

A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:30 p.m., August 26, 1997.

Members present: Mayor G. Michael Shelton; Vice Mayor Larry D. Brookshier; Councilwoman Mary L. Flood; Councilwoman Linda Kochendarfer; Councilman W. D. Tharp; and Councilman Robert T. Wandrei.

Members absent: Councilman H. Davis Ballard.

Staff present: City Manager Jack A. Gross, City Attorney W. W. Berry, IV, and Clerk of the Council Teresa W. Hatcher.

Mayor Shelton opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Shelton declared that the minutes of an adjourned Council meeting held on August 12, 1997, were approved as distributed.

After discussion, it was determined that Council would not reserve a booth at Centerfest '97, which is scheduled to be held on September 27.

Councilman Tharp reported that he has been assured by Mike Rieley that the telephone pole on the property of the Bedford Public Library will be removed next week, and Councilman Tharp asked the City Manager to confirm this by letter.

The Clerk of Council read aloud the following notice of public hearing:

## **PUBLIC HEARING NOTICE**

Notice is hereby given of a public hearing to be held by the City Council at 7:30 p.m. on Tuesday, August 26, 1997, at the City Municipal Building, 215 East Main Street, Council Hall, for the purpose of considering a request for the following:

To consider rezoning property from R-1A Low Density Residential and B-1 Limited Business to B-2 General Business. This property fronts Crenshaw Street and is identified as Tax Map #213-A-88, #213-A-89, #213-A-90, #213-A-94 & #213-A-98.

Information regarding this rezoning is on file in the office of Planning & Community Development.

The request is being made by Mr. Donald A. Owen and Aubrey Burnette, owners.

Anyone who is in favor of or opposed to the request will have an opportunity to express their view at this hearing.

By the Authority of the City Council

Of the City of Bedford

City Attorney Berry reported that Mr. Burnette is asking that his rezoning request be amended.

Mayor Shelton opened the public hearing at 7:40 p.m.

Mr. Aubrey Burnette, owner, asked that his rezoning request be amended as follows:

To withdraw the request to rezone property fronting on Crenshaw Street and identified as Tax Map #213-A-90. To consider rezoning property fronting on Crenshaw Street and identified as Tax Map #213-A-88, #213-A-89, #213-A-94, and #213-A-98 from R-1A Low Density Residential to B1 Limited Business.

The City Manager and City Attorney indicated the requested change is consistent with the way the rezoning request has been advertised.

As there were no further comments, Mayor Shelton closed the public hearing at 7:42 p.m.

The Consent Agenda consisted of the following items:

- Appointment of Mrs. Meg Ballard, 995 Ashland Avenue, and Mrs. Carolyn Horst, 501 Jeter Street, to the Keep Bedford Beautiful Commission for three-year terms, said terms to expire June 30, 2000.

- Approve the blocking of the following streets on Saturday, September 27, 1997, from 7:00 a.m. until completion of clean up for Centerfest '97:

West Main Street to Ballard Street; South Bridge Street to Washington Street; East Main Street to Court Street; North Bridge Street to the Depot Street parking lot near Hunan's Restaurant.

- Approve the closing of the following streets for the Peaks of Otter Christmas Classic Foot Race on Saturday, December 6, 1997, from 10:00 a.m. to noon:

Ashland Avenue from the Primary School to Lake Drive; Lake Drive to Peaks Street; Mountain Avenue and College Street.

On motion by Councilwoman Kochendarfer, seconded by Councilwoman Flood, voted upon and carried, Council adopted the Consent Agenda.

Mayor Shelton restated the amended rezoning request made by Mr. Aubrey Burnette: to rezone property fronting on Crenshaw Street identified as Tax Map #213-A-88, #213-A-89, #213-A-94, and #213-A-98 from R-1A to B-1. The Mayor indicated that #213-A-90 would remain B-1, as it currently is zoned.

On motion by Councilman Tharp, seconded by Councilwoman Kochendarfer, voted upon and carried after a brief discussion, Council approved the zoning request for property on Crenshaw Street from R-1A Low Density Residential to B-1 Limited Business.

