



Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

TO: Members of the Commission on Local Government
FROM: DHCD Staff
DATE: October 20th, 2023
SUBJECT: Draft Agenda and Meeting Materials

Please find enclosed the following:

1. Draft agenda for your regular meeting to be held virtually on Friday, November 3rd, 2023, at 11:00 p.m.;
2. Draft Minutes from the September 8th, 2023 Regular Meeting of the Commission;
3. Articles of interest to the Commission;
4. Draft Report on the Economic Growth Sharing Agreement between the City of Martinsville and Henry County;
5. Periodic Review and Small Business Impact Review Report of Findings (TH-07);
6. Notice of Intended Regulatory Action (NOIRA) Agency Background Document (TH-01);
7. Staff suggestions for reducing the regulatory requirements of 1 VAC 50-20, sections 540-670
8. The Draft 2023 Cash Proffer Survey and Report;
9. Proposed Schedule of Commission Meetings for 2024; and
10. Commemorating Resolutions for Commissioner Stephanie Davis and former Policy and Legislative Director Kristen Dahlman.

If you have any questions or require additional information, please feel free to contact us at 804-310-3410 or grace.wheaton@dhcd.virginia.gov

We look forward to seeing you on November 3rd!





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AGENDA

**Commission on Local Government
Regular Meeting: 11:00 a.m., November 3rd, 2023
Virtual via Microsoft Teams**

**For the public,
Commission on Local Government Meeting
Friday, November 3rd, 2023 · 11:00 a.m. – 2:00 p.m.**

Microsoft Teams meeting

[Click here to join the meeting](#)

Meeting ID: 263 409 254 190

Passcode: Z6k6bG

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 434-230-0065, 210322445#](#) United States, Lynchburg

Phone Conference ID: 210 322 445#

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[Learn More](#) | [Meeting options](#)

1. Occupancy for the meeting space is limited, so the Commission encourages members of the public to observe the meeting through the Microsoft Teams link provided above. Please contact LeGrand Northcutt (legrand.northcutt@dhcd.virginia.gov) for information on how to connect to the meeting using this method.
2. Members of the public viewing the meeting through the Microsoft Teams option are required to mute themselves during the meeting unless called upon by the Commission Chair to speak. The CLG reserves the right to remove from its virtual meetings anyone who does not abide by these rules.
3. Access to meeting materials for members of the public is available on the corresponding meeting page of the [Virginia Regulatory Town Hall website](#) and on [Commonwealth Calendar](#).

I. Call to Order

II. Administration

A. Approval of the Draft Agenda

(Dr. Johnson)



- B. Approval of Minutes of the Regular Meeting on September 8, 2023 (Dr. Johnson)
- C. Public Comment Period (Dr. Johnson)
- D. Staff's Report (Staff)

III. Cases before the Commission

- A. Loudoun/Leesburg (Staff)
- B. Report on the Economic Growth Sharing Agreement between the City of Martinsville and Henry County
 - i. Staff Presentation (Staff)
 - ii. Commission Deliberation and Action (Dr. Johnson)

IV. Regulatory Items

- A. Periodic Review
 - i. Staff Presentation (Staff)
 - ii. Commission Deliberation and Action (Dr. Johnson)
- B. Notice of Intended Regulatory Action (NOIRA)
 - i. Staff Presentation (Staff)
 - ii. Commission Deliberation and Action (Dr. Johnson)
- C. Regulatory Reduction
 - i. Staff Presentation (Staff)
 - ii. Commission Deliberation (Dr. Johnson)

V. 2023 Cash Proffer Survey and Report

- A. Staff Presentation (Mr. Sawyer)
- B. Commission Deliberation and Action (Dr. Johnson)

VI. Reports on Commission Workgroups



A. Virginia Code Commission Work Group (Commissioner Linderman)

VII. Schedule of Regular Meetings: Proposed 2024 Regular Meeting Schedule

A. Staff Presentation (Staff)

B. Commission Deliberation and Action (Dr. Johnson)

VIII. Other Business (Dr. Johnson)

IX. Adjournment (Dr. Johnson)

DRAFT





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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Commission on Local Government

September 8, 2023

11:00 a.m.

Virginia Housing Center

4224 Cox Road

Glen Allen, VA 23060

Members Present

Ceasor T. Johnson, D.Min, Chair (attending virtually)

Edwin S. Rosado, Vice Chair

Diane M. Linderman, PE

Robert W. Lauterberg

Call to Order

Members Absent

None

Due to lack of a physical quorum, the Commission was delayed in convening its meeting. Staff updated the Commissioners who were present on numbers VI and VII on the agenda, as no votes were required.

The Commission on Local Government (CLG) Vice Chair, Edwin Rosado, called the meeting to order at 11:40 a.m.

Mr. LeGrand Northcutt, Senior Policy Analyst at the Virginia Department of Housing and Community Development (DHCD) initiated a roll call vote. Mr. Northcutt informed Vice Chair Rosado that a quorum of Commissioners Linderman, Rosado, and Lauterberg were present in person, with the Commissioner Johnson attending virtually.

Commissioner Johnson resumed his position as chair.

Pursuant to the Commission's electronic meetings policy, Commissioner Johnson attended virtually under provision #2, that his principle residence is more than 60 miles from the location of the meeting. He attended from Lynchburg. There was no objection to his virtual participation.



Administration

The draft agenda was adopted unanimously on a motion by Commissioner Lauterberg and a second by Commissioner Linderman.

The minutes from the July 21st, 2023 regular meeting were adopted unanimously on a motion by Commissioner Rosado and a second by Commissioner Linderman.

Chair Johnson opened the floor for the public comment period.

There were no public comments, and the Chair closed the public comment period.

Chair Johnson introduced the following guests who were in attendance, both in person and virtually:

- Andrew Malloy and Kyle Flanders from the Department of Housing and Community Development;
- George Lyle, the County Attorney from Henry County;
- Greg Haley, representing the Town of Leesburg;
- Max Hlavin, representing Loudoun County;
- Paul Jacobson representing the City of Martinsville;
- Interim City Manager Glen Adams from Martinsville;
- County Administrator Dale Wagoner from Henry County.

Staff Report and Updates

Mr. Northcutt gave an update on articles of interest to the Commission that were distributed in the meeting packet. The articles noted that James City County and the City of Williamsburg have moved forward in the efforts to separate their school systems, the City of Hopewell has hired a new City Manager focused on submitting required financial reports, and land near the area that is subject to the Loudoun and Leesburg Annexation case has been rezoned.

Cases before the Commission

Loudoun County and the Town of Leesburg

Greg Haley presented three review schedules for the Loudoun and Leesburg Annexation case for the week of March 4, 2024: a 5-day review schedule, the original 4-day schedule, and an alternative 4-day schedule.

After debating the merits of traveling the day before or the morning of a hearing, Commissioner Linderman moved to adopt a review schedule based on the alternative 4-day schedule presented by Mr. Haley, starting at 9:00 am on March 5 and ending before 2:00 on March 8. Staff would then schedule the specifics of when hearings would occur



within that period. The motion was seconded by Commissioner Rosado and approved unanimously.

Staff agreed to work with Mr. Haley and Mr. Hlavin to agree upon a review schedule that maximized the amount of presentation time for the parties within the time bounds set by the Commission.

Commissioner Lauterberg recused himself from the discussion and the vote since he will not be participating in the case due to a conflict of interest.

Cases before the
Commission

The Commission heard a presentation from Georgy Lyle, Attorney for Henry County, on the Economic Growth Sharing Agreement submitted to the Commission.

Henry County and the City of
Martinsville

Mr. Northcutt presented a proposed review schedule for the Commission's report of the Agreement with a report due date of November 4.

The Commissioners asked questions about the timing of the review and how much money was already committed to the development of the sites in question. County Administrator Dale Wagoner from Henry County answered that the localities would have to raise money on the bond market if they did not receive the promised grant from the Harvest Foundation by the end of the year.

Commissioner Linderman moved to adopt the proposed review schedule. The motion was seconded by Commissioner Rosado and passed unanimously.

Recess

Upon the suggestion of the Chair, the Commission recessed at 12:34.

The Vice Chair called the meeting back to order at 12:50.

Commissioner Johnson did not return to the meeting after the recess.

Regulatory Reduction

Mr. Northcutt presented the goals of regulatory reduction and a revised regulatory reduction timeline from the July meeting. AT the suggestion of staff, the Commission decided to no longer seek to reduce regulations for 1VAC50-10, and will endeavor to have draft text of regulatory changes for 1VAC50-20 adopted at the January meeting.



Mr. Northcutt presented staff's proposed changes to 1VAC50-20 sections 1 through 390. There was no discussion, and this section will be taken up again in final form at the January meeting.

Mr. Kyle Flanders will lead the Commission's regulatory reduction efforts until the January meeting.

Catalog of State and Federal Mandates on Local Governments

Mr. Chase Sawyer presented changes to the catalog of state and federal mandates on local governments for the 2023 session.

There were additional entries submitted by the Department of Labor and Industry after the deadline for publishing the meeting packet. Mr. Sawyer suggested that the catalog be approved subject to those changes.

Commissioner Lauterberg moved to adopt the 2023 Catalog of State and Federal Mandates on Local Governments with the additions from the Department of Labor and industry. The motion was seconded by Commissioner Rosado and approved unanimously.

Mr. Sawyer will publish the catalog and notify stakeholders as required by the Virginia Code before the November meeting.

Regular meeting schedule

The next meeting of the Commission will be held in person with a virtual option at the Virginia Housing Center on November 4, 2023.

The Commission will schedule its regular meetings for 2024 at the November meeting.

Adjournment

Commissioner Linderman moved to adjourn, seconded by Commissioner Lauterberg. The meeting adjourned at 1:30.



ECONOMY

As Southside solar farm development continues, some localities eye limits

Capping the amount of acreage available for further solar projects is one tool that some counties are using as officials seek to preserve agricultural land and forests.



by **Matt Busse**

October 17, 2023



Solar panels in Pittsylvania County. The county earlier this year implemented a cap on future solar projects but already has signed off on at least 20,000 acres of solar development. Photo by Matt Busse.

As Virginia localities continue to receive applications from companies seeking to build new solar power plants, several Southside local governments are tapping the brakes with new rules aimed at capping how much land can be used for solar development.

Large, utility-scale solar farms that provide electricity to the power grid can share millions of dollars in annual revenue with localities for schools and other vital budget items, while community solar facilities directly provide electricity to the residents and businesses who own them, lowering their utility bills. Proponents of selling or leasing land for solar development have called it a fundamental property right and a boon to farmers seeking new sources of income.

Others have expressed concern about solar facilities' impact on available agricultural and forestry land, property values, scenic views and the environment — particularly in regard to stormwater quality and soil erosion. Such opposition has led a number of localities to consider or approve caps on how much of a county's land will be allotted for solar.

“What you're seeing is, in a lot of instances, they've already approved quite a bit of solar, and so they're saying, OK, how much more can we take before it starts having an impact on the community, on preserving farm and forest land?” said Joe Lerch, director of local government policy for the Virginia Association of Counties, which represents counties in legislative and regulatory matters at the state and national levels.

Since Virginia's solar push kicked off in earnest with the 2016 debut of Amazon's 80-megawatt facility in Accomack County, Southside Virginia's abundance of relatively flat, relatively inexpensive available land has attracted developers.

But as solar proposals began crossing the desks of county planners and supervisors, many officials realized that their regulations and long-range plans needed updates to address renewable energy. Capping the amount of land that can be used for solar development is among the latest kinds of regulation being considered, and since March of this year, Henry, Mecklenburg and Pittsylvania counties have adopted such caps.

Henry County's limit of 1%, or 2,445 acres, of the county's land mass still leaves more than 500 acres for future projects. The county so far has one solar facility up and running and another under construction, and 10 others that have been approved, according to county spokesperson Brandon Martin.

The Mecklenburg County Board of Supervisors voted 6-3 this past summer to approve a cap of 2,325 acres, or less than 1% of the county's land. The county's planning commission had recommended the cap, citing concerns about preserving the county's “agricultural nature.”

“The overwhelming majority of the people I represent and throughout the county don’t want these projects in their county or in their backyard,” Supervisor David Brankley said during the board’s [July 10 meeting](#), after noting that two solar projects of 1,000 acres were already built and another project of more than 400 acres was under construction.

Supervisors in Pittsylvania County — which, at more than 620,000 acres, is Virginia’s largest locality by size — in March voted unanimously to cap utility-scale solar development at 2% of the total acreage within a single zoning district and to require that any new facility must be at least 5 miles from another utility-scale facility.

Pittsylvania County has signed off on at least 20,000 acres of solar development, including a 1,555-acre project that was approved just a week before supervisors voted for the land cap, [according to the Chatham Star-Tribune newspaper](#).

Before their vote, multiple supervisors thanked residents who [appeared at a public hearing](#) to speak out against new solar development.

Supervisor Bob Warren, who said he had advocated for solar projects in the past but opposed further ones, said of the projects already approved that the county has “got to deal with them and live with them.”

“We’ve just got to make them the best we possibly can,” Warren said. “But I’m going to support what it takes to eliminate and make sure we can’t get any more.”

Charlotte County officials have been discussing a cap of somewhere between 3% and 5% of the county’s more than 300,000 acres of land but so far have decided not to implement one. At a meeting last month, county planning commissioners reached an unofficial consensus that no cap was needed yet, although they agreed to revisit the idea each year.

The county has already approved solar applications totaling 7,800 acres, the vast majority of which is claimed by six utility-scale projects.

“We’ve got space in this county to accommodate solar. So let’s paint the picture that we want our landowners to get engaged if they want to,” said planning commissioner Cornell Goldman, who said having a land cap in place could deter property owners and developers from pursuing new projects.

In Lunenburg County, supervisors have instructed the county to stop accepting permit applications for new solar projects until officials can study what, if any, changes they want to make to local planning regulations.

The county has no solar facilities up and running, although it has two utility-scale projects and one community solar project in various stages of development and has received a number of other applications.

“There is not a designated timeframe for the ‘pause’ on the acceptance of solar applications,” County Administrator Tracy Gee said.

Virginia law encourages the development of solar power as the commonwealth’s two largest electric utilities, Dominion Energy and Appalachian Power, move toward goals of carbon-free energy portfolios by 2045 and 2050, respectively.

The state has nearly 4,400 megawatts of active solar facilities, according to the [Solar Energy Industries Association](#), a national trade group, which says its data is current through the second quarter of this year. While that’s enough to power nearly 520,000 homes, solar energy only provides about 6% of Virginia’s energy, according to the SEIA.

Natural gas and nuclear power sources make up nearly 90% of Virginia’s energy portfolio, according to the [U.S. Energy Information Administration](#).

But solar proposals continue to come in. On Oct. 4, Dominion Energy announced it plans to add nearly 800 megawatts of new solar power in Virginia. Included in that would be facilities of 3 megawatts in Brunswick County, 95 megawatts in Pittsylvania County and 50 megawatts in Henry and Pittsylvania counties.

If the State Corporation Commission approves all of the new projects, Dominion would have about 4,600 megawatts of solar either in operation or approved by the SCC, said Dominion spokesperson Aaron Ruby.

[Disclosure: Dominion is one of our donors, but donors have no say in news decisions; [see our policy](#).]

Appalachian Power — the state’s second-largest electric utility and the main provider in Southwest and Southside Virginia — owns one solar farm; most of its solar power comes from other companies’ facilities through power purchase agreements. State regulators recently signed off on Apco’s plan to enter into six new PPAs totaling 184 megawatts, plus renegotiate a PPA of 20 megawatts.

The largest solar facility in the works in Virginia is Dominion’s 800-megawatt Randolph Solar project in Charlotte County, which would be composed of 4,500 acres of fenced-in solar panels plus thousands more acres of buffers and preserved land.

Reserving those thousands of additional acres, but not actually covering them with panels, is one way that Dominion is working to minimize the impacts of solar facilities on neighboring properties, Ruby said.

“Just as communities are learning about solar, we as the developer are also improving how we build solar,” he said.

Ruby said the Randolph Solar project has received local approval but has yet to be submitted for consideration by the State Corporation Commission and is at least a couple of years away from construction, assuming it’s approved.

Francis Hodsoll, CEO of SolUnesco, the company developing the project for Dominion, has said Randolph Solar would bring \$600 million in revenue to Charlotte County over 50 years.

Ruby said that if Dominion builds out the approximately 16,000 megawatts of solar production required by the Virginia Clean Economy Act over the next 15 years, it would impact about 160,000 acres, which he said is less than 1.5% of Virginia’s prime farm and forest land.

“That’s a reasonable tradeoff,” Ruby said.

Erich Fritz, Dominion’s manager of solar development in Virginia, said localities adopting land caps won’t hinder Dominion from meeting its clean energy goals.

