community" should reflect work responsibility of the VEDA member submitting the entry.

A maximum of five awards will be given, one in each of the population categories listed above. Each project has to fall under one or more of the four areas mention in this document under "Purpose."

NOMINATION

NAME OF COMMUNITY CITY OF DANVILLE, VIRGINIA

CHIEF OPERATING OFFICER (IF A CITY OR COUNTY, CITY MANAGER OR MAYOR JOE KING, CITY MANAGER

ADDRESS 427 PATTON STREET; P.O. BOX 3300

CITY, STATE, ZIP DANVILLE, VA 24543-3300

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COMMUNITY POPULATION IV 43,055

APPLICATION SUBMITTED BY CORRIE TEAGUE

TITLE MARKETING & RESEARCH MANAGER – OFFICE OF ECONOMIC DEVELOPMENT

PHONE (434) 793-1753 EMAIL CTEAGUE@DISCOVERDANVILLE.COM

SUBMITTED FOR: (CHECK BELOW ALL THAT APPLY)

Business Retention/Expansion

X Business Attraction

X Community Development

X Community Involvement

SUMMARY REVIEW

Please attach a brief description of the economic development efforts and accomplishments (projects and programs). Within this description, address the awards criteria of innovativeness, transferability, community commitment, measured objectives and secondary benefits. The nomination can be no longer than four conventionally formatted 8.5" x 11" pages. Also please submit up to 5 digital photographs related to the community program/project to veda@associationbuilders.com. These photos need not be a part of the nomination form.

The Virginia CEDA winner(s) will be announced and recognized during the CEDA luncheon at the VEDA Spring Conference in Williamsburg, March 22-23, 2012. The 2012 Virginia CEDA winners' nomination(s) will also be sent to SEDC by Virginia's SEDC State Director to compete with other southern states' winners. SEDC winners will be recognized later in 2012.

VEDA Member Submitting Form Corrie Teague

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Submit to:

VIRGINIA ECONOMIC DEVELOPERS ASSOCIATION
1340 North Great Neck Road, #1272-128
Virginia Beach, Virginia 23454
757-412-2664 Fax: 866-873-3690
veda@associationbuilders.com

All Nominations Must Be Received By February 10, 2012

Overview/Summary

Danville's Downtown and Tobacco Warehouse Districts have been considered the commercial and administrative heart of the city since the 1790's. In the past, the streets would be lined with cars parking in front of their favorite stores such as Rippe's, McCollum-Ferrell, and Frances Kahn. Trucks would line up outside of the tobacco warehouses to auction off their harvest of bright leaf tobacco in what was considered to be "The World's Best Tobacco Market".

With the popularity of malls in the 1980's and the exit of local tobacco and textile operations, these two districts took a hard hit and are now typical of many old central business districts with more than their share of vacant and blighted buildings. A majority of their sites and buildings are controlled by absentee owners and developers who have experienced major financial troubles during the recession.

The City has lost prospective industrial projects specifically because of the appearance of this area. One even compared it to a "bombed out Beirut". This area has also affected our existing business base who complained that the lack of an attractive, appealing downtown made it difficult to recruit and retain skilled employees. For these reasons, the City decided that increased focus should be put on these two districts, which have been rebranded collectively as the River District.

This major project or "renaissance" was launched with a trip, sponsored by the Danville Regional Foundation, to Greenville, South Carolina to learn of its 20+ year downtown revitalization efforts. From this trip, Council members, Economic Development staff, Community Development staff, and City administration started to develop a strategy for redeveloping the River District.

Community Development and Leverage

The City of Danville, along with the Danville Regional Foundation (DRF) staff and downtown leaders sought out a consulting group to help determine how to best utilize the land in the River District, design a cohesive feel to the area, and bring together property owners, businesses and residents within this district as well as the entire community in the major redevelopment. Out of 22 firms responding to the RFP, BBP & Associates, LLC was selected to head this \$100,000 project, which was predominately paid for through a grant funded by the DRF. Throughout this process, BBP and Allison Platt & Associates (an urban design and landscape architect firm) held multiple public meetings in order to keep this process as transparent as possible and gain public input about what was needed in the River District.