Mr. Tom Lash, Project Manager for the Wastewater Treatment Plant Project representing Parsons Engineering Science, gave a update on the progress of the project:

- conducted a toxicity reduction evaluation program and have concluded that any toxicity issue

appears to originate outside the plant

- conducted a pilot plant program

- prepared a preliminary engineering report which was submitted to the Department of Environmental Quality and the Virginia Department of Health on June 19 and is currently under review

Mr. Lash reported that recommendations made will improve processes and allow reduction of unit costs of treatment. Mr. Lash made further comments on: contract documents and bidding out the project in the mid-Atlantic region, water and sewer rate structures, and funding.

Discussion ensued.

Mrs. Joanne Caldwell, City Treasurer, reviewed the annual report of uncollected real estate and personal property taxes for the fiscal years 1994-95 and 1996-97:

**Real Estate Tax Status as of August 15, 1997:**

Tax Year

Assessment

Uncollected

Tax

Percentage

Collected

1994-95

\$1,520,479.98

\$ 1,162.27

99.93%

1995-96

\$1,548,024.18

\$ 2,127.84

99.87%

1996-97

\$1,569,444.70

\$ 9,502.00

99.40%

**Personal Property Tax Status as of August 15th, 1997:**

1994

\$ 871,539.81

\$ 4,102.91

99.53%

1995

\$ 984,365.76

\$ 4,943.56

99.50%

1996

\$ 1,022,713.51

\$11,238.75

99.91%

Mayor Shelton commended the City Treasurer for the excellent collection rate for City taxes.

City Manager Gross stated Council has received information from the City Treasurer that outlines the provisions of Section 58.1-3919.1 of the Code of Virginia, which allows treasurers to employ the services of private collection agents to assist with the collection of delinquent local taxes other than real estate. Legislation adopted in the 1997 Session of the General Assembly gives localities the option of charging a penalty of \$10 or 10 percent, whichever is greater, to delinquent accounts. By adding such a penalty, the City would incur no costs to use private agencies for the collection of these accounts.

A brief discussion ensued.

On motion by Councilwoman Kochendarfer, seconded by Councilman Tharp, voted upon and carried, Council approved the use of private collection agencies for the collection of delinquent accounts other than real estate.

City Manager Gross stated Council has received a memorandum from Fran Hart, Director of the City's Parks and Cemeteries Department, requesting the waiving of tipping fees for disposal of brush and materials removed from Reynolds Park and from Edmund Street Park during their development and revitalization.

Councilman Wandrei moved that Council waive the landfill tipping fees for Reynolds Memorial Park and Edmund Street Park revitalization projects. The motion was seconded by Councilwoman Kochendarfer.

Ms. Hart gave Council an update on the two projects, which included an explanation of items donated for the Reynolds Memorial Park.

The motion was then voted upon and carried.

The City Attorney reviewed suggested amendments to a resolution authorizing issuance of Industrial Development Authority of the City of Roanoke Hospital Revenue Bonds.

On motion by Councilman Tharp, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution authorizing issuance of hospital revenue bonds. Roll call vote follows:

Councilman Ballard absent

Vice Mayor Brookshier aye

Councilwoman Flood aye

Councilwoman Kochendarfer aye

Councilman Tharp aye

Councilman Wandrei aye

Mayor Shelton aye

The resolution follows as adopted:

RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF BEDFORD, VIRGINIA AUTHORIZING,  
AMONG OTHER THINGS, THE ISSUANCE  
OF NOT TO EXCEED \$80,000,000 AGGREGATE  
PRINCIPAL AMOUNT OF THE INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA  
HOSPITAL REVENUE BONDS (CARILION HEALTH SYSTEM  
OBLIGATED GROUP) SERIES 1997A AND SERIES 1997B

WHEREAS, the City of Bedford, Virginia (the "City") is a political subdivision of the Commonwealth of Virginia exercising public and essential governmental functions pursuant to the Constitution and laws of the Commonwealth of Virginia; and

WHEREAS, the Industrial Development Authority of the City of Roanoke, Virginia (the "Roanoke Authority") is a political subdivision of the Commonwealth of Virginia and is authorized under Chapter 33, Title 15.1, Code of Virginia of 1950, as amended (the "Act"), to issue revenue bonds for the purpose of facilitating the financing or refinancing of certain projects required or useful for health care purposes; and