But, he said, a land cap could have unintended consequences if it creates a rush to get a project in before the locality hits its limit. Counties might not see the best projects — just those that are brought to the table first, he said.

“By putting that cap on, you take away, to a certain extent, the county’s ability to review projects on their own merit,” Fritz said. “Not all projects are the same.”



Capitol Contact

Virginia General Assembly

Virginia Association of Counties • 1207 E. Main Street, Suite 300 • Richmond, VA 23219
www.vaco.org • 804.788.6652

Tuesday, September 5, 2023

General Assembly Scheduled to Consider Budget Agreement on September 6

Budget negotiators announced on Friday, August 25, that an agreement on the major components of revisions to the biennium budget had been reached. The full text of the budget bill ([HB 6001/SB 6001](#)) was released on Saturday, September 2, with a special session scheduled to convene on Wednesday, September 6. VACo staff have been reviewing the new budget bill and will provide a detailed analysis and an update on General Assembly action later this week. Based on an initial review of the bill, key elements of the proposed budget revisions include the following:

Compensation increases:

- An additional 2 percent salary increase for state employees, effective December 10, 2023 (this is in addition to the 5 percent increase that took effect June 10, 2023).
- An additional 2 percent salary increase for Constitutional officers and state-supported local employees, effective December 1, 2023 (this is in addition to the 5 percent increase that took effect July 1, 2023).
- \$54.6 million for the state share of an additional 2 percent salary increase in FY 2024 for SOQ-recognized positions, effective January 1, 2024. Budget language

requires school divisions (i) to have provided at least an average 2.5 percent salary increase in each year of the biennium and (ii) to certify that an equivalent increase of 2 percent will be provided to instructional and support personnel no later than January 1, 2024. School divisions that previously provided a total average increase greater than the 5 percent increases provided in the first or second year may count those increases toward the required certification for the additional 2 percent.

- \$7.6 million for compression adjustments for deputy sheriffs and regional jail officers, effective December 1, 2023.
- \$4 million to increase salaries for attorneys in Commonwealth's Attorneys' offices, effective December 1, 2023.
- \$593,507 to increase salaries for positions in circuit court clerks' offices, effective December 1, 2023.
- \$18 million to increase compensation for Community Services Board staff; language states that the Department of Behavioral Health and Developmental Services may fund up to 100 percent of the costs of the compensation increase.
- \$3.7 million to the Indigent Defense Commission for attorney compensation and employee salary compression adjustments, effective December 10, 2023.
- \$1 million for salary increases for general district court clerks and juvenile and domestic relations court clerks, effective December 10, 2023.

K-12:

- \$152.3 million to recognize additional support positions in the K-12 funding formula. This additional funding will allow 24 support positions per 1000 Average Daily Membership to be recognized (an increase from the current recognition of 21 support positions per 1000 ADM). Language specifies that this ratio will be used for rebenchmarking for the next biennium (FY 2025 and FY 2026). Full elimination of the cap on recognition of support positions has been a long-standing priority for VACo and this additional funding is an important step toward this goal.
- \$418.3 million in additional flexible state funding, which may be used for the implementation of the Virginia Literacy Act, learning loss recovery, and additional operating and infrastructure support. Funding will be disbursed based on the state share of \$1,086.44 per pupil, based on the estimated number of federal free lunch participants, and the state share of \$203.63 per pupil based on average daily membership, with each school division receiving a minimum distribution of \$150,000. A local match is not required.
- Establishes a Joint Subcommittee on Elementary and Secondary Education Funding and directs the Joint Subcommittee, as part of its work, to review the Joint Legislative Audit and Review Commission's July 2023 report on the K-12

funding formula and develop a long-range plan for implementation of its recommendations.

Human services:

- Eliminates language that directed the implementation of rate-setting for private special education day placements funded through the Children’s Services Act. Redirects the proposed \$100,000 for consultant support for rate setting to a review by the Department of Education of private day placement decisions in localities with higher-than-average use of private day placements.
- \$58 million to expand and modernize the comprehensive crisis services system, including investments in additional crisis receiving centers and crisis stabilization units and enhancements to existing sites.
- \$10 million for the one-time costs of establishing additional mobile crisis services in underserved areas.
- \$10 million for comprehensive psychiatric emergency programs or similar models of psychiatric care in emergency departments.
- \$30 million for permanent supportive housing for individuals with serious mental illness.
- \$4.4 million to increase funding for the first three steps of STEP-VA (same-day access, primary care screening, and outpatient services).
- \$5.1 million in one-time funding for the Department of Criminal Justice Services (DCJS) to contract with local law enforcement agencies for off-duty officers or officers working overtime to provide transportation services or to assume custody of an individual under an emergency custody order or a temporary detention order who is awaiting admission to a facility or for whom a bed has not been identified. DCJS is directed to coordinate with the Department of Behavioral Health and Developmental Services (DBHDS) to set criteria for awarding contracts and to ensure DCJS contracts are not duplicative of contracts under DBHDS’s Off Duty Officer Program.
- An increase to the Auxiliary Grant rate from \$1609 per month to \$2055 per month, effective January 1, 2024.

Constitutional officers and jails:

- \$931,301 to restore positions in offices of the Commissioners of the Revenue that are allocated through staffing standards but unfunded due to prior budget reductions.
- \$2 million to restore positions in Treasurers’ offices that are allocated through staffing standards, but have been unfunded due to prior budget reductions.
- An increase of \$1 for the local-responsible jail per diem rate (from \$4 to \$5).

Public safety:

- An additional \$2.1 million for assistance to localities with police departments (“HB 599” funding), which is designated as one-time funding.

Water quality:

- Directs \$644.5 million in mandatory deposits to the Water Quality Improvement Fund from FY 2022 and FY 2023 to the following uses: \$338.4 million to the Natural Resources Commitment Fund; \$100 million to the Resilient Virginia Revolving Loan Fund; \$25 million for dam safety improvements; \$151 million towards the Enhanced Nutrient Removal Certainty program; and \$30 million to the Stormwater Local Assistance Fund.

Other items:

- Language clarifies that fixtures in a data center, when classified as real estate, are to be valued by a locality based on the cost approach, as required by legislation enacted in 2022.
- Authorizes the Department of General Services (DGS) to construct a water supply line – that will be owned and operated by Prince Edward County - to be located in Nottoway and Prince Edward Counties, and towns located within the boundaries of Nottoway and Prince Edward Counties, to serve the needs of the Piedmont Geriatric Hospital, Virginia Center for Behavioral Rehabilitation (Phases 1 and 2) and Nottoway Correctional Center.

An overview of the proposed budget bill prepared by the House Appropriations Committee staff is available at [this link](#); Senate Finance and Appropriations staff’s overview is available at [this link](#).

VACo Contacts: [VACo Legislative Team](#)

Shenandoah County Board of Supervisors rejects land agreement with New Market

By Brent Johnson The Northern Virginia Daily
Sep 18, 2023

An interlocal agreement that would have allowed more growth in the town of New Market was voted down 4-2 by the Shenandoah County Board of Supervisors at its regular meeting last week.

The Amended Voluntary Settlement Agreement between New Market and the county was intended to change the land use requirements in its Future Growth Areas south and west of the town, including a wider range of uses than the original 2012 agreement allowed.

It proposed large portions of potential annexation area be changed from “Res Low Cluster-Conservation” on the current map to “HOUSES/ TOWNHOUSES/ PUD” on a new growth map, allowing higher density residential developments.

The vote was a full year in the making, as any amendment to this kind of agreement must go through numerous votes and hearings as well as a review by the state-level Commission on Local Government. Of the three proposed changes to the text, two of them involved smoothing out the process of future amendments and removing state input in some issues.

Public officials and residents of both the town and county expressed opinions via letter and in person at a March 9 hearing with the commission.

Proponents of the amendments voiced their concerns about the shortage of housing in New Market, pointing out that changes to the land use restrictions would not mean immediate development and that the regular zoning process would still need to be followed. Opponents noted that a large development could pose a burden on public safety and utility services, which town fire and police officials denied.

Several supervisors, including Josh Stephens and Brad Pollack, also noted that many constituents they had spoken to were against the plan.

“Eight out of 10 people, of the folks I’ve talked to, are not against growth in the town of New Market,” Stephens said. “But they want some more thought and vision to go into the process before the VSA is enacted.”

Stephens cited a letter to the state commission from 10 New Market businesses and organizations that stated concerns that the residential growth made possible by the proposal might change the character of the town and put a strain on existing infrastructure. Signatories included representatives of New Market Exxon, Shenandoah Valley Battlefields Foundation, and Jon Henry’s General Store.

Other supervisors noted concerns with the ability of Shenandoah County Schools to accommodate new students if new housing were to attract families with children.

The Daily reached out to New Market Mayor Larry Bompiani for comment.

“Needless to say that we are very disappointed with the lack of trust that the four supervisors have in my council,” Bompiani said. “I believe that Chairman [Karl] Roulston and Supervisor [Timothy] Taylor understood our need to grow and were willing to move forward to work with New Market.”

Also at the meeting, the board of supervisors:

- Approved a resolution amending the general reassessment cycle from six years to four years.
- Approved the carry-over of capital projects and grant funds into the Fiscal Year 2024.
- Approved the carry-over of HUD Housing Choice Voucher program funds into Fiscal Year 2024.
- Approved an agreement with First Bank for a business credit card program.
- Accepted a donation of development rights on 43 acres of land along Cave Ridge Rd. through a conservation easement.

— Contact Brent Johnson at bjohnson@nvdaily.com

In Northern Virginia, growing data center revenue is volatile, tax records show by: [Hayley Milon](#)

Posted: Aug 16, 2023 / 06:46 PM EDT

Updated: Aug 17, 2023 / 12:29 PM EDT

LOUDOUN COUNTY, Va. (DC NEWS NOW) — Data show that tax revenue from data centers is growing steadily in both Fairfax and Loudoun counties.

Through a Freedom of Information Act request, DC News Now obtained tax revenue reports for Loudoun dating back to 2016 and for Fairfax dating back to 2018, the earliest years for which data is available.

In Loudoun, tax revenue from data centers totaled \$663 million in 2022, a steady increase from 2016 when its total revenue was \$146 million.

Data center tax revenue comes from three tax sources: Real estate, computer equipment and building fixtures. In Loudoun, computer equipment comprises the bulk of revenue and represented two-thirds of 2022 revenue.

Fairfax has only a fraction of Loudoun’s data centers and collected \$20.28 million in revenue in 2022.

**2018-2023 Tax Revenue from Data Centers-
Fairfax County**

	2018	2019	2020	2021	2022	2023*	Total
Real Estate Revenue	\$11,794,390.83	\$12,710,495.68	\$13,294,022.18	\$13,340,641.69	\$13,640,862.37	\$5,626,567.91	\$70,406,980.66
Business License (BPOL)	\$450,090.00	\$408,132.00	\$430,832.00	\$438,951.00	\$436,903.00	\$444,556.00	\$2,609,464.00
Business Personal Property	\$9,619,511.00	\$11,486,224.00	\$10,785,997.00	\$9,105,372.00	\$6,697,488.00	\$5,833,978.00	\$53,528,570.00
Total	\$21,863,991.83	\$24,604,851.68	\$24,510,851.18	\$22,884,964.69	\$20,775,253.37	\$11,905,101.91	\$126,545,014.66

*2023 is incomplete as 2023 business returns are still being processed
 *2023 Real Estate reflects only payments made to date

Loudoun County Data Center Revenue:

Loudoun County Data Center Estimated Taxes Assessed (in millions)								
Tax Year	2016	2017	2018	2019	2020	2021	2022	
Real Estate	\$ 25.7	\$ 29.6	\$ 38.8	\$ 57.9	\$ 82.0	\$ 87.4	\$ 126.0	
Personal property - computer equipment	\$ 111.0	\$ 145.0	\$ 200.1	\$ 271.0	\$ 327.1	\$ 424.5	\$ 509.3	
Personal property - furniture & fixtures	\$ 10.2	\$ 11.3	\$ 15.2	\$ 15.0	\$ 20.6	\$ 27.5	\$ 27.7	
Total	\$ 146.9	\$ 185.9	\$ 254.1	\$ 343.9	\$ 429.7	\$ 539.4	\$ 663.0	

Loudoun’s data center revenue largely comes from assessments of computer equipment inside warehouses. During a July 13 Finance and Operations

Committee meeting, county staff told Loudoun County Supervisors that the revenue source is challenging to forecast because the value of equipment can fluctuate.

Chair Phyllis Randall said that the county has incurred shortfalls in revenue projections twice, pointing to companies not replenishing their equipment after the COVID pandemic.

“If you don’t replenish the equipment, then it’s going to be valued less,” Randall said, also pointing to uncertainties of the power grid’s capacity.

Staff is recommending that the board create a stabilization fund to account for shortfalls.

“A miss in that forecast has significant impacts on operations,” said Megan Bourke, a county administrator.

Bourke said that planned projects would add an additional 24 million square feet of data centers over the next eight years. If those projects come to fruition, data center revenue in the county could topple \$1 billion.

As county boards juggle fluctuations in revenue, communities across Northern Virginia face controversial projects that residents say encroach on their homes.

A proposed data center in Fairfax along Route 50 is drawing sharp criticism from both community members and airport officials.

Community member Cynthia Shang said that the proposed center would tower over her neighborhood, spurring concerns over its potential ecological impact and noisiness.

“The biggest concern to me is that no one is listening to us when we explain how negatively it will impact us,” Shang said. “We are a community that gets a lot of noise from the airplanes and rt. 50. And because of that, the perception is ‘Oh, what’s a little more noise for them?’

In a letter to county officials dated June 27, 2023, Gregg Wollard of the Washington Metropolitan Airport Authority (WMAA) indicated that the proposed building would come within several feet of critical air navigation surface surrounding Dulles International Airport.

In Prince William County, the board is weighing major zoning changes to accommodate the Digital Gateway project with QTS Realty Trust and Compass Datacenters, requiring alteration of zoning laws in its rural crescent. The board is set to vote on a measure in November.

Amazon to open fulfillment, delivery facilities in Va. Beach

E-commerce giant expects to create 1,000 jobs

PUBLISHED SEPTEMBER 25, 2023 BY KATHERINE SCHULTE



Rendering of Amazon's robotics fulfillment center in Virginia Beach, expected to start operations in 2025. Photo courtesy Amazon.com.

Amazon.com will launch a fulfillment center and delivery station in Virginia Beach, creating an estimated 1,000 full-time jobs, Gov. Glenn Youngkin announced Monday.

Groundbreaking began Monday, according to Ian Allen-Anderson, an Amazon spokesperson. The fulfillment center will be located at the intersection of Harpers and Dam Neck roads, and the delivery station will be "at an adjacent site." Amazon declined to disclose its expected capital investment.

Amazon anticipates launching operations at the delivery station in time for the 2024 holiday season and at the 650,000-square-foot robotics fulfillment center in 2025. Employees at this center will pack and ship small items like books, electronics and toys, according to a news release.

"Amazon's cutting-edge fulfillment centers generate major capital investment and thousands of jobs and strengthen Virginia's position as a logistics industry

leader on the East Coast,” Youngkin said in a statement. “We see Amazon’s expanding footprint impacting economic growth and innovation across the commonwealth, and we will continue to compete for additional investment in Virginia.”

Amazon opened its first fulfillment center in the state in 2006, in Sterling. The Virginia Beach buildings will be the company’s 14th sorting and fulfillment center in Virginia and its 17th delivery station. The e-tailer expects to launch an Amazon robotics fulfillment center in Henrico County, [announced in 2021](#), later this fall. In September 2022, Amazon opened a 3.8 million-square-foot [robotics fulfillment center](#) in Suffolk, the second largest building in the state, after the Pentagon. That facility cost \$230 million to build, and it employs about 1,500 people.

Along with HQ2, the e-tailer’s [\\$2.5 billion East Coast headquarters](#) in Arlington, Amazon has 15 Whole Foods Markets, five Amazon Fresh stores and three Prime Now Hubs — located in Virginia Beach, Richmond and Springfield and focused on one- and two-hour deliveries to Prime members — in the state.

The Amazon Web Services subsidiary also operates multiple data centers in the state but has not disclosed the number. From 2011 to 2021, [AWS invested more than \\$51.9 billion in Virginia](#), according to an economic impact statement released in June. In July, the Spotsylvania County Board of Supervisors voted to amend the county’s comprehensive plan to make data centers a targeted industry, and [AWS has since filed three rezoning requests](#) within the county and one in neighboring Caroline County.

“Virginia is a great state for business and gives us the opportunity to better serve our customers in the region,” Holly Sullivan, Amazon’s vice president of worldwide economic development and public policy, said in a statement. “We are excited for our future in the commonwealth, and for what this means for our customers as we continue to grow.”