One of the foremost visual eyesores in the River District was the Downtowner Motor Inn. Built in 1963, this hotel was once a thriving anchor to Historic Downtown Danville. Since its closing in the 1980s, this structure has changed hands several times and has never re-opened for business. After the last owner's attempt to create student housing in this facility (without the proper funding or architectural help), the City knew it had to find a way to take ownership of the monstrosity. The Danville Regional Foundation (DRF) funded a \$615,000 grant to purchase this building. The City, with support from the DRF, is now in the process of demolishing this eyesore. Since this building is located in the middle of Main Street, the City's Inspections Division holds public meetings for local citizens and merchants in order to update them on the progress and address any concerns.

The City was recently approved for a \$1.4 million grant from the Virginia Department of Transportation to improve downtown Danville's streets and sidewalks. The streetscape project was determined to be the most feasible public project at this time following a study last year that identified public and private projects to bring new life to the River District. The VDOT funds, in addition to matching funds from the City, will be used to widen existing sidewalks, install brick pavers, create more visible and safer pedestrian crossings, and provide amenities such as outdoor café space, trees, benches and new lighting. Local citizens were able to give suggestions about amenities that they would like to see added during a community meeting.

Japan Tobacco International, a company that announced its location to Danville in 2009, has also joined in the efforts of this exciting redevelopment project with a significant financial donation. This money has been designated to build a fountain in the River District.

Because of the excitement and anticipation of this renaissance, local groups, organizations, and citizens planned and executed the very first River District Festival last fall. Thousands of people came to this district to listen to music, visit booths, and enjoy the beer garden. This committee has already begun planning the second annual Festival.

Innovativeness

An issue that the City has faced while planning for this project is that there are no major developers in Danville that have adequate financial strength to rehabilitate large sections of the River District. Under the direction of City Manager Joe King, the City and the Danville Industrial Development Authority have taken the leadership role of purchasing strategically chosen River District properties with a portion of a \$3 million appropriation from the Utilities Fund and another \$1.6 million transferred from unappropriated fund balance.

The IDA has also taken out a \$2.74 million loan from a local bank in order to purchase the former Dimon, Inc. headquarters building. This was a very important project for the River District. Not only did the Danville Regional Foundation decide to locate its headquarters to this building, but Averett University chose this as the location of its new Riverview Campus that now houses its Graduate and Professional Studies (GPS) program. It will also house Averett's brand new Health Sciences initiative. Over 250 students and staff will now work and learn right in the heart of the River District.

The Economic Development Office has also designed an entire new set of local incentives and loan programs in response to gap financing needs. These funds were tailored to help developers and small businesses. The local programs are in addition to the various federal and state programs that include historic tax credits, new market tax credits, SBA HubZone, and Enterprise Zone benefits. The local programs are:

- **5-Year Graduated Tax Abatement on Improvements:** One of the goals is to ensure that the City of Danville receives a tax stream on projects in the short run. In the past clients could receive significant tax relief over a fifteen year period and a cash incentive, which created financial stress for the City. The tax abatement program was changed to 5-Years on a graduated basis of

year 1 – 100%, year 2 – 80%, year 3 – 60%, year 4- 40%, and year 5-20%. Companies are also required to elect to take the tax abatement or an alternative cash incentive.