WHEREAS, Carilion Medical Center ("CMC") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which owns and operates health care facilities located in the City of Roanoke, Virginia; and

WHEREAS, Giles Memorial Hospital, Incorporated ("GMH") is a private nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which owns and operates a health care facility located in the Town of Pearisburg, Giles County, Virginia; and

WHEREAS, The Radford Community Hospital, Incorporated ("RCH") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which will own and operate a health care facility located in Montgomery County, Virginia; and

WHEREAS, Bedford County Memorial Hospital, Incorporated ("BCMh") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which owns and operates a health care facility located in the City of Bedford, Virginia; and

WHEREAS, Franklin Memorial Hospital ("FMH") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which owns and operates a health care facility located in the Town of Rocky Mount, Franklin County, Virginia; and

WHEREAS, the Roanoke Authority has by resolution adopted June 27, 1997 (the "Roanoke Authority Inducement Resolution") evidenced its desire to issue two series of its revenue bonds for the following purposes: (I) (a) financing for CMC in the approximate amount of \$20,000,000 a portion of the costs of (i) (A) renovating certain portions of Carilion Roanoke Memorial Hospital, an approximately 1,054,155 square foot health care facility, and/or (B) acquiring certain capital equipment for use in or in connection with Carilion Roanoke Memorial Hospital (the "Carilion Roanoke Memorial Hospital Project"), and (ii) (A) renovating certain portions of Carilion Roanoke Community Hospital, an approximately 412,921 square foot health care facility, and/or (B) acquiring certain capital equipment for use in or in connection with Carilion Roanoke Community Hospital (the "Carilion Roanoke Community Hospital Project"), (b) financing for GMH in the approximate amount of \$2,000,000 a portion of the costs of (i) renovating certain portions of Carilion Giles Memorial Hospital, an approximately 75,668 square foot health care facility, and/or (ii) acquiring certain capital equipment for use in or in connection with Carilion Giles Memorial Hospital (the "Carilion Giles Memorial Hospital Project"), (c) financing for BCMH in the approximate amount of \$2,000,000 a portion of the costs of (i) renovating certain portions of Carilion Bedford Memorial Hospital, an approximately 117,546 square foot health care facility, and/or (ii) acquiring certain capital equipment for use in or in connection with Carilion Bedford Memorial Hospital (the "Carilion Bedford Memorial Hospital Project"), (d) financing for RCH in the approximate amount of \$54,000,000 a portion of the costs of design, planning, site preparation, construction and equipment acquisition relating to the building and equipping of an approximately 238,370 square foot, two- to five-story replacement hospital facility containing 97 beds and related parking and other ancillary facilities to be located in Montgomery County, Virginia (the "RCH Project"), and (e) financing for FMH in the approximate amount of \$2,000,000 a portion of the costs of (i) renovating certain portions of Carilion Franklin Memorial Hospital, an approximately 61,270 square foot health care facility, and/or (ii) acquiring certain capital equipment for use in or in connection with Carilion Franklin Memorial Hospital (the "Carilion Franklin Memorial Hospital Project") (the Carilion Roanoke Memorial Hospital Project, the Carilion Roanoke Community Hospital Project, the Carilion Giles Memorial Hospital Project, the Carilion Bedford Memorial Hospital Project, the RCH Project and the Carilion Franklin Memorial Hospital Project are hereinafter collectively referred to as the "Project"); (II) paying a portion of the interest accruing on such revenue bonds during the acquisition, construction, renovation and equipping of

the Project; and (III) paying certain expenses incurred in connection with the issuance of such revenue bonds, including certain fees of the provider of a liquidity facility for each series of such revenue bonds; and

WHEREAS, CMC owns and operates Carilion Roanoke Memorial Hospital and the location of the Carilion Roanoke Memorial Hospital Project is Jefferson Street and Belleview Avenue, S.E., Roanoke, Virginia; CMC also owns and operates Carilion Roanoke Community Hospital and the location of the Carilion Roanoke Community Hospital Project is 101 Elm Avenue, S.E., Roanoke, Virginia; BCMH owns and operates Carilion Bedford Memorial Hospital and the location of the Carilion Bedford Memorial Hospital Project is 1613 Oakwood Street, Bedford, Virginia; GMH owns and operates Carilion Giles Memorial Hospital and the location of the Carilion Giles Memorial Hospital Project is 1 Taylor Avenue, Pearisburg, Virginia; and FMH owns and operates Carilion Franklin Memorial Hospital and the location of the Carilion Franklin Memorial Hospital Project is 124 Floyd Avenue, Rocky Mount, Franklin County, Virginia. The RCH Project will be owned and operated by RCH and the anticipated location of the RCH Project is 2900 Tyler Road (the Intersection of Route 177 and Interstate 81) in Montgomery County, Virginia; and