Since 2010, the company has invested more than \$109 billion in Virginia and has created more than 36,000 direct jobs and supported 200,000 indirect jobs in fields like construction and professional services, according to a news release, and has contributed more than \$72 billion to the state’s gross domestic product.

The Virginia Economic Development Partnership worked with the city of Virginia Beach and the Hampton Roads Alliance to secure the project. The

city will fund stormwater and road improvements between Dam Neck Road and London Bridge Road to provide access to the new facilities, and Dominion Energy will provide power to the sites.

**Report on the
City of Martinsville – Henry County
Revenue Sharing Agreements**



**Commission on Local Government
Department of Housing and Community Development
Commonwealth of Virginia
www.dhcd.virginia.gov**

November 2023

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Executive Summary

On August 28th, 2023, the Commission on Local Government (the “Commission”) received a joint submission from Henry County (the “County”) and the City of Martinsville (the “City”) requesting that the Commission review two proposed Revenue Sharing Agreements (the “Agreements”). The proposed Agreements were developed pursuant to § 15.2-1301 of the Code of Virginia and regulations of the Commission on Local Government 1 VAC §§ 50-20-382 and 50-20-612. In accordance with the statute and regulations, the Commission is required to “investigate, analyze, and make findings of fact, as directed by law, as to the probable effect on the people residing in any area of the Commonwealth of any proposed action in that area.” (§ 15.2-2903, 4.h).

The filing before the Commission is the result of a joint resolution passed by the Henry County Board of Supervisors and the Martinsville City Council on August 22nd, 2023 (Appendix C). The joint resolution includes two economic growth sharing agreements. The first agreement is an amended and restated revenue sharing agreement for the Patriot Centre Expansion, an over 1,000-acre site known locally as the “Bryant Property” (“Patriot Centre Agreement”). The second is a restated and amended revenue sharing agreement for Commonwealth Crossing, an industrial site located next to US-220 S at the Virginia/North Carolina state line with an amendment outlining specific terms for Lot 2 (Appendix E), a 200-acre undeveloped site (“Commonwealth Crossing Agreement”).

The Commission’s findings of fact indicate that the Agreements will support the short- and long-term economic interest of the County and City (the “Parties”), stakeholders, and citizens in areas covered by the Agreements. The Commission recommends adoption of the Agreements as the proposed changes support sustained, meaningful investments in high impact economic development projects and meet its standard of review for economic growth sharing agreements.

The report that follows is the Commission’s findings of fact and recommendations on the two Agreements. First, the report will overview the proceedings of the Commission. Second, it will describe the two Agreements and related stakeholders to the Agreements. Third, it will discuss the relevant standard of review and apply that standard to the Agreement through findings of fact on each. Finally, it will present its recommendations on the Agreements.

Proceedings of the Commission

On August 28th, 2023, the Commission on Local Government (the “Commission”) received a joint submission from Henry County (the “County”) and the City of Martinsville (the “City”) requesting that the Commission review two proposed Revenue Sharing Agreements (the “Agreements”). The proposed Agreements were developed pursuant to § 15.2-1301 of the Code of Virginia and regulations of the Commission on Local Government 1 VAC §§ 50-20-382 and 50-20-612.¹ The Agreements represent amendments and restatements of the original 2007 Revenue Sharing Agreement (the “Original Agreement”) between the Parties which proposed revenue sharing provisions for both the Patriot Centre Property and the Commonwealth Crossing Property (Appendix D). These Agreements separate the Original Agreement into two separate agreements, with the Patriot Centre Agreement governing revenue sharing from development of the Patriot Center Property and the Commonwealth Crossing Agreement governing revenue sharing from development of the Commonwealth Crossing Property, and additionally, modifies the Commonwealth Crossing Agreement to provide partial funding to the Martinsville-Henry County Economic Development Corporation (the “EDC”).

The Commission heard testimony from Henry County on the Agreements at its regular meeting on September 8th, 2023. Staff and Commission members interviewed representatives separately from Martinsville and the Martinsville-Henry EDC to gather additional facts for this report.

This report was adopted at the Commission’s November regular meeting and sent to the Parties for their consideration. The Agreements shall not become binding on the Parties until it has been adopted by ordinance by both Parties after a public hearing following the Commission’s report.²

¹ The submission of Items related to these regulations can be found in Appendix A.

²Per § 15.2-1301, both the County and the City must conduct a public hearing following the Commission’s report on the Agreements. Only then can their respective elected bodies vote to adopt the provisions of the Agreements. Additionally, the public was able to comment on the resolution currently before the Commission as it was subject to a public vote from both localities’ governing bodies.

Characteristics of Regional Economic Development Entities and Proposed Area for Revenue Sharing

Regional Economic Development Entities

The County and City have cooperated for decades in mutually beneficial economic development efforts. The main stakeholders relevant to the Commission's findings on the Agreements include the Martinsville-Henry County EDC, the nonprofit Harvest Foundation of the Piedmont (the "Foundation"), and the Industrial Development Authority of Henry County (the "IDA")

Martinsville-Henry County Economic Development Corporation

The EDC was created in 2004 as a public-private partnership between the Parties and the non-profit Harvest Foundation of the Piedmont, to support and develop local industry, create new job opportunities, and expand the tax base in the Martinsville-Henry County area. The EDC combines the economic development efforts of the City and County and enhances their ability to develop and market shovel-ready sites for growing companies.

The EDC's role is to market the sites and run the day-to-day economic development activities for the Parties. Additionally, it is the primary entity involved in marketing sites within the Patriot Centre and Commonwealth Crossing industrial areas, including the future occupant of Lot 2 at Commonwealth Crossing.

The EDC's is reliant on external revenue sources to fund its operating costs and activities. Historically, the EDC's revenue included investments from the County, City, and the local Chambers of Commerce. However, the EDC's operational funding has shifted over time, and the current bulk of the EDC's operational revenue stems from the Harvest Foundation. The Foundation provides approximately \$2 million per year in current operational funding in addition to funding from the County (~\$500,000/FY) and City (~\$100,000/FY).

Harvest Foundation of the Piedmont

The Harvest Foundation of the Piedmont was created in 2004 following the sale of the Memorial Health System (Memorial Hospital of Martinsville). The funds created by the sale

seeded the establishment of the Foundation, which is intended to inspire, invest in, partner with and support community initiatives in health, education, and community vitality within the region.

As part of its process to serve as stewards of the Foundation's resources and the surrounding region, the Foundation is in the process of reducing ongoing operational funding for the EDC by 5% per year. This tapering of operational funding in favor of one-time grants for specific projects will better serve the nature of the Foundation's budgetary constraints (where the funds it has in any given year are dependent upon proceeds of the Foundation's investments).

To supplement this loss of operational revenue, the Foundation proposed to the Parties modifying the Original Agreement to provide the EDC a share of the collected revenue. To further support the development of the Agreements, the Foundation has proposed a \$6 million grant following the adoption of the Agreements by the Parties. This grant will provide critical matching dollars for a state grant enabling the EDC to grade Lot 2 within the Commonwealth Crossing property, which is critical for its marketability as a potential site for businesses.

Industrial Development Authority of Henry County

The Industrial Development Authority of Henry County, Virginia (the "IDA") is a legally separate, but component unit of government of Henry County.³ The Henry County IDA promotes economic development by assisting businesses and providing bond financing (such as through the County's Enterprise Zone Program). Additionally, the IDA owns Henry County's industrial park properties, including the Commonwealth Crossing and Patriot Center Expansion areas. The County provided ~\$4.3 million from its general fund for the IDA to conduct its economic development activities in FY22.

The IDA is a mechanism by which the County owns the industrial parks. Conversely, while the land in these areas is owned by the IDA of Henry County, the EDC is the primary entity responsible for managing and marketing these sites.

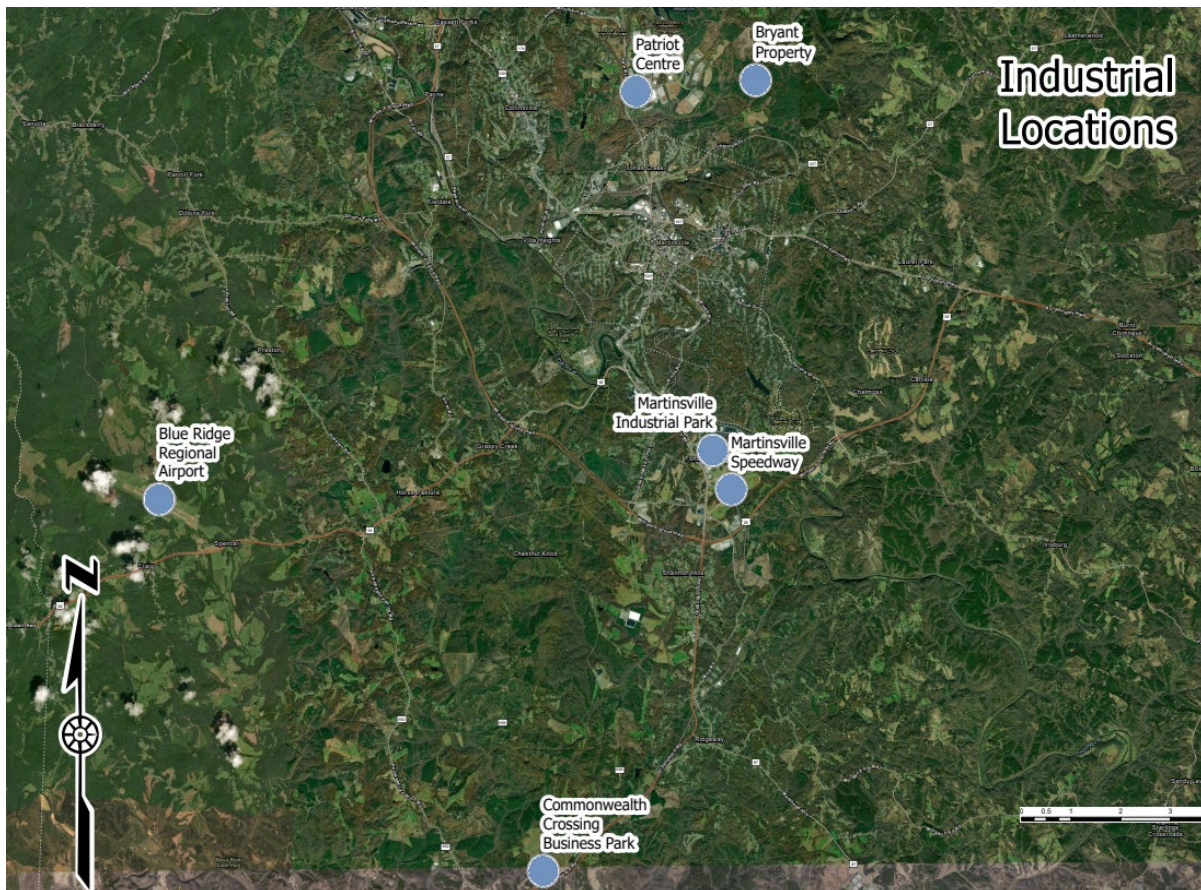
Proposed Area under the Agreements

The sites at the Patriot Center and Commonwealth Crossing are publicly owned by Henry County through its IDA. The Patriot Center is currently occupied by companies such as Eastman,

³ The IDA is a legally separate organization; however, the Board of Supervisors of the County appoints all of the IDA's Board, and the County is legally obligated for the debts of the IDA.

Howmet Aerospace, Monogram Food Solutions, and Nautica. The 300 available acres at the Patriot Center (the “Bryant Property”) is part of the County’s long-term economic development plans. Commonwealth Crossing is a newer development that includes Press Glass, Crown Holdings, the Commonwealth Center for Advanced Training (CCAT), and the undeveloped 200-acre Lot 2. Press Glass has recently announced expanded operations (Appendix G) and the EDC has received interest from several companies to occupy Lot 2. The benefits of Commonwealth Crossing include acreage, water, an Appalachian Power substation, access to the Norfolk Southern main rail line, and access to US-220 (soon to be I-73).

Figure 1: Location of Industrial Sites in Henry County



Provisions of the Agreement

The City and County shared an Original Agreement for the Patriot Center and Commonwealth Crossing made in 2007 (Appendix D). This Original Agreement directed the IDA to use funds for expanding the Patriot Center (the “Bryant Property”) and developing Commonwealth Crossing. The Original Agreement split tax revenues from the sites, proportional

to the level of services the localities provide and their investments into developing the sites. The City of Martinsville received one-third of the revenue and Henry County received two-thirds. The terms of the agreement were identical for both the Patriot Center and Commonwealth Crossing.

The joint resolution offered by the Parties separates the Patriot Center and Commonwealth Crossing into the two Agreements, each with the same terms as the 2007 Original Agreement. In addition, those terms, the Commonwealth Crossing Agreement adds an amendment for Lot 2 which includes a tax incentive schedule for a company, funding to the EDC, and tax revenue sharing between the City and County. As displayed in Table 1, the amendment terms are as follows:

- In year 1, 100% of Lot 2’s tax revenue is returned to the company according to Enterprise Zone laws.
- In years 2-5, 50% of the tax revenue is returned to the company. 10% of the remaining revenue goes to the EDC (5% of total revenues), and the remaining revenue is split 2/3 to the County and 1/3 to the City (30% and 15% of total revenues, respectively).
- In years 6-10, any remaining rebates are returned to the company pursuant to Enterprise Zone laws. 10% of total revenue goes to the EDC, and the remaining revenue is split 2/3 to the County and 1/3 to the City (60% and 30% of total revenues, respectively).

The complete provisions of the agreement can be found in Appendix A.

Table 1: Table 1: Share of Total Revenue for Each Party for Commonwealth Crossing Lot 2 Amendment

Year	Lot 2 Company	EDC	County	City
Year 1	100%	0%	0%	0%
Year 2-5	50%	5%	30%	15%
Year 6-10	0%	10%	60%	30%

Standard of Review

The proposed Agreements were negotiated under § 15.2-1301, which enables any combination of counties, cities or towns to enter agreements to share in the benefits of the

economic growth of their localities. However, the Commission must review these agreements and make their findings of facts and recommendations on them as to the probable effect of the action on the people residing in the affected areas.⁴

As such, the Commission reviewed the Agreements and the additional data elements necessary to make findings of fact and recommendations as to the impacts of these Agreements on the Parties, relevant stakeholders, and affected citizens in the area. In doing so, the Commission considered the specific short-term economic impacts of the Agreement. Furthermore, the Commission, as part of its' statutory intent to "ensure that all of its localities are maintained as viable communities in which their citizens can live," considered the impact of the Agreements' impact on the strength and viability of both communities as gauged by the long-term economic impacts.⁵

Outcomes

The primary outcomes of the Agreements are a return on investment for the Parties, an accelerated timeline for development at Lot 2 of Commonwealth Crossing, and a stable revenue stream for the EDC.

First, the Agreements will enable the Parties to recover their investments in site development. The updated Agreements separate the Patriot Center Expansion and Commonwealth Crossing because the latter is expected to produce revenue sooner. By separating the Patriot Center and Commonwealth Crossing Agreements, and by including a specific incentive/revenue sharing schedule for Lot 2, the localities will have greater certainty that a new company occupying Lot 2 can provide revenue in the near future.

The second outcome is an accelerated timeline for the development of Lot 2 of Commonwealth Crossing. The Agreements set into motion a Harvest Foundation grant to serve as matching funds for a state grant that will allow grading of the site to begin by April 2024. Fifty-seven (57) acres of Lot 2 are already graded, and funding as a result of the Agreements will help finish the shovel-ready pad (prominently 90 more acres). The grading is critical towards marketing the site to prospective companies who are concerned about their 'speed to market'.

Lastly, the Agreements provide a long-term, stable revenue stream for the EDC, enabling it to reduce its dependence on annual appropriations from the Parties and from the Harvest

⁴ Va. Administrative Code, 1VAC50-20-382, 2023.

⁵ Va. Code Ann. § 15.2-2900 (2023).

Foundation. The Parties can use funds from the Agreement rather than continuing to draw from their general funds for economic development activities and to support the EDC. Annual revenues to the EDC will be impactful for the Harvest Foundation because it will be able to focus on other local priorities while continuing to fund the EDC through grants, which are easier to manage than annual commitments. Revenue for the EDC in this agreement will ensure that a portion of the money raised from the project is being reinvested back into more economic development activities.

Benefits and Costs for City and County

The primary benefit for the City and County in this agreement will be the quick recouperation of their investment into Commonwealth Crossing and the Patriot Center. Approximately \$1.9 million has been invested to date by the City in Commonwealth Crossing.⁶ Henry County has invested \$7.9 million into the project. A breakdown of funding sources for Commonwealth Crossing can be found in Appendix F.