- **Downtown Enhancement Grant:** This grant is an expansion of a previous façade program that was offered. Now developers and companies can receive a cash grant that can be applied to building purchases, machinery and equipment purchases, façades, building improvements, inventory, debt reduction, and cash flow. The amount of the grant is based on capital investment, jobs, and overall impact in the River District. The company/developer must sign a performance agreement and agree to remain in the River District for seven years.
- **RBEG Loan:** The IDA received a \$99,000 grant from the United States Department of Agriculture to set-up a low interest revolving loan program for small businesses. Businesses can apply for a 4% loan over a period of years to assist with building purchases, building improvements, façades, inventory, machinery and equipment purchases, debt reduction, or cash flow. The loan applicant must submit an acceptable business plan, prior year tax returns, financial statements, and a business history. The City has subsequently added money to this revolving loan fund.
- **Master Leases:** To help a developer obtain bank financing, the Industrial Development Authority has entertained entering into master leases on commercial space, so that an income stream for the overall project is ensured and a certain amount of square footage is pre-leased. The goal of the IDA is to have the space leased to an active tenant by the time the project is completed and available for occupancy. The obligation for the master lease is minimal. Having the IDA commit to a master lease provides credibility for the overall project, and often enables the developer to obtain financing for the project.
- **Low Interest Loans:** The City and the Industrial Development Authority are willing to enter into low interest loans with qualified companies and developers to enhance a good project for the River District. With bank financing limited, developers need these kinds of unconventional aids to help with gap financing to make the project work.

Throughout this redevelopment process, the City of Danville’s goal is to keep local residents informed and involved. We have devoted pages on the City’s website to the River District Redevelopment Project and the demolition of the Downtowner:

- [River District Development Page](#) – Anyone can access the history and current progress of this redevelopment project. All articles about the River District Development are posted, as well as all reports, presentations, and videos that are shown at community meetings in case residents want to view them again or if they were unable to attend. Residents can also submit comments and even sign up for email updates.
- [The Downtowner Motor Inn Demolition Page](#) – On this page, one can access the history and current progress of this demolition project. The dates of upcoming Downtown Merchant Meetings are also posted on this page. A new feature that the City is excited to offer is chance to view [a live stream](#) of the demolition right from the viewer’s computer!

Transferability

All of the steps that the City of Danville has taken can be used by others to transform their historic or blighted areas. The City's overriding strategy is to use public funds to incent or purchase key sites and buildings throughout this district and then transfer them back to private ownership once the property is stabilized.

Transparency and citizen input are also very important throughout this process. The City continuously holds meetings with stakeholders and encourages local citizens to participate during the process. We also send out updates via media releases, posts on the website, and through our social media (Facebook and Twitter) accounts.

Measured Objectives

- 1) Increase the recruitment of businesses to the River District

Since the very beginning of revitalization efforts, a variety of businesses have already located to the River District. From restaurants to art galleries, to small high tech businesses, and now even to the Center for Applied High Performance Computing with a next-generation Cray XMT supercomputer, we are seeing rapid growth in this district. Since December 2010, there have been 17 announcements in this district. There are plans for three additional announcements (a healthcare-related project in an anchor building, a high-tech start-up, and a specialty retailer) to take place very soon.

- 2) Increase the number of people living in the River District

There are now five residential buildings comprising 173 units in the River District – a blend of market-rate and income-restricted apartments and condos. Four of the five buildings are now at 100% capacity. The latest addition to this group, the Ferrell Building, which was officially opened at the end of January, is already 60% occupied.

- 3) Decrease the number of vacant/blighted buildings in the River District

To-date, the IDA has purchased 16 properties with an investment well over \$8 million (City funds/loans/grants) in acquisitions, improvements, and demolitions.

Secondary Benefits

The redevelopment of the River District comes with a variety of ancillary benefits. First and foremost, new and existing businesses will be proud to show off this area to their employees and customers, as well as promote it as an exciting area of unique retail, restaurants, and entertainment. The new urban feel of living and working in the River District will attract young professionals to this district. Vacant and deteriorated buildings will finally become stabilized and move-in ready for residents and businesses. The entire district will be aesthetically pleasing with improved façades and updated streetscapes. Simply put, a revitalized River District will send a strong message to the world that Danville is “the place to be.”