WHEREAS, the City Council of the City of Bedford, Virginia (the "Bedford City Council") has by resolution adopted July 8, 1997 concurred with the Roanoke Authority Inducement Resolution; and

WHEREAS, the Roanoke Authority has by resolution adopted July 30, 1997 (the "Roanoke Authority Resolution") authorized the issuance of two series of the Industrial Development Authority of the City of Roanoke, Virginia Hospital Revenue Bonds (Carilion Health System Obligated Group), Series 1997A and Series 1997B (the "Bonds") in an aggregate principal amount not to exceed \$80,000,000 for the purpose of (i) financing a portion of the costs of the Project, (ii) paying a portion of the interest accruing on the Bonds during the acquisition, construction, renovation and equipping of the Project and (iii) paying certain expenses incurred in connection with the authorization and issuance of the Bonds; and

WHEREAS, the Bedford City Council must first approve the issuance of the Bonds by the Roanoke Authority before BCMH can participate in the financing; and

WHEREAS, the Roanoke Authority has delivered or caused to be delivered to the Bedford City Council the following: (i) a reasonably detailed summary of the comments expressed at the public hearing held by the Roanoke Authority in connection with the issuance of the Bonds, (ii) a fiscal impact statement concerning the Project and the Bonds in the form specified in Section 15.1-1378.2 of the Act, and (iii) a copy of the Roanoke Authority Resolution, which constitutes the recommendation of the Roanoke Authority that the Bedford City Council approve the financing of the Project and the issuance of the Bonds; and

WHEREAS, the Bedford City Council has determined that it is necessary at this time to approve the issuance by the Roanoke Authority of not to exceed \$80,000,000 aggregate principal amount of the Bonds to promote the improvement of health and living conditions of the people of the City of Bedford and the Commonwealth of Virginia, increase opportunities for gainful employment, improve health care and otherwise aid in improving the prosperity and welfare of said City and Commonwealth and its inhabitants by improving the hospital facilities of CMC, BCMH, RCH, GMH and FMH, respectively;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Bedford, Virginia:

SECTION 1. The Bedford City Council hereby authorizes the issuance by the Roanoke Authority of two series of the Industrial Development Authority of the City of Roanoke, Virginia Hospital Revenue Bonds (Carilion Health System Obligated Group), Series 1997A and Series 1997B in an aggregate principal amount not to exceed \$80,000,000 (the "Bonds") for the purpose of (i) financing a portion of the costs of the Project, (ii) paying a portion of the interest accruing on the Bonds during the acquisition, construction, renovation and equipping of the Project and (iii) paying certain expenses incurred in connection with the authorization and issuance of the Bonds.

SECTION 2. The Bedford City Council hereby authorizes the issuance by the Roanoke Authority of two series of the Industrial Development Authority of the City of Roanoke, Virginia Hospital Revenue Bonds (Carilion Health System Obligated Group), Series 1997A and Series 1997B in an aggregate principal amount not to exceed \$80,000,000 (the "Bonds") for the purpose of (i) financing a portion of the costs of the Project, (ii) paying a portion of the interest accruing on the Bonds during the acquisition, construction, renovation and equipping of the Project and (iii) authorization and issuance of the Bonds, contingent upon the execution of an agreement with Carilion Health Systems.

SECTION 3. The Mayor, the City Manager, the Clerk or any Deputy Clerk to the Bedford City Council are hereby authorized and directed, on behalf of the City, to take any and all action necessary, including the execution of any documents, to consummate the sale of the Bonds in conformity with the provisions of this resolution.

SECTION 4. This Resolution shall take effect immediately upon its passage.

Mayor Shelton adjourned the meeting at 8:20 p.m.