Projected revenue from Lot 2 alone will easily allow the City and County to recoup their investments. Based on a minimum \$500 million capital investment into Lot 2, the Parties project about \$2.5 million to the EDC over 10 years, \$9.1 million to the City and \$18.2 million to the County. Upper projections based on a \$1.5 billion capital investment into Lot 2 are \$81.9 million to the EDC, \$27.3 million to the City, \$54 million to the County over 10 years.⁷ In addition, these revenues represent an expanded tax base for the City and County, allowing them to provide needed services without over-taxing residents.

The Commission found no immediate quantifiable costs for the City and County entering into the Agreements. However, some challenges that may come with a population influx as a result of additional jobs may include housing supply, school capacity, and the availability of services such as healthcare, public works, and social services. The Commission finds that the additional revenues generated as a result of the Agreements will effectively meet the growing needs of the community. The Parties testified that economic development in the region is not straining public services and it is part of a logical economic growth plan.

⁶ Testimony from Leon Towarnicki, City of Martinsville

⁷ Testimony from Mark Heath, MHCEDC

Benefits and Costs for Residents

The Parties have experienced positive growth in key areas over the last several years. According to the U.S. Census Bureau, the area has experienced 24% wage growth from 2019-2022, highest of any micro-population area in Virginia. This was in part caused by additional capital investment from Press Glass, who's expansion represents the largest single investment by a company in Henry County's history.⁸

The Agreements will enable future investment in Commonwealth Crossing in the form of additional capital and business investment. This investment coming to Lot 2 will bring additional high paying jobs to the area, benefiting current and future residents. These jobs are vital to support other businesses, retain talented young people in the region, and provide a foundation to continue a safe and vibrant community.

The Commission found no costs for residents of the City of Martinsville or Henry County. Furthermore, the public revenue from Lot 2 will also relieve residents from some of the tax burden for public services, enabling the City and County to meet the needs of schools and public works.

Allowing the Harvest Foundation flexibility to inject funding into the EDC via grants for specific projects, rather than yearly appropriation, will also have a positive impact on residents. The Harvest Foundation will be able to refocus on other community efforts such as healthcare, housing, education, and recreation, providing additional benefits for residents in the region.

Impact on Interests of the Commonwealth

While the applicable statutes do not require the Commission to consider the interests of the Commonwealth in its review of revenue sharing agreements, this has been a vital consideration in the Commission's prior work on interlocal issues. The Commission's primary interests in this case are the viability of local governments and the promotion of orderly economic growth.

The Agreements promote the fiscal health of both Henry County and the City of Martinsville by allowing them to recoup their investments in recent economic development activities and through making strategic investments in their long-term economic development. Through making efforts to collaborate in economic development activities, the Parties, stakeholders and affected citizens will recoup direct and indirect benefits from such investments,

⁸ Testimony from George Lyle, Henry County

and ultimately allow the localities to provide needed services without overburdening their local tax bases.

Findings of Fact and Recommendation

The Commission is authorized by Va. Code § 15.2-2903 “to investigate, analyze, and make findings of fact, as directed by law, as to the probable effect” of the proposed agreement on the people residing in that area. Accordingly, the Commission makes the following findings:

- The Agreements enable the EDC to grade Lot 2 of Commonwealth Crossing, making the site shovel-ready for a new company to operate.
- The Agreements provide long-term, stable revenue for the EDC, allowing them to continue economic development efforts in the region.
- The Agreements provide a return on investment for the City and County and expands their tax bases, allowing them to provide needed services without over-burdening residents.

The Commission’s findings of fact indicate that the Agreements will support the short- and long-term economic interest of the County and City (the “Parties”), stakeholders, and citizens in areas covered by the Agreements. The Commission recommends adoption of the Agreements as the as the proposed changes support sustained, meaningful investments in high impact economic development projects and meet its standard of review for economic growth sharing agreements.

Concluding Comment

The Commission on Local Government recognizes the efforts put forth by the officials of the City of Martinsville and Henry County and the various stakeholders involved. The Commission finds that the proposed Revenue Sharing Agreements will continue the mutually beneficial arrangement of the Original Agreement and provide short- and long-term economic benefits to both localities while supporting the cooperative efforts of these localities to invest in the long-term strength and economic viability of their communities.

Respectfully submitted,

Ceasor T. Johnson, D.Min., Chair

Edwin S. Rosado, Vice Chair

Diane M. Linderman

Robert Lauterberg

Appendix A

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

JOINT SUBMISSION OF HENRY COUNTY, VIRGINIA AND THE CITY OF MARTINSVILLE, VIRGINIA PROVIDING INFORMATION REGARDING COMMISSION REVIEW OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS BETWEEN AND AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby provide the Commission on Local Government (**the "Commission"**) with information and data related to the factors listed in § 1 Virginia Administrative Code ("VAC") 50-20-612 concerning two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**).

A. INTRODUCTION

The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement to share the benefits of development of two separate industrial and business sites in the County (described below as the Original Agreement).

The two agreements that are the subject of this submission are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**).

The Agreements are "Amended and Restated" because they relate to an original Revenue Sharing Agreement dated September 25, 2007 among the County, the City and the IDA providing

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

for the County and the City to share tax revenues generated by development at the property that is subject to the Patriot Centre Agreement (**the "Patriot Centre Property"**) and the property that is subject to the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**). As Amended and Restated Agreements, the actions of the Commission in reviewing the Agreements and making findings as provided for under Code of Virginia §15.2-1301 will allow the County and the City to proceed with holding public hearings on the Agreements and consider final adoption of the Agreements as new economic growth sharing agreements, all in accordance with Code of Virginia §15.2-1301.

As stated in the Agreements, the City and County have now determined it would be appropriate to separate the Original Agreement into two separate agreements, with the Patriot Centre Agreement governing revenue sharing from development of the Patriot Center Property and the Commonwealth Crossing Agreement governing revenue sharing from development of the Commonwealth Crossing Property, and in addition to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC (issues related to funding of the EDC are further described below).

Notice of this referral to the Commission, copies of the Agreements and an annotated listing of documents, exhibits and materials submitted to the Commission has been sent to each Virginia locality contiguous to the County and the City or with which either the County or the City shares any function, revenue, or tax source. These localities include the Counties of Patrick, Franklin and Pittsylvania, the City of Danville and the Town of Rocky Mount.

On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted in favor of approval the Agreements. It is the intent of both the Board of Supervisors of the County and the City Council of the City by making this submission to consider final approval of the Agreements subsequent to the Commission's review and each of the governing bodies holding a public hearing thereon.

B. INFORMATION RESPONSIVE TO FACTORS LISTED IN 1VAC 50-20-612

Listed below are the factors set forth in 1VAC 50-20-612 and the information and data submitted by the County and the City responsive to each factor.

1. A copy of the proposed agreement and a description of the economic growth-sharing plan.

Copies of the Patriot Centre Agreement, the Commonwealth Crossing Agreement (including the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**)) are attached hereto. The Commonwealth Crossing Addendum concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."

These Agreements modify and supersede the Original Agreement. The Agreements provide for the County and City to share in all revenues generated by the real estate, personal property, machinery and tools, and consumer utility taxes collected by the

County from the businesses located in the Patriot Centre Property and the Commonwealth Crossing Property (excluding Lot 2 thereof), with the County to retain 2/3 of such revenues and to pay the City 1/3 of such revenues. These provisions mirror those of the Original Agreement.

Lot 2 is to be subject to different provisions. The Harvest Foundation² has committed to invest \$6 million to further develop Lot 2. In addition, Lot 2 has been selected by the Governor of Virginia to receive a grant in the amount of \$22,237,705, to be administered by the Virginia Economic Development Partnership. Planned investments will allow Lot 2 to be marketed as a 200-acre site with a 150-acre graded pad, which would be the largest contiguous industrial site ever developed in Martinsville-Henry County.

Historically, the EDC has been funded by the County, the City and the Harvest Foundation, with the Harvest Foundation providing the largest amount of funding. Harvest Foundation now desires to reduce its funding of the EDC's annual operating costs. However, as noted above, Harvest Foundation has agreed to fund \$6 million of the development costs of Lot 2, and the County, the City and the IDA have provided in the Commonwealth Crossing Addendum for the EDC to receive a portion of revenues generated from the development of Lot 2, when it occurs, to help offset the reduced funding to the EDC from the Harvest Foundation. Details of EDC funding are set forth in Section 4 below.

2. **A description of the financial investment or other contributions which each participating locality will make to the projects(s) envisaged under the agreement.**

The County and City have to date made financial investments in the Patriot Centre Property and the Commonwealth Crossing Property to increase the marketability of the sites, primarily for engineering work roadways, landscaping, roadway and landscape maintenance, street lights, utility payments and construction of a shell building. The County and the City agree that the 2/3 – 1/3 split of net revenues (tax receipts) between the County and the City described in Section 1 above is a fair and equitable return reflecting the amounts of the parties respective investments.

3. **Projections of each participating locality's net annual receipt or net annual contributions to the projects(s) specified in the agreement for the next 10-year period, or for a lesser or greater period, as deemed appropriate.**

Future County and City contributions to development of the Patriot Centre Property and the Commonwealth Crossing Property are currently unknown. Significant potential investment by private industry could result in one or more Performance Agreements or similar arrangements whereby the County and/or City would make

² The Harvest Foundation was created about 20 years ago, funded with proceeds from the sale of Martinsville Memorial Hospital. The Harvest Foundation uses its assets and investment earnings on its assets to invest in a variety of public projects in the Martinsville-Henry County area.

investments to promote economic development, but the terms of any such agreements cannot presently be determined.

Regarding projections of annual receipts to the County and City, see answer to Number 5 below.

4. **A description of any dedication or restriction on the use of funds generated by the projects(s) specified in the agreement for the participating localities.**

For the Patriot Centre Property and the Commonwealth Crossing Property (not including Lot 2), the County is to be reimbursed for land, infrastructure costs, and operating expenses in excess of grant funds, and after repayment of any cash incentives that may have been paid by the County there are no conditions that restrict the use of tax revenue shared by the County and the City.

For the Lot 2 portion of the Commonwealth Crossing Property, funds generated by project development are subject to the following provisions:

- a. Year 1: One-hundred percent (100%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- b. Year 2: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- c. Year 3: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- d. Year 4: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- e. Year 5: Fifty percent (50%) of collected tax revenue shall be returned to the company/landowner pursuant to Enterprise Zone incentive laws. Ten percent (10%) of the remaining tax revenue shall be distributed to the EDC. The remainder of such tax receipts shall be disbursed in accordance with the original terms of the Amended Agreement.
- f. Years 6 through 10: All rebates due pursuant to Enterprise Zone incentive law, if any, shall be paid to the company /landowner. Ten percent (10%) of the remaining tax revenue collected shall be distributed to the EDC. The remainder of such tax

receipts shall be disbursed in accordance with the original terms of the Amended Agreement.

5. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by either the County or the City under the Agreements may be applied by the County and the City, respectively, for any lawful purpose, including operating expenditures or capital expenditures. The County and the City have not planned for or budgeted any potential revenues that may be received under the Agreements due to future development at either the Patriot Centre Property or the Commonwealth Crossing Property.

The amounts of real estate, personal property, machinery and tools, and consumer utility taxes to be received by the County and City under the Agreements will depend on the amounts and types of investments at the Patriot Centre Property and the Commonwealth Crossing Property. Economic development consultants have advised local officials that a pad-ready site with rail access and the fully developed utilities currently in place would be highly desirable to large industries and should generate an investment of at least \$500 million. While highly speculative, and understanding that such investments could take more than 10 years to complete, given current patterns in advanced manufacturing, an investment of that amount could generate about \$6 million in real estate and personal property tax revenues (once all enterprise zone benefits are satisfied) to be shared by the County and the City in accordance with the terms of the Agreements.. These amounts will benefit the County and the City and be available to be utilized in annual operating budgets or annual capital expenditure budgets, or both.

6. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

See response to Number 5 above.

7. **Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.**

Revenues received by the County and the City under the Agreements will have no impact on the debt of either the County or the City and will have no impact on the annual debt service of either the County or the City.

8. **Information indicating the general equity of the proposed plan for each participating locality.**

The Agreements reflect a County-City partnership in developing the Patriot Centre Property and the Commonwealth Crossing Property. The County and the City will


both benefit from increases in real estate, personal property, machinery and tools, and consumer utility taxes resulting from development of these properties, and employment opportunities resulting from development of these properties will benefit both County and City residents. The Agreements were crafted to reflect the contributions of both the County and the City to such development, as well as contributions made by the EDC to economic development in the region.

9. **Other information which would assist the Commission in analyzing the "probable effect on the people" in the participating jurisdictions of the proposed agreement**

There are no negative impacts anticipated for citizens of either the County or the City. Tax revenues to be shared are based on applicable tax rates with no additional tax increases. As noted above, the Harvest Foundation has committed to invest \$6 million in a portion of the Commonwealth Crossing Property. For tax reasons, the Harvest Foundation needs to do so by the end of the calendar year, and its commitment to do so is dependent on the County and City finalizing the Agreements. Thus, the County and the City request Commission review and subsequent issuance of Commission findings be completed by the middle of November, and in any event no later than the end of November. This will allow the County and the City each to hold the required public hearings and make final approvals of the Agreements in the late November/early December time frame. The required County and City public hearings cannot be held until the Commission issues its required findings. Issuance of the Commission's findings in accordance with this schedule will allow the County and the City to hold the public hearings and take necessary action by no later than early December, which action can then be communicated to the Harvest Foundation to allow the Harvest Foundation to undertake its necessary actions and provide its significant \$6 million investment by the end of December, 2023.

Respectfully submitted this 28th day of August, 2023 by:

HENRY COUNTY, VIRGINIA

By: 
George Eyle (VSB # 40372)
Henry County Attorney
3300 Kings Mountain Road
Martinsville, Virginia 24112
Phone: (276) 634-4601
Email: glyle@co.henry.va.us
Counsel for Henry County, Virginia

CITY OF MARTINSVILLE, VIRGINIA

By: 
Paul C. Jacobson
Sands Anderson PC
1005 Slater Road, Suite 200
Durham, NC 27703
Phone: (919) 313-0045
Email: pjacobson@sandsanderson.com
Steven Durbin
Sands Anderson PC
P.O. Box 2009
150 Peppers Ferry Rd. NE
Christiansburg, VA 24068-2009
Phone: (540) 260-3033
Email: sdurbin@sandsanderson.com
Counsel for Henry County, Virginia

Appendix B

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

RE: AMENDED AND RESTATED REVENUE)
SHARING AGREEMENTS BETWEEN HENRY)
COUNTY, THE CITY OF MARTINSVILLE AND)
INDUSTRIAL DEVELOPMENT AUTHORITY)
OF HENRY COUNTY)

NOTICE OF HENRY COUNTY, VIRGINIA AND THE CITY OF MARTINSVILLE, VIRGINIA OF THEIR REFERRAL TO THE COMMISSION ON LOCAL GOVERNMENT OF RESTATED AND AMENDED REVENUE SHARING AGREEMENTS BETWEEN AND AMONG HENRY COUNTY, THE CITY OF MARTINSVILLE AND HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

The County of Henry, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**), by their counsel, hereby notify the Commission on Local Government (**the "Commission"**), and all Virginia local governments contiguous to, or sharing any function, revenue, or tax source with the County or the City, of their referral of two proposed economic growth sharing agreements between and among the County, the City and the Industrial Development Authority of Henry County (**the "IDA"**) to the Commission for review in accordance with the provisions of §§ 15.2-1301 and 15.2-2903(4) of the Virginia Code, and § 1 Virginia Administrative Code ("VAC") 50-20-382 and 50-20-612,

The two proposed agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion, concerning property commonly known as the "Bryant Property" (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**). Copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Notice.

In support of this Notice, the Parties state the following:

1. The City and the County have cooperated for decades in mutually beneficial economic development efforts, including establishing a joint enterprise zone program, working together with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**)¹ and entering into a Revenue Sharing Agreement dated September 25, 2007 to

¹ The EDC is Virginia not-for-profit corporation, described as a public-private partnership between the County, the City and the Harvest Foundation of the Piedmont; its mission is to support and develop local industry, create new job opportunities and expand the tax base in the Martinsville-Henry County area.

- share the benefits of development of two separate industrial and business sites in the County (**the "Original Agreement"**).
2. The two separate industrial and business sites subject to the Original Agreement are described in Schedule A of the Patriot Centre Agreement (**the "Patriot Centre Property"**) and Schedule A of the Commonwealth Crossing Agreement (**the "Commonwealth Crossing Property"**).
 3. As stated in the Agreements, the City and County have determined it would be appropriate to separate the Original Agreement into two separate agreements, one relating to the Patriot Center Property and one relating to the Commonwealth Crossing Property, and to provide partial funding to the EDC from revenues generated by development on Lot 2 (as described in Section 4 below).
 4. The First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Addendum"**) concerns a portion of the Commonwealth Crossing Property described in the Commonwealth Crossing Addendum as "Lot 2."
 5. On July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA voted to approve the Agreements.
 6. Code of Virginia § 15.2-1301 provides that revenue, tax base and economic growth-sharing agreements such as the Agreements shall be referred to the Commission for review and issuance of findings in accordance with Code of Virginia 15.2- 2903(4).
 7. On August 22, 2023, the County and City each passed a Joint Resolution of Henry County and the City of Martinsville requesting that the Commission review the Agreements and make the appropriate findings (**the "Joint Resolution"**).
 8. 1 VAC 50-20-612 provides that in developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement referred to the Commission for review in accordance with Code of Virginia 15.2- 2903(4), the Commission shall consider certain information, data, and factors listed in 1 VAC 50-20-612. The County and the City have provided such information to the Commission in the Joint Submission by Henry County and the City of Martinsville Regarding the Amended and Restated Revenue Sharing agreements between Henry County, the city of Martinsville and the industrial Development Authority of Henry County.
 9. 1 VAC 50-20-382(D) provides that any local government receiving this notice of referral, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as it deems appropriate.
 10. The County and City have each designated as their principal contacts with the Commission the following individuals, who along with the undersigned Counsel, may be contacted by the Commission or any locality to whom this Notice is sent:

HENRY COUNTY
Dale Wagoner, Henry County Administrator
P.O. Box 7
Collinsville, VA 24079


Phone: (276) 634-4601
Email: dwagoner@co.henry.va.us

CITY OF MARTINSVILLE
Glen Adams, Interim Martinsville City Manager
P.O. Drawer 1112
Martinsville, VA 24114


11. Pursuant to 1 VAC50-20-382, the County and the City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements.
12. The undersigned counsel certify pursuant to 1 VAC50-20-390(L) that the information provided in this Notice came from publicly available sources and was learned during the course of representation of such counsel's respective client. The undersigned further certify that the information provided in this Notice is correct within the knowledge of the submitting party.

WHEREFORE, Henry County, Virginia and the City of Martinsville, Virginia request that the Commission review the Agreements and make its findings at the earliest possible time, but in any event by the end of November, 2023, in accordance with the requirements of §§ 15.2-1301 and 15.2- 2903(4) of the Virginia Code.

HENRY COUNTY, VIRGINIA

By: 
George Glyle (VSB #40572)
Henry County Attorney
3300 Kings Mountain Road
Martinsville, Virginia 24112
Phone: (540) 276-634-4601
Email: glyle@co.henry.va.us
Counsel for Henry County, Virginia

CITY OF MARTINSVILLE, VIRGINIA

By: 
Paul C. Jacobson (VSB #32517)
Sands Anderson PC
1005 Slater Road, Suite 200
Durham, NC 27703
Phone: (919) 313-0045
Email: pjacobson@sandsanderson.com
Steven Durbin (VSB #70963)
Sands Anderson PC
P.O. Box 2009

Christiansburg, VA 24068-2009
Phone: (540) 260-3033
Email: sdurbin@sandsanderson.com
Counsel for City of Martinsville, Virginia

LOCAL GOVERNMENTS NOTIFIED

Pursuant to 1 VAC50-20-382, the County and City have mailed copies of this Notice, the Joint Resolution, the Agreements and the attached annotated listing of documents, exhibits and other materials submitted to the Commission in support of the Agreements to each of the following Virginia local governments contiguous with the County and/or City, or which the County or City shares any function, revenue or tax source.

Patrick County, Virginia

c/o Patrick County Administrator
P.O. Box 466
106 Rucker Street
Stuart, Va. 24171

Franklin County, Virginia

c/o Franklin County Administrator
1255 Franklin Street
Rocky Mount, VA 24151

Pittsylvania County, Virginia

c/o Pittsylvania County Administrator
P.O. Box 426
1 Center Street
Chatham, VA 24531

City of Danville, Virginia

c/o Danville City Manager
427 Patton Street, 4th Floor
Danville, VA 24541

Mailing address

City of Danville, Virginia
c/o Danville City Manager
P.O. Box 3300
Danville, VA 24543

Town of Rocky Mount

c/o Rocky Mount Town Manager
345 Donald Avenue
Rocky Mount, VA 24151

Town of Ridgway

c/o Ridgeway Town Clerk
P.O. Box 525
Ridgeway, VA 24148

ANNOTATED LIST

The following is an annotated list of the documents, exhibits, and other materials the County and the City have submitted to the Commission in support of the Agreements:

1. Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion
2. Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
3. First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre
4. Original Agreement dated September 25, 2007
5. Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restate Revenue Sharing Agreements Between Henry County, the City of Martinsville and Industrial Development Authority of Henry County
6. Joint Submission of Henry County, Virginia and the City of Martinsville, Virginia Providing Information Regarding Commission Review of Restated

Appendix C

JOINT RESOLUTION OF HENRY COUNTY AND THE CITY OF MARTINSVILLE REFERRING THE PROPOSED AMENDED AND RESTATED REVENUE SHARING AGREEMENTS BETWEEN HENRY COUNTY, THE CITY OF MARTINSVILLE AND INDUSTRIAL DEVELOPMENT AUTHORITY OF HENRY COUNTY TO THE COMMISSION ON LOCAL GOVERNMENT FOR REVIEW

WHEREAS, Henry County, Virginia (**the "County"**) and the City of Martinsville, Virginia (**the "City"**) have a history of cooperation in promoting regional economic development, including administration of a joint enterprise zone program and mutual support of and cooperation with the Martinsville-Henry County Economic Development Corporation (**the "EDC"**); and

WHEREAS, the EDC is a public-private partnership among County, the City and the Harvest Foundation of the Piedmont with the goals of creating jobs in the City and the County and expanding the tax base in the County and the City, including support and development of local industry; and

WHEREAS, on or about September 25, 2007, the City, the County and the Industrial Development Authority of Henry County, Virginia (**the "IDA"**) entered into a Revenue Sharing Agreement related to two separate industrial and business sites in the County (**the "Original Agreement"**), specifically the subject of the Patriot Centre Agreement (as defined below) and the subject of the Commonwealth Crossing Agreement (as defined below); and

WHEREAS, the City and the County have determined it is appropriate to separate the Original Agreement into two separate agreements, each agreement to relate to its respective industrial and business park property and to modify the Commonwealth Crossing Agreement to provide partial funding to the EDC; and

WHEREAS, the two separate agreements are the Amended and Restated Revenue Sharing Agreement for Patriot Centre Expansion (**the "Patriot Centre Agreement"**) and the Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre, as modified by the First Addendum to Amended and Restated Revenue Sharing Agreement for Commonwealth Crossing Business Centre (**the "Commonwealth Crossing Agreement" and, together with the Patriot Centre Agreement, the "Agreements"**); copies of the Patriot Centre Agreement and the Commonwealth Crossing Agreement, including the First Addendum thereto, are attached to this Resolution; and

WHEREAS, on July 11, 2023, the City Council of the City, the Board of Supervisors of the County and the Board of Directors of the IDA held a joint meeting and each body voted to approve the Agreements; and

WHEREAS, Code of Virginia §15.2-1301 provides that economic growth sharing agreements such as the Agreements shall be referred to the Virginia Commission on Local Government (**the "Commission"**) for review and the making of findings as to the probable effect of such agreements on the people residing in the area affected by the agreements; and

WHEREAS, 1 VAC50-20-382 requires that referral of such agreements to the Commission shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to the proposed agreements requesting that the Commission review the agreement, stating the parties' intention to adopt the agreement, and providing certain information to the Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HENRY COUNTY, VIRGINIA AND THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA THAT:

1. The County and the City each (a) request that the Commission review the Agreements and issue its findings in accordance with the requirements of Code of Virginia § 15.2-1301 and (b) state their intention to adopt the Agreements in final form subsequent to the Commission's review.
2. The County Administrator, the City Manager and the County's and City's attorneys are authorized and directed to refer the Agreements, together with all necessary data and materials, to the Commission and to take all other actions as may be required to accomplish the Commission's review of the Agreements.
3. The County designates the following individual as the County's contact persons for communications with the Commission regarding the review of the Agreements:

Dale Wagoner, County Administrator. Henry County, Virginia

Physical Address:

3300 Kings Mountain Road
Martinsville, VA 24112

Mailing Address:

P.O. Box 7
Collinsville, VA 24078

Phone: 276-634-4601

Email address: dwagoner@co.henry.va.us

4. The City designates the following individual as the City's contact person for communications with the Commission regarding the review of the Agreement:

Glen Adams, Interim City Manager, City of Martinsville, Virginia

P.O. Box 1112
55 W Church Street, Room 216
Martinsville, VA 24112

Phone: 206-403-5182

Email: gadams@ci.martinsville.va.us

Adopted by the Board of Supervisors of the County this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of Henry County, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the Board of Supervisors at a meeting held on August 22, 2023.

Date: August 22, 2023

[SEAL]

Dale Waggoner

Clerk of the Board of Supervisors
Henry County, Virginia

Adopted by the City Council of the City this 22nd day of August, 2023.

CERTIFICATE

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct copy of a Joint Resolution of Henry County and the City of Martinsville Requesting that the Commission on Local Government Review Proposed Amended and Restated Revenue Sharing Agreements between Henry County, the City of Martinsville and Industrial Development Authority of Henry County, adopted by the City Council at a meeting held on August 22, 2023.

Date: 8/22, 2023

[SEAL]

Haven B Roberts

Clerk of the City Council
City of Martinsville, Virginia



REVENUE SHARING AGREEMENT

This AGREEMENT is made and entered into this 25th day of September, 2007, and executed in quintuplicate originals (each executed copy constituting an original) by and between the **COUNTY OF HENRY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), the **CITY OF MARTINSVILLE, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City"), and the **HENRY COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a political subdivision of the Commonwealth of Virginia (the "Henry County IDA").

WHEREAS, the County and the City have reached this Agreement, pursuant to Virginia Code Section 15.2-1301 (1950), as amended, providing for the sharing of certain revenue between the two localities; and,

WHEREAS, the County and the City have determined that the economic growth and development of the region and the comfort, convenience, and welfare of their citizens require the development of industrial and business facilities; and,

WHEREAS, the County and the City have recognized that regional cooperation in industrial and business development will

increase the opportunities for the localities to achieve a greater degree of economic stability; and,

WHEREAS, the County and the City have agreed that the most appropriate location to commence joint development of sites for industrial and business facilities is an expansion of the County's Patriot Centre and a new industrial park located 220 South, more specific descriptions of said property being attached to, and incorporated into, this agreement as Schedule "A" and "B"; and

WHEREAS, expansion of the Patriot Centre and the 220 South project will be owned by the Henry County IDA; and,

NOW THEREFORE, in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

- 1) The Henry County IDA agrees to use funds transferred to it pursuant to this Agreement to develop the designated sites for industrial and business facilities as directed by the County and the City.
- 2) This Agreement does not obligate the City to expend any of its own funds to support the development of the designated sites; however, payment shall be made after the County is reimbursed for land and infrastructure costs in excess of grant funds and after repayment of any cash incentives that may be paid by the County.
- 3) The parties agree that the County will be responsible for the marketing and the sale of the designated sites.
- 4) The County agrees that when a business locates on one of the designated sites the County will pay to the City one-third of all revenues generated by the real estate, personal property,

machinery and tools, and consumer utility taxes collected by the County from the business located on such site.

- 5) If the County sells more than 5% of the combined acreage to a non-taxpaying entity, the County must obtain the City's approval. While the City will not withhold its approval unreasonably, under certain circumstances the City may condition its approval upon the County compensating the City for the loss of revenues the City otherwise would have received if a taxpaying business had purchased the site.
- 6) The County's obligation to make any payments to the City pursuant to this Agreement shall be subject to the annual appropriation of sufficient funds by the County Board of Supervisors.
- 7) The County shall pay any portion of tax revenues due to the City within sixty days of receipt.
- 8) This Agreement shall be binding upon and inure to the benefit of the County and the City, and each of the future governing bodies of the County and the City, and upon any successor to either the County or the City.
- 9) The parts and provisions of this Agreement are severable. If any part or provision shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
- 10) The parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and further agree that the Agreement may be amended, modified or supplemented, in

whole or in part, by mutual consent of the County and the City, by a written document of equal formality and dignity duly executed by the authorized representatives of the County and the City.

WITNESS the following signatures and seals.

COUNTY OF HENRY, VIRGINIA, a political
Subdivision of the Commonwealth of Virginia

By: H. D. Vaughn
Chairman

ATTEST:

Ben Sumner Clerk

CITY OF MARTINSVILLE, VIRGINIA, a municipal
Corporation of the Commonwealth of Virginia

By: James Russell
Mayor

ATTEST:

Conrad M. Boy Clerk

**HENRY COUNTY INDUSTRIAL DEVELOPMENT
AUTHORITY**, a political subdivision of the
Commonwealth of Virginia

By: W. Tony M. Donna
Chairman

ATTEST:

Romy Samsal Clerk

Approved as to form:

[Signature]
County Attorney

Approved as to form:

[Signature]
City Attorney

SCHEDULE A

Parcel I: All that certain tract or parcel of land situated in the Ridgeway District of Henry County, Virginia, as shown on a Record Plat for Eugene A. Eggleston and Sarah H. Eggleston, dated November 3, 1972, prepared by Marvin E. Scarce, C.L.S., containing 77.82 acres, more or less and being Tax Map #71.7(000)000/014A.

Parcel II: All those certain tracts or parcels of land situated in the Ridgeway District of Henry County, Virginia, as shown on a survey for The Price Estate, dated October 20, 1980, surveyed jointly by Bakkum-Deloach & Assoc and William S. May, Jr, being known as designated on said Plat as follows:

Lots #32, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #46, #47, #48, #49, #50, and #56

SCHEDULE B

A certain parcel of land lying in the Collinsville Magisterial District (formerly known as Martinsville) of Henry County and consisting of 1,206 acres, more or less, all as shown on a "Plat of Survey for Clayton C. Bryant Sr." dated August 9, 2006 and being the same property conveyed to Seller by deed dated May 9, 2006 and of record in the Henry County Circuit Court Clerk's Office as Instrument Number 060003051.

Appendix E

200 Acre Site

Commonwealth Crossing Tract 2



Martinsville
HENRY COUNTY VIRGINIA

Growing Your Business is Our Business.™



- 200 Acre Site with a 150 acre pad
- All utilities to the site (electric, water, sewer, natural gas, fiber)
- Rail Served (Norfolk Southern)
- Located near US-220 South, at the Virginia/North Carolina state line
- 30 minutes to the Greensboro (NC) International Airport and the new FedEx Mid-Atlantic Hub
- Publicly Owned by Henry County

Commonwealth Crossing Tract 2

|| SITE SPECIFICATIONS

Total Site Acreage:	200 acres
Total Pad Area:	150 pad acres
Location:	Henry County
Enterprise Zone:	Yes
Zoning:	I-1 Industrial
Industrial Park:	Yes
Rail Available:	Yes – served by Norfolk Southern

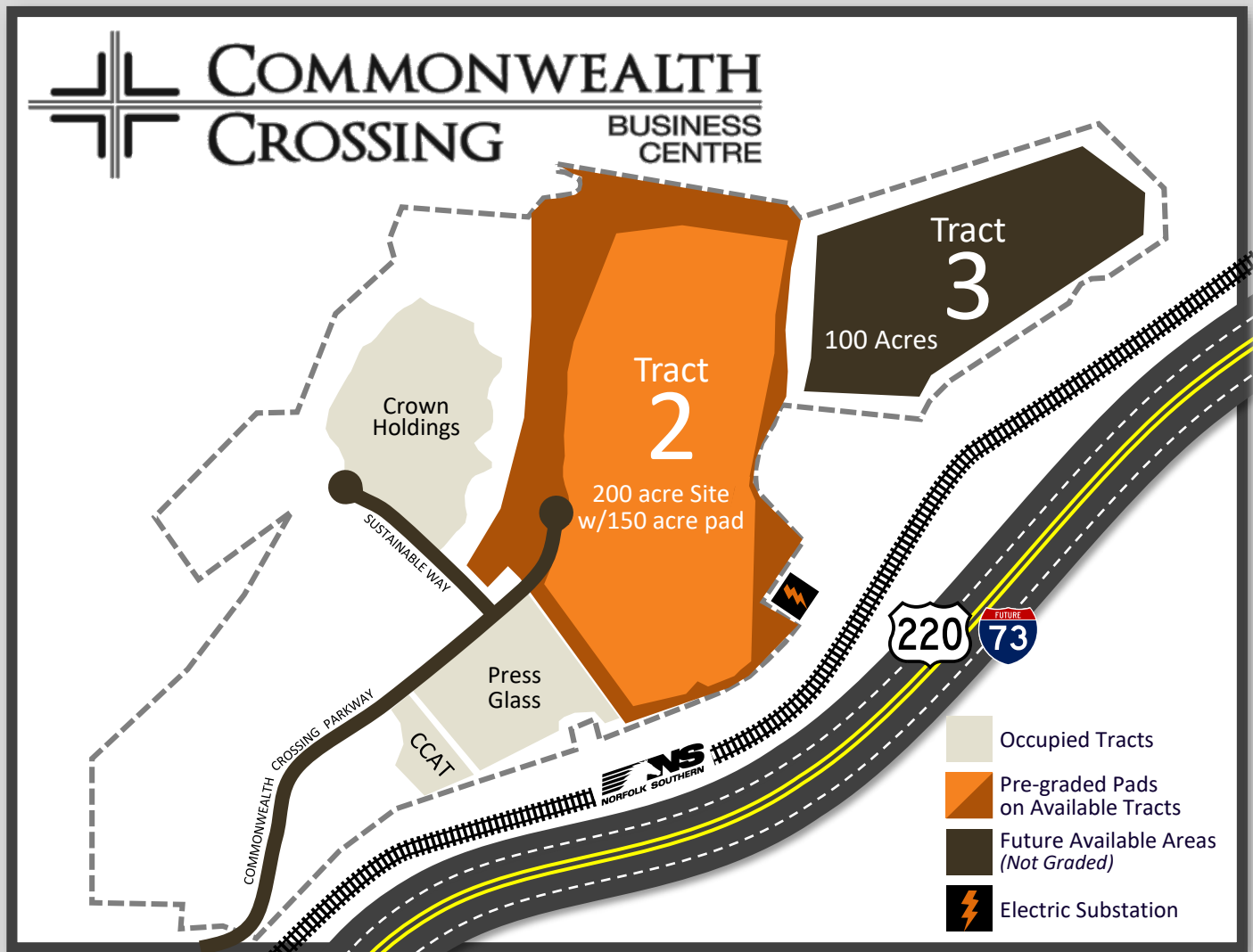
|| UTILITIES

Water & Waste Water:	Henry County PSA
Electric:	Appalachian Power
Natural Gas:	SW Virginia Gas
Telecom:	Mid Atlantic Broadband

- All Utilities On Site! (Electric, Nat. Gas, Water/Sewer, Fiber)
- Publicly Owned
- Rail Served (Norfolk Southern)
- Adjacent to US Highway 220 (future I-73 corridor)

|| TRANSPORTATION

To US-220:	¼ mile
To US-58:	6 miles
To Interstate 73:	18 miles
To Interstate 40:	34 miles
To Interstate 85:	45 miles
To Interstate 77:	66 miles
To Interstate 81:	69 miles
To Blue Ridge Regional Airport	11 miles
To Piedmont Triad Int'l Airport:	33 miles



Appendix F

COMMONWEALTH CROSSING BUSINESS CENTRE (CCBC) FUNDING SOURCES

AGENCY NAME	PURPOSE	Date	AMOUNT
M-HC Economic Development Corporation	Land Acquisition (Revenue Sharing over 10 year period)	Oct 2007	\$2,000,000
Henry County	Balance of Land Acquisition (726 acres total)	Oct 2007	\$955,141
M-HC Economic Development Corporation	Master Plan of CCBC	May 2009	\$100,600
Henry County	Wetlands Delineation at CCBC	Jul 2009	\$533,727
Tobacco Commission	CCBC Water/Sewer extension	Jul 2009	\$1,720,000
Small Business Administration	CCBC Water/Sewer extension	Jul 2009	\$800,000
The Harvest Foundation	CCBC Water/Sewer extension match	Jul 2009	\$860,000
Henry County	CCBC Water/Sewer extension match	Jul 2009	\$567,600
City of Martinsville	CCBC Water/Sewer extension match	Jul 2009	\$292,400
Virginia Economic Development Partnership	Major Employment and Investment (MEI) Project Site Planning Grant Program	Nov 2010	\$1,500,000
Tobacco Commission	CCBC Megasite Grant	Nov 2010	\$5,000,000
The Harvest Foundation	CCBC Megasite Grant Match	Nov 2010	\$5,000,000
Henry County	CCBC Megasite Grant Match	Nov 2010	\$3,333,300
City of Martinsville	CCBC Megasite Grant Match	Nov 2010	\$1,666,700
Tobacco Commission	CCBC Megasite Grant - Broadband (MBC) & Power Extensions (AEP)	Nov 2010	\$566,052
Tobacco Commission	CCBC Megasite Grant (Water Tank & Waterline Extension)	Nov 2011	\$2,400,000
Henry County	CCBC Megasite Grant Match (Water Tank & Waterline Extension)	Nov 2011	\$300,000
M-HC Economic Development Corporation	CCBC Megasite Grant Match (Water Tank & Waterline Extension)	Nov 2011	\$130,000
Virginia Economic Development Partnership	Virginia Business Ready Sites Program Grant (Water Tank)	Nov 2011	\$500,000
Tobacco Commission	Special Projects (Megasite) - CCBC Prospects Grant Request	Jan 2014	\$6,500,000
The Harvest Foundation	CCBC Special Projects (Megasite) Grant Match (Project Atlantis/CCAT)	Jan 2014	\$5,000,000
New Markets Tax Credits	Leverage of \$5M CCAT & Water Tank Construction	Dec 2017	\$2,710,000
Appalachian Power (AEP)	Construction of Electric Substation on-site at Commonwealth Crossing	Sep 2019	\$28,000,000
Southwestern Virginia Gas	Construction of Natural Gas lines to serve CCBC	Feb 2021	\$9,000,000
Tobacco Commission	CCBC Tract 5 Grading (Southern Virginia ED Grant)	Sep 2021	\$357,741
Henry County	CCBC Tract 5 Grading Match	Sep 2021	\$357,741
Virginia Economic Development Partnership	Tract 1: Design Plans & Clear Cut Ungraded Portion (VBRSP)	Jan 2022	\$1,036,250
Henry County	CCBC Tract 2 Grading (VBRSP Match - Stream Preservation)	Jan 2023	\$1,890,000
The Harvest Foundation	CCBC Tract 2 Grading (VBRSP Match - Cash)	Jan 2023	\$6,000,000
Virginia Economic Development Partnership	CCBC Tract 2 Grading (VBRSP Grant Award)	Jan 2023	\$22,237,705
GRAND TOTAL			\$111,314,957

COMMONWEALTH CROSSING BUSINESS CENTRE (CCBC) FUNDING SOURCES

AGENCY NAME	AMOUNT
Appalachian Power (AEP)	\$28,000,000
Virginia Economic Development Partnership	\$25,273,955
The Harvest Foundation	\$16,860,000
Tobacco Commission	\$16,543,793
Southwestern Virginia Gas	\$9,000,000
Henry County	\$7,937,509
New Markets Tax Credits	\$2,710,000
M-HC Economic Development Corporation	\$2,230,600
City of Martinsville	\$1,959,100
Small Business Administration	\$800,000
GRAND TOTAL	\$111,314,957

Appendix G



Commonwealth of Virginia *Office of Governor Glenn Youngkin*

FOR IMMEDIATE RELEASE · August 30, 2023

Office of the Governor

Macaulay Porter

Email: Macaulay.Porter@governor.virginia.gov

Virginia Economic Development Partnership

Suzanne Clark

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Press Glass Inc.

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Global Glass Fabricator to Expand in Virginia

*Press Glass to expand manufacturing facility in Henry County,
creating 335 new jobs*

RICHMOND, VA – Governor Glenn Youngkin today announced that Press Glass Inc., the largest independent glass fabricator in Europe, will invest \$155.2 million to expand at the Commonwealth Crossing Industrial Park in Henry County. The company will construct a 360,000-square-foot addition to its existing facility to expand its U.S. presence and manufacture glass for the commercial construction industry. The project will create 335 new jobs.

“With this expansion, Press Glass will make the largest single capital investment by a business in Henry County’s history,” **said Governor Glenn Youngkin.** “The addition of 335 new jobs, more than doubling the company’s head count, helps this region continue its economic rebound and demonstrates the resurgence of manufacturing that is happening across the Commonwealth.”

“Southern Virginia’s workforce possesses the skills and work ethic to benefit manufacturers, and we are proud Press Glass continues to thrive and reinvest in its operation at Commonwealth Crossing Industrial Park,” **said Secretary of Commerce and Trade Caren Merrick**. “With premier sites and a state-of-the-art training facility, Martinsville-Henry County has a recipe for success and continues to successfully compete for projects and diversify its economy.”

“Our clients have trusted us and recognized the high quality of Press Glass products, so the expansion of the factory in Ridgeway is a natural step to increase the availability of our offerings and strengthen our position in the American market,” **said Maciej Migalski, President, Press Glass Inc.** “After the expansion, the Ridgeway plant will be one of the largest and most automated facilities processing architectural glass in the USA. At the same time, we will create new, valuable job opportunities. We express our gratitude to the local leadership for their invaluable support.”

“Press Glass’ decision to expand its manufacturing facility in Commonwealth Crossing speaks not only to the strength of Press Glass’ position in their industry but also to the decision local (elected) officials made 15 years ago to invest in a modern industrial park that would be attractive to growth companies like Press Glass,” **said James McClain, Chair, Martinsville-Henry County EDC**. “The EDC is grateful to Press Glass for their continued confidence and investment in Martinsville-Henry County.”

“The decision of Press Glass to invest and grow in our County is a resounding vote of confidence in our talented workforce, robust infrastructure, and supportive manufacturing environment,” **said Jim Adams, Henry County Board of Supervisors Chairman**. “Not only does this expansion bring prosperity to our local economy, it also reflects the potential and attractiveness of our community for global business.”

“Southside Virginia has the people, resources, and infrastructure for manufacturers to thrive,” **said Rep. Morgan Griffith**. “I applaud Press Glass’ decision to expand their U.S. manufacturing presence in Henry County, bringing 335 new jobs to the region. This investment is great news for our economy, and I look forward to the facility’s completion in the near future.”

“I am thrilled that Press Glass has committed to expanding their footprint in Henry County. This is a major win not only for our state, but also for Southside Virginia,” **said Senator William M. Stanley**. “This new investment will create hundreds of good-paying jobs and further strengthen our economy. I am committed to working with Governor Youngkin and our partners to continue attracting new businesses to Virginia and encouraging current businesses to stay and expand in our beautiful Commonwealth.”

“Press Glass’s announcement of a new \$155 million investment and 335 new jobs is fantastic news for our region,” **said Delegate Wren Williams**. “I want to congratulate Press Glass and our friends in Martinsville and Henry County who worked so hard to make this happen. We will keep advocating for more companies to re-shore American manufacturing to Southside and Southwest Virginia, where we have some of the best workforce, infrastructure, and opportunity available.”

Headquartered in Konopiska, Poland, Press Glass was founded in 1991 and has 15 factories in Europe and the U.S. As the largest independent flat glass processing operation in Europe, the company processes glass for fabricators of windows and doors, facades and interior glass constructions. The company opened its Henry County facility in 2020 and employs more than

300 individuals.

The Virginia Economic Development Partnership worked with the Martinsville-Henry County Economic Development Corporation to secure the project for Virginia. Governor Youngkin approved a \$2 million grant from the Commonwealth's Opportunity Fund to assist Henry County with the project. Funding and services to support the company's employee training activities will be provided through the Virginia Jobs Investment Program.

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Periodic Review and Small Business Impact Review Report of Findings

Agency name	
Virginia Administrative Code (VAC) Chapter citation(s)	1 VAC 50 – 20
VAC Chapter title(s)	Organization and Regulations of Procedure
Date this document prepared	October 2023

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CLG – Commission on Local Government

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The promulgating agency is the Commission on Local Government. Section 15.2 – 2903 (1) enables the Commission to promulgate regulations regarding its proceedings.

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

The alternative to the regulatory change is to maintain the regulations in their current form without efforts to remove unnecessary and duplicative information. The regulation does not .impact small businesses.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency’s response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

Commenter	Comment	Agency response
NONE	NONE	NA

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in the ORM procedures, including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

The regulation is necessary to uniformly and effectively govern the process by which Commission considers cases and proceedings.

Decision

Explain the basis for the promulgating agency’s decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

If the result of the periodic review is to retain the regulation as is, complete the ORM Economic Impact form.

Retain the regulation. There was no public comment regarding changes to the regulation.

Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors

have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

-
- 1) The regulation is necessary to uniformly and effectively carry out the duties of the Commission 2) No comments were received. 3) The regulation is not overly complex. 4) The regulation does not overlap state law or regulation and includes specific reference to state code where applicable. 5) The regulations was last evaluated in 2017.
-

DRAFT



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Notice of Intended Regulatory Action (NOIRA) Agency Background Document

Agency name	Commission on Local Government
Virginia Administrative Code (VAC) Chapter citation(s)	1 VAC 50 - 20
VAC Chapter title(s)	Organization and Regulations of Procedure
Action title	General Review
Date this document prepared	October 2023

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of the subject matter, intent, and goals of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation).

This action is a general review to consider certain amendments related to regulatory reduction. The subject is the regulations governing the procedures and rules for proceedings before the Commission on Local Government. The Commission reviews certain transitions within local government (boundary line adjustments, annexation, reversion, etc.).

Acronyms and Definitions

Define all acronyms or technical definitions used in this form.

CLG – Commission on Local Government.

Mandate and Impetus

Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation, (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in the ORM procedures, "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

This change is a general review with a focus on reducing discretionary regulatory burdens in accordance with procedures identified by the Office of Regulatory Management.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The promulgating agency is the Commission on Local Government. Section 15.2 – 2903 (1) enables the Commission to promulgate regulations regarding its proceedings.

Purpose

Describe the specific reasons why the agency has determined that this regulation is essential to protect the health, safety, or welfare of citizens. In addition, explain any potential issues that may need to be addressed as the regulation is developed.

The regulation is necessary to uniformly and effectively govern the process by which the Commission considers cases and proceedings.

Substance

Briefly identify and explain the new substantive provisions that are being considered, the substantive changes to existing sections that are being considered, or both.

The action is intended to consider regulatory changes in support of regulatory reduction efforts. Such changes could impact any portion of regulation though they will have significant focus on unnecessary or outdated information within notices and duplicative requirements.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

The alternative to the regulatory change is to maintain the regulations in their current form without efforts to remove unnecessary and duplicative information. The regulation does not impact small businesses.

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below. In addition, as required by § 2.2-4007.02 of the Code of Virginia, describe any other means that will be used to identify and notify interested parties and seek their input, such as regulatory advisory panels or general notices.

The Commission on Local Government is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, and (iii) the potential impacts of the regulation.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: <https://townhall.virginia.gov>. Comments may also be submitted by mail, email or fax to LeGrand Northcutt, 600 E Main St, Ste 300, Richmond, VA 23219, legrand.northcutt@dhcd.virginia.gov. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will be held following the publication of the proposed stage, and notice of the hearing will be posted on the Virginia Regulatory Town Hall website (<https://townhall.virginia.gov>) and on the Commonwealth Calendar website (<https://commonwealthcalendar.virginia.gov/>). Both oral and written comments may be submitted at that time.

Staff Suggestions for Regulatory Reduction of 1 VAC 50-20, Sections 540 – 670

Preliminary count of discretionary regulations on regulated parties in Sections 540 -670	21
Number of discretionary regulations on regulated parties suggested for elimination or reduction	1
Percent reduction	5%

Regulatory Section	Regulations suggested for elimination or reduction
540	
550	
560	
570	
580	
590	
600	
601	
605	
610	
612	
614	
616	
620	
630	1
640	
650	
660	
670	

- **Blue** = Discretionary requirements that govern the Commission’s actions. These may be reduced, but do not count toward the regulatory reduction requirement.
- **Green** = Discretionary requirements that govern outside parties. These must be reduced by 25% in accordance with Executive Order 19 and Office of Regulatory Management guidance.
- **Grey** = Mandatory requirements that are governed by statute.
- Any language that does not place a requirement on the Commission or an outside party (i.e. regulations on the powers and conduct of the chair or other officers) is not counted as a requirement.

Part IV

Information, Data, and Factors Relative to Mandatory Commission Reviews

1VAC50-20-540. Annexation.

In developing its findings of fact and recommendations with respect to a proposed annexation, the commission shall consider the relevant information, data, and factors listed in this section.

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Any city or town filing notice with the commission that it proposes to annex territory shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed annexation. Any voters or property owners filing notice pursuant to § 15.2-2907 of the Code of Virginia with the commission seeking annexation to a municipality shall submit with the notice data and other evidence responsive to each element listed in this section that they deem relevant to the proposed annexation, except that subdivision 1 of this section is required to be included in the notice filed with the commission.

Commented [NL(1)]: Each of these sections represents one discretionary regulation on a regulated party that was already counted in previous sections. Those previous sections required filings of information consistent with these sections. Any reduction here would result in a partial reduction in the count for the previous sections.

1. A written metes and bounds description of the boundaries of the area proposed for annexation having, as a minimum, sufficient certainty to enable a layman to identify the proposed new boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map showing (i) the boundaries of the area proposed for annexation and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the area sought for annexation.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the municipality, the county, and the area proposed for annexation.
4. The past, the estimated current, and the projected population of the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.
5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.
6. The assessed property values, by major classification, and if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the municipality and the county affected by the proposed annexation, and similar data for the current year for the area of the county proposed for annexation.
7. The current local property and nonproperty tax rates and the tax rates for the preceding 10 years, applicable within the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.

Because these sections are suggestive in nature and include catch-all provisions, staff recommends no change except to clarify that the Commission does not need to consider all of these factors in its reports. This would be a reduction of discretionary regulations on the government and therefore is not counted in the regulatory reduction numbers.

Staff will ultimately defer to the expertise of the Commissioners on whether to add or remove suggested data elements to give parties better guidance of what is expected.

8. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid (including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes) within the municipality, and the county affected by the proposed annexation, and similar data for the past year for the area of the county proposed for annexation.

9. The amount of long-term indebtedness and the purposes for which all long-term debt has been incurred by the municipality and the county affected by the proposed annexation.

10. The need in the area proposed for annexation for urban services, including those listed in this subdivision, the level of services provided by the municipality and by the county affected by the proposed annexation, and the ability of the municipality and the county to provide the services in the area proposed for annexation:

- a. Sewage treatment;
- b. Water;
- c. Solid waste collection and disposal;
- d. Public planning;
- e. Subdivision regulation and zoning;
- f. Crime prevention and detection;
- g. Fire prevention and protection;
- h. Public recreational facilities;
- i. Library facilities;
- j. Curbs, gutters, and sidewalks;
- k. Storm drains;
- l. Street lighting;
- m. Snow removal;
- n. Street maintenance;
- o. Schools;
- p. Housing; and
- q. Public transportation.

11. Efforts made by the municipality and the county affected by the proposed annexation to comply with applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies promulgated by the General Assembly.

12. The community of interest which (i) may exist between the municipality and the area proposed for annexation and its citizens and (ii) may exist between that area and its citizens and the rest of the county; the term "community of interest" may include consideration of natural neighborhoods, natural and manmade boundaries, the similarity of service needs, and economic and social bonds.

13. Any arbitrary prior refusal to cooperate by the governing body of the municipality or of the county affected by the proposed annexation, if such has occurred, to enter into cooperative agreements providing for joint activities that would have benefited citizens of both localities.

14. The need for the municipality to expand its tax resources, including its real estate and personal property tax base.

15. The need of the municipality to obtain land for industrial, commercial, and residential development.

16. The adverse effect on the county affected by the proposed annexation resulting from the loss of areas suitable and developable for industrial, commercial, or residential use.

17. The adverse effect on the county of the loss of tax resources and public facilities necessary to provide services to those persons in the remaining areas of the county after the proposed annexation.

18. The adverse impact of the proposed annexation on agricultural operations located in the area proposed for annexation.

19. The terms and conditions upon which the municipality proposes to annex, its plans for the improvement of the annexed territory during the 10-year period following annexation, including the extension of public utilities and other services, and the means by which the municipality shall finance the improvements and extension of services.

20. Data pertinent to a determination of the appropriate financial settlement between the municipality and the affected county as required by § 15.2-3211 of the Code of Virginia and other applicable provisions of the Code of Virginia.

21. The commission's staff shall endeavor to assist parties contemplating or involved in annexation proceedings by identifying additional data elements considered by the commission to be relevant in the disposition of annexation issues.

IVAC50-20-550. Partial county immunity.

In developing its findings of fact and recommendations with respect to a proposed petition for partial immunity, the commission shall consider the relevant information, data, and factors listed in this section. Any county filing notice with the commission that it proposes to seek immunity for a portion of its territory shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed petition for partial immunity.

1. A written metes and bounds description of the area for which immunity is sought having, as a minimum, sufficient certainty to enable a layman to identify the proposed immunity areas.

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The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.

2. A map or maps showing: (i) the boundaries of the area proposed for immunity and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the area for which immunity is sought.

3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the county, the affected city, and the area proposed for immunity.

4. The estimated current and projected population and population density of the areas for which immunity is sought.

5. The urban services, including but not limited to those listed below, provided in the area for which immunity is sought and the type and level of services in relation to those furnished by the city from which immunity is sought:

- a. Sewage treatment;
- b. Water;
- c. Solid waste collection and disposal;
- d. Public planning;
- e. Subdivision regulation and zoning;
- f. Crime prevention and detection;
- g. Fire prevention and protection;
- h. Public recreational facilities;
- i. Library facilities;
- j. Curbs, gutters, sidewalks;
- k. Storm drains;
- l. Street lighting;
- m. Snow removal;
- n. Street maintenance;
- o. Schools;
- p. Housing; and

q. Public transportation.

6. Efforts made by the county to comply with applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies promulgated by the General Assembly.

7. The community of interest that: (i) may exist between the area for which immunity is sought and the remainder of the county; (ii) the community of interest which may exist between that area and the city from which immunity is sought; and (iii) the relative strength of the community of interests.

8. Any instance in which either the county or the affected city has arbitrarily refused to cooperate in the joint provision of services.

9. Whether the proposed grant of immunity would substantially foreclose a city of 100,000 population or less from expanding its boundaries by annexation.

10. The commission's staff shall endeavor to assist localities contemplating or involved in partial immunity proceedings by identifying the additional data elements considered by the commission to be relevant in the disposition of partial immunity issues.

1VAC50-20-560. Town-county agreements defining annexation rights.

In developing its findings of fact and recommendations with respect to a proposed town-county annexation agreement, the commission shall consider the relevant information, data, and factors listed in this section. Any town or county presenting proposed annexation agreements to the commission under the provisions of § 15.2-3231 of the Code of Virginia shall submit with the proposed agreement data and other evidence responsive to each element listed in this section that it deems relevant.

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1. A written metes and bounds description of those areas of the county made eligible for annexation under the proposed agreement having as a minimum, sufficient certainty to enable a layman to identify those areas. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.

2. A map showing (i) the boundaries of the various areas eligible for annexation under the proposed agreement and their relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property in the areas affected by the proposed agreement.

3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the town, the county, and the areas of the county affected by the agreement.

4. The past, the estimated current, and the projected population of the town, the county, and those areas of the county affected by the proposed agreement.

5. The past, the estimated current, and the projected number of public school students enrolled in the public schools and the number of school-age children living in the town, the county, and those areas of the county affected by the proposed agreement.

6. The assessed property values, by major classification and, if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current and preceding 10 years for the town, and the county, and similar data for the current year in those areas of the county affected by the proposed agreement.

7. The need of the municipality to expand its tax resources, including its real estate and personal property tax base.

8. The need of the municipality to obtain land for industrial, commercial, and residential development.

9. The current and prospective need for additional urban services in the areas of its county subject to annexation under the agreement.

10. Plans for the immediate and future improvement of areas annexed under the terms of the agreement, including the extension of public utilities and other services.

11. The commission's staff shall endeavor to assist localities contemplating or involved in town-county agreements defining annexation rights by identifying additional data elements considered by the commission to be relevant in the disposition of the issues.

1VAC50-20-570. Town incorporation.

In developing its findings of fact and recommendations with respect to a proposed town incorporation, the commission shall consider the relevant information, data, and factors listed in this section. Parties filing notice with the commission that they propose to have a community incorporated as a town, or whose petition for incorporation has been referred to the commission by the court pursuant to § 15.2-3601 of the Code of Virginia, shall submit with such notice or subsequent to the court referral data and other evidence responsive to each element listed in this section that they deem relevant to the proposed incorporation.

1. A petition signed by not fewer than 100 duly qualified voters residing within the boundaries of the proposed town supporting the proposed incorporation.

2. A written metes and bounds description of the area proposed for incorporation as a town having, as a minimum, sufficient certainty to enable a layman to identify the proposed town boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.

3. A map showing (i) the boundaries of the proposed town and their relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; and (v) existing uses of the land, including residential, commercial, industrial, and agricultural.

4. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the area proposed for incorporation.

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5. The past, the estimated current, and the projected population of the area proposed for incorporation and the county within which the town would be situated.
6. Information indicating (i) why the proposed incorporation is desired and in the interest of the inhabitants; (ii) how the general good of the community is served by the incorporation; and (iii) why the services needed within the proposed town cannot be provided by the establishment of a sanitary district, through the extension of existing county services, or by other arrangements provided by law.
7. The commission shall endeavor to assist communities contemplating or involved in proposed town incorporations by identifying additional data elements considered by the commission to be relevant in the disposition of incorporation issues.

1VAC50-20-580. Town-city transitions.

In developing its findings of fact and recommendations with respect to a proposed town to city transition, the commission shall consider the relevant information, data, and factors listed in this section. Any town filing notice with the commission that it proposes to become a city shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed transition.

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1. A written metes and bounds description of the boundaries of the proposed city having, as a minimum, sufficient certainty to enable a layman to identify the proposed city boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map or maps showing: (i) the boundaries of the proposed city and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the proposed city.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the proposed city.
4. The past, the estimated current, and the projected population of the proposed city and the county affected by the proposed transition.
5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the proposed city and the county affected by the proposed transition.
6. The assessed values, by major classification and, if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and within the proposed city.
7. The current local property and nonproperty tax rates, and the tax rates for the preceding 10 years, applicable within the county and the proposed city.

8. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid, including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility and sales taxes, within the county and the proposed city.

9. The amount of long-term indebtedness and the purposes for which that long-term debt has been incurred by the municipality and the county affected by the proposed transition.

10. The current type and level of urban services provided by the town, the additional services to be provided and the additional costs to be borne by the proposed city, and the means by which the proposed city shall finance the additional services and costs.

11. The fiscal capacity of the town to function as an independent city and to provide appropriate urban services.

12. The effect and impact of the proposed transition on the ability of the county to meet the service needs of its remaining population and the means by which any substantial impairment of the county's ability to meet those needs shall be offset.

13. The effect of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.

14. Data pertinent to a determination of the appropriate financial settlement as required by § 15.2-3829 and other applicable provisions of the Code of Virginia.

15. The commission's staff shall endeavor to assist localities contemplating or involved in town-city transition proceedings by identifying additional data elements considered by the commission to be relevant in disposition of town to city transition issues.

1VAC50-20-590. County-city transitions.

In developing its findings of fact and recommendations with respect to a proposed county to city transition, the commission shall consider the relevant information, data, and factors listed in this section. Any county filing notice with the commission that it proposes to become a city shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed transition.

1. A map showing (i) the location of all towns situated within the county; (ii) all adjoining and adjacent localities; (iii) identifiable unincorporated communities within the county; (iv) the population density of the various areas of the county; (v) the areas of the county served by urban services; (vi) major streets, highways, schools, and other major public facilities; (vii) significant geographic features, including mountains and bodies of water; (viii) existing uses of the land, including residential, commercial, industrial, and agricultural; and (ix) information deemed relevant as to the possible future use of the property within the county.

2. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the county.

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3. The past, the estimated current, and the projected future population of the county, each town within the county, and of the major densely populated unincorporated communities within the county.

4. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the county and in each town within the county.

5. The assessed values, by major classification and if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and each town within the county.

6. The current local property and nonproperty tax rates, and the tax rates for the preceding 10 years, within the county and all towns within the county.

7. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid (including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes) within the county and within each town within the county.

8. The amount of long-term indebtedness of the county and each town within the county and the amount and purpose for which that debt has been incurred.

9. Data regarding (i) the urban-type services presently provided by the county; (ii) the level of those services; (iii) the areas of the county served by those services; (iv) the additional services to be provided and the additional cost to be borne by the proposed city; and (v) the means by which the proposed city shall finance the additional services and costs.

10. The fiscal capacity of the county to function as an independent city and to provide appropriate services.

11. The impact of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.

12. The commission's staff shall endeavor to assist localities contemplating or involved in proposed county-city transitions by identifying additional data elements considered by the commission to be relevant in the disposition of county to city transition issues.

1VAC50-20-600. Boundary line adjustment.

In developing its findings of fact and recommendations with respect to a proposed boundary line adjustment, the commission shall consider the relevant information, data, and factors listed in this section. The localities petitioning for a boundary line adjustment under the provisions of § 15.2-3109 of the Code of Virginia shall, separately or jointly, at the time they initiate such petition to the court, submit to the commission data and other evidence responsive to each element listed in this section that is relevant to the boundary line adjustment.

1. A written metes and bounds description of the precise segment of the boundary for which an adjustment is sought having, as a minimum, sufficient certainty to enable a layman to

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identify the boundary segment in question. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.

2. A map or maps showing: (i) the precise segment of the boundary that the parties agree should be adjusted; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the land.

3. The estimated past, the estimated current, and the projected future population and population density of all areas adjacent to the segment of the boundary proposed for adjustment and of other areas possibly affected by the proposed boundary line adjustment.

4. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in all areas adjacent to the segment of the boundary proposed for adjustment and in other areas possibly affected by the proposed boundary line adjustment.

5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in all areas adjacent to the segment of the boundary proposed for adjustment and in other areas possibly affected by the proposed boundary line adjustment.

6. The assessed and true real property values, by major classification of those areas adjacent to the segment of the boundary proposed for adjustment and of any other area possibly affected by the proposed adjustment and other fiscal data relative to the issue.

7. Maps indicating the principal alternative boundary line adjustments which have been considered by the parties and a brief statement as to how each alternative adjustment would promote the effective and efficient provision of public services.

8. Information as to why the proposed boundary line adjustment is sought by the parties.

9. The commission's staff shall endeavor to assist localities contemplating or involved in proposed boundary line adjustments by identifying additional data elements considered by the commission to be relevant in the disposition of boundary line adjustment issues.

1VAC50-20-601. City-town transitions.

In developing its findings of fact and recommendations with respect to a proposed transition of a city to town status, the commission shall consider the relevant information, data, and factors listed in this section. Any city filing notice with the commission that it proposes to become a town or any petition for the transition of a city to town status that has been referred to the commission by the court pursuant to § 15.2-4104 of the Code of Virginia should be accompanied by data and other evidence responsive to each element listed in this section that is relevant to the proposed transition.

1. Map or maps showing (i) the boundaries of the city proposed for transition and their geographic relationship to other political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv)

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significant geographic features, including mountains and bodies of water; (v) existing uses of the land within the city, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the land within the city.

2. The past, the estimated current, and the projected future population and population of the city and the county affected by the proposed transition, and the estimated density of the city and the affected county.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the city and the county affected by the proposed transition.
4. The past, the estimated current, and a five-year projection of the future number of public school students enrolled in the public schools and the number of school-age children living in the city and the county affected by the proposed transition.
5. The assessed values, by major classification for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the city and for the county affected by the proposed transition.
6. The current local property and nonproperty tax rates, and the rates for the preceding 10 years, applicable within the city and the county affected by the proposed transition.
7. The estimated current local revenue collections (including receipts from real property, personal property, machinery and tools, consumer utility, sales taxes, etc., and receipts from nontax sources) and intergovernmental aid, and the collections and aid for the preceding 10 years, for the city and the county affected by the proposed transition.
8. The identification of those services performed by the city that are proposed for assumption by the county as a result of the proposed transition, the number of customers or recipients of each service within the city that would be served by the county subsequent to the transition, and the aggregate annual cost to the county for the provision of services within the city.
9. The identification of those services that would be provided by the town subsequent to the proposed reversion, the number of recipients of each service within the municipality, and the aggregate annual cost to the proposed town for the provision of services.
10. The identification of those city-owned facilities that are proposed for transfer to the county, the identification of those that would be retained by the proposed town, and the current fair market value and the outstanding city debt attributable to each facility.
11. The current outstanding debt of the city, the applicable portion of debt stated as a percentage of the city's constitutional debt limit, and the current schedule for the retirement of all municipal debt.
12. The identification of that portion of the city's indebtedness that is proposed for transfer to the county and the purposes for which the debt has been incurred.
13. Estimates of the annual amount of tax and nontax revenues to be collected by the county within the municipality subsequent to the proposed transition.

14. Estimates of the annual additional amount of intergovernmental aid to be received by the county as a result of the proposed transition.

15. An estimate of the net aggregate fiscal impact of the proposed transition on the county during the initial year subsequent to the transition and during each of the ensuing five years.

16. An estimate of the adjustment required in the county's real property tax rate, assuming that the net aggregate fiscal impact on the county resulting from the transition is addressed solely by an adjustment in the rate.

17. An estimate of the net aggregate fiscal impact of the proposed transition on the city during the initial year subsequent to the transition and during each of the ensuing five years.

18. An estimate of the adjustment required in the municipality's real property tax rate, assuming that the net aggregate fiscal impact on the city resulting from the transition is addressed solely by an adjustment in the rate.

19. The effect of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.

20. Specification of the terms and conditions that should be established by the court to balance the equities between the city and the county; protect the best interests of the affected localities, their residents, and the Commonwealth; and ensure an orderly transition of the city to town status.

21. The commission's staff shall endeavor to assist the parties involved in proceedings for the transition of a city to town status by identifying additional data elements considered by the commission to be relevant in the disposition of city to town transition issues.

1VAC50-20-605. County-city consolidations.

In developing its findings of fact and recommendations with respect to a proposed consolidation of a county and a city that would establish an independent city, the commission shall consider the relevant information, data, and factors listed in this section. Local governments filing notice proposing the consolidation of a city and a county to establish an independent city, or any committee of citizens that has been appointed by the circuit court to act for and in lieu of a governing body to perfect a consolidation agreement pursuant to § 15.2-3531 of the Code of Virginia shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed consolidation.

1. Copy of the consolidation agreement.

2. A map showing (i) the location of all municipalities situated within the proposed consolidated city; (ii) all adjoining and adjacent localities; (iii) identifiable unincorporated communities within the proposed consolidated city; (iv) major streets, highways, schools, and other major public facilities; (v) significant geographic features, including mountains and bodies of water; (vi) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vii) information deemed relevant as to the possible future use of the property within the proposed consolidated city and as to its future viability.

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Commented [NL(2)]: Some sections say "that is relevant" others say "that [the parties] deem relevant". The Commission may consider adopting uniform language for clarity.

3. The past, the estimated current, and the projected population of each locality proposing to consolidate.
4. The population density of the proposed consolidated city based on the most recent United States decennial census or as estimated by the Weldon Cooper Center for Public Service at the University of Virginia.
5. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the proposed consolidated city.
6. The estimated current and a five-year projection of the future number of public school students enrolled in the public schools in each locality proposing to consolidate and the number of school-age children living in the proposed consolidated city.
7. The assessed values, by major classification for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and the city proposing to consolidate and the proposed consolidated city.
8. The estimated local property and nonproperty tax rates that will be applicable within the proposed consolidated city.
9. The estimated local revenue collections including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes and intergovernmental aid, such collections and aid for the preceding 10 years, and projections of the collections and aid within each of the localities proposing to consolidate.
10. The amount of long-term indebtedness of each of the localities proposing to consolidate and the amount and purpose for which that debt has been incurred.
11. Data regarding (i) the urban-type services presently provided by each of the localities proposing to consolidate, (ii) the level of those services to be provided in the proposed consolidated city, (iii) the additional services to be provided and the additional cost to be borne by the proposed consolidated city, and (iv) the means by which the proposed consolidated city shall finance the additional services and costs.
12. The fiscal capacity of the proposed consolidated city to function as an independent city and to provide appropriate services.
13. The impact of the proposed consolidation on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.
14. The impact of the proposed consolidation on the interest of the Commonwealth in promoting strong and viable units of government in the area.
15. The commission's staff shall endeavor to assist the parties involved in proceedings for the consolidation of a county and a city that would establish an independent city by identifying

additional data elements considered by the commission to be relevant in the disposition of city-county consolidation issues.

1VAC50-20-610. Voluntary settlement agreements.

In developing its findings of fact and recommendations with respect to a proposed agreement developed under the authority of § 15.2-3400 of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Local governments submitting a proposed agreement for review shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed voluntary settlement agreement.

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1. If the agreement proposes a municipal boundary expansion, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-540.
2. If the agreement proposes the immunization of areas of a county from annexation or the incorporation of new cities, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-550.
3. If the agreement proposes the incorporation of a town, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-570.
4. If the agreement proposes the transition of a town to city status, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-580.
5. If the agreement proposes the transition of a county to city status, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-590.
6. If the agreement proposes the transition of a city to town status, submissions should include data and evidence responsive to the relevant provisions of 1VAC50-20-601.
7. If the agreement proposes a revenue-sharing plan or similar arrangement by which jurisdictions will share the tax or revenue sources of an area, submissions should include:
 - a. A description of the plan;
 - b. Calculations indicating for each locality the projected future contributions to the plan for the next five-year period;
 - c. Each locality's projected net annual receipts or net annual contributions to the plan for the next five-year period;
 - d. Each locality's annual expenditures for the past five years and its projected annual expenditures for the next five years by general operating, school, and debt service categories;
 - e. Each locality's real estate and public service corporation property assessed values for the past five years and projected for the next five-year period;
 - f. Each locality's annual revenue for the past five years and projected for the next five-year period (exclusive of receipts from or payments to the economic growth sharing plan) by source and type;
 - g. Each locality's anticipated major capital needs for the next five-year period; and
 - h. Other information indicating the general equity of the proposed plan for each participating locality.

8. The commission's staff shall endeavor to assist localities contemplating or involved in the development of voluntary settlement agreements under the authority of § 15.2-3400 of the Code of Virginia by identifying additional data elements considered by the commission to be relevant to the commission's review of such agreements.

1VAC50-20-612. Voluntary economic growth-sharing agreements.

In developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement developed under the authority of § 15.2-1301 of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Local governments submitting such a proposed agreement for review shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed agreement.

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1. A copy of the proposed agreement and a description of the economic growth-sharing plan.
2. A description of the financial investment or other contributions which each participating locality will make to the project(s) envisaged under the agreement.
3. Projections of each participating locality's net annual receipts or net annual contributions to the project(s) specified in the agreement for the next 10-year period, or for a lesser or greater period as deemed appropriate.
4. A description of any dedication or restriction on the use of funds generated by the project(s) specified in the agreement for the participating localities.
5. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.
6. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction over the course of the next 10-year period, or over a lesser or greater period as deemed appropriate.
7. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction over the course of the next ten 10-year period, or over the course of a lesser or greater period as deemed appropriate.
8. Information indicating the general equity of the proposed plan for each participating locality.
9. Other information which would assist the commission in analyzing the "probable effect on the people" in the participating jurisdictions of the proposed agreement.
10. The commission's staff shall endeavor to assist localities contemplating or involved in the development of voluntary economic growth-sharing agreements under the authority of § 15.2-1301 of the Code of Virginia by identifying additional data elements considered by the commission to be relevant to the commission's review of such agreements.

1VAC50-20-614. Determination of continued eligibility for city status.

In undertaking its investigation with respect to whether a city continues to meet the requirements for city status as prescribed by Article VII, Section 1 of the Constitution of Virginia, the commission shall consider the information and data listed in this section. Any city subject to investigation as prescribed by Chapter 40 (§ 15.2-4000 et seq.) of Title 15.2 of the Code of Virginia shall be requested to submit information and data responsive to each element listed in this section and any other information and data as the city deems relevant to the continued eligibility for city status.

Commented [NL(3): This section is an exception. The Commission is required by 15.2-4001 to investigate the "population, assets, liabilities, rights, and obligations" of any city that became a city after July 1, 1971 and whose population is below 5,000 at the Census.

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1. Any official correspondence with the United States Bureau of the Census regarding the accuracy of the most recent United States decennial census of the population of the city under investigation.
2. Any data or other evidence produced by the city under investigation or any other entity bearing on the accuracy of the most recent United States decennial census of the population of the city under investigation.
3. Any data or other evidence produced by the city under investigation or any other entity indicating the current population and projected future population of the city under investigation.
4. Contingent upon the commission's findings with respect to the population of the city under investigation, a listing of all of the city's assets, liabilities, rights, and obligations.
5. The commission's staff shall endeavor to assist the city under investigation by identifying additional data elements considered by the commission to be relevant to the continued eligibility for city status.

1VAC50-20-616. Order defining a town's future annexation rights.

In developing its order defining the future annexation rights of a town pursuant to § 15.2-3234 of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Any petition referred to the commission requesting an order establishing a town's future annexation rights should be accompanied by data and other evidence responsive to each element listed in this section that the town deems relevant to the issue.

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1. Information regarding the inability of the town and the county to reach a voluntary agreement as to the future annexation rights of the town.
2. Terms and conditions of a proposed order establishing the town's future annexation rights.
3. Data and evidence responsive to the relevant provisions of 1VAC50-20-540.
4. The commission's staff shall endeavor to assist localities involved in proceedings concerning an order defining a town's future annexation rights by identifying additional data elements considered by the commission to be relevant in the disposition of such issues.

Part V

Formal Commission Reviews

1VAC50-20-620. Oral presentations by parties.

A. In the course of its analysis of any issue the commission may schedule oral presentations for purposes of permitting the parties to amplify their submissions, to critique and to offer comment upon the submissions and evidence offered by other parties, and to respond to questions relative

to the issue from the commission. The presentations, if scheduled, shall extend for a period of time as the commission may deem appropriate.

B. If oral presentations are scheduled by the commission, the chair shall select, subsequent to the receipt of recommendations from the parties, an appropriate site for the presentations. Recommendations by the parties regarding the sites should be based upon the adequacy of space for the display and movement of exhibits; the adequacy of seating arrangements for the commission, its staff, representatives of the parties, a court reporter, and the public; the adequacy of security at the site to permit materials to be left unattended during recesses; and the adequacy of the acoustical characteristics of the site to facilitate communications or the availability of a public address system.

C. Local governments or other parties desiring to present exhibits or data requiring special equipment should be prepared to provide such.

D. The commission may, where it deems appropriate, consolidate two or more interlocal issues before it for purpose of oral presentations.

E. The commission shall, within the requirements of law, conduct the oral presentations in the manner it considers best suited for reaching a decision in the best interest of the parties and in the best interest of the Commonwealth.

F. The chair, or other member the commission designated to preside during any oral presentations, may allocate time to the various parties as the chair or presiding member deems appropriate. The allocation of time shall be based upon the needs of the commission to review data, to examine witnesses, and to obtain an understanding of the relevant factors affecting the issue under review.

G. The sequence in which testimony will be received by the commission during any oral presentations shall be established by the chair or presiding member but shall generally be as follows:

1. A brief opening statement by each party, if desired;
2. Presentation by the party initiating the issue before the commission;
3. Presentations by the local governments immediately affected by the action proposed by the initiating party, in an order established by the chair or presiding member;
4. Presentations by other parties, in an order established by the chair or presiding member;
5. Rebuttal where requested by a party and agreed to by the chair or presiding member.

H. The chair or presiding member may, to the extent the chair or presiding member deems appropriate, permit parties to question witnesses regarding submissions, their testimony, or other facts relevant to the issues before the commission. Where a party is represented by counsel, such questioning may be conducted by counsel.

Where the parties have prefiled testimony at the commission's request pursuant to [1VAC50-20-390 R](#), the questioning of individuals whose testimony has been prefiled shall be limited to a

cross-examination of such testimony. The commission may accept additional oral testimony from individuals whose testimony has been prefiled during the presentations where good cause is shown. Where additional oral testimony is accepted by the commission, the commission shall provide an opportunity for other parties to respond to the testimony and to cross-examine the individual offering such testimony.

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I. The chair or presiding member may, during or at the conclusion of the oral presentations, permit or request oral argument on the issues before the commission.

J. The commission, and its staff, may question any witness or representative of any party during the oral presentations regarding any submission, testimony, or other fact which the commission considers relevant to the issues before it. The chair or presiding member shall endeavor to call for commission questioning in a manner designed to expedite the presentations.

K. The commission may accept depositions from persons unable to attend an oral presentation. Depositions shall only be accepted under conditions deemed acceptable by the commission, including conditions assuring an opportunity for all affected local governments to be present and to examine adequately the witness during the taking of depositions.

L. The parties or their counsel shall be expected to confer in advance of the time and date set for presentations in order to inform one another of their prospective witnesses and the order of their anticipated appearance. All material, data, or exhibits proposed for presentation to the commission during the oral presentations and not previously made available to the other parties shall be exchanged or made available to the parties prior to presentation to the commission, subject to the qualifications in subsection M of this section shall be made available to other parties and the public on the Commission's website whenever possible.

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M. The commission requires that all materials, data, and exhibits be presented to it and made available to other parties in advance of the commencement of the onsite component of the commission's review. The commission may accept additional materials, data, and exhibits during the onsite component of its review upon unanimous consent of the members present. Where late submissions are accepted by the commission, the commission shall provide an opportunity for other parties to respond to the filings.

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N. The commission may record by mechanical device, unless other recording arrangements are made by the parties, all testimony given during the oral presentations but shall prepare a transcript of the recording only when deemed appropriate. The commission shall provide, upon request, any party a duplicate copy of the transcript or recording, if made, at a price sufficient to cover the expense incurred. In lieu of recording by the commission, the parties may arrange to provide a court reporter at their expense. Where a court reporter is utilized, the commission shall receive one copy of the transcript.

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1VAC50-20-630. Public hearing.

A. In all cases where a public hearing is required by law, the commission shall conduct the public hearing at which any interested person or party may testify. The commission shall generally schedule the public hearing in conjunction with the oral presentations held, if any, with respect to the issue; however, public hearings regarding proposed town incorporations required pursuant to § 15.2-3601 of the Code of Virginia shall be held no sooner than 30 days after receipt of the court request for commission review.

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B. Prior to holding the public hearing the commission shall publish notice of the pending hearing as required by law.

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In addition to the notice of public hearing required by this subsection, a town that is a party to an agreement defining annexation rights negotiated pursuant to § 15.2-3231 of the Code of Virginia shall give written notice of the commission's hearing at least 10 days before the hearing to the owners or their agent of each parcel of land included in the area proposed for annexation under the terms of the agreement. One notice sent by first-class mail to the last known address of the owners or their agent as shown on the current county real estate tax assessment books or current county real estate tax assessment records shall be deemed adequate compliance with this requirement, provided that the clerk of the town shall make an affidavit that the mailings have been made and file the affidavit with the commission.

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C. The commission shall request the party initiating the issue before it and the other principally affected parties to place on public display in or adjacent to the office of the chief administrative officer of each principally affected local government copies of all materials which are available to them and which have been submitted to the commission for consideration with respect to the issue. The material should be made conveniently available to the public during normal working hours. The commission also encourages the parties to make available to the public other copies of the material at libraries, educational facilities, on their websites or at other public places in order that the public might have ample opportunity to study the material prior to the public hearing. The commission's advertisements published under subsection B of this section shall announce the availability of the material at the offices of the administrators and at other facilities as may be selected by the parties for display purposes.

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D. The commission shall request the chief administrative officer (or other official) of each jurisdiction principally affected by the issue before the commission to make suitable arrangements in or adjacent to their offices for the registration of speakers at the public hearing. The commission shall furnish appropriate registration forms for that purpose. The commission's advertisements under subsection B of this section shall advise the public that registration to speak at the public hearing may be accomplished at the offices of the local administrators or, alternatively, through the offices of the commission in Richmond. The commission may also permit speakers to register at the site and at the time of the public hearing and shall request the assistance of the local administrative officers in making suitable arrangements for such registration.

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E. The chair or other member of the commission designated to preside over the proceedings shall select the site for the public hearing subsequent to the receipt of recommendations from the parties. Recommendations from the parties should be based upon a site's accessibility to residents of the areas and jurisdictions principally affected, its seating capacity, the adequacy of parking facilities, the availability of a public address system, and seating arrangements permitting the commission to have proper visual contact with the public.

F. The commission shall request the parties to cooperate in the preparation of the site for the public hearing and shall request that a minimum number of maps and exhibits be placed on display at the site in order that persons testifying may identify their residences, property, businesses, or other concerns in relation to the proposed issue.

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G. The commission shall request the local jurisdiction within which the site for the public hearing is situated to make appropriate arrangements in order to assure the security and the orderliness of the proceedings.

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H. The chair or the presiding member shall determine the sequence of speakers at a public hearing, but the sequence shall ordinarily conform to the sequence of their registration. The chair or presiding member may, however, vary the sequence of speakers in order that persons from all affected jurisdictions and areas, and those representing different perspectives, might have equal opportunity for the timely presentation of their comments.

I. The commission shall endeavor to allow any person or party wishing to speak at a public hearing an opportunity to do so. The chair or presiding member may establish time limits for the presentation of testimony as the chair or presiding member deems appropriate. The chair or presiding member may also rule testimony irrelevant, immaterial, or unduly repetitious. Proponents and opponents of a proposed action are encouraged to designate a chief spokesman for economy of time and for the avoidance of repetitious comment.

J. Any person or party testifying before the commission at the public hearing may extend their remarks in written form for subsequent submission. During the course of the public hearing, the commission shall establish a date by which the extended written comment must be received for consideration.

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K. The commission may record by mechanical device, unless other arrangements are made, all testimony given during the public hearing but shall prepare a transcript of the recording only when it deems appropriate. The commission shall provide any person or party with a copy of the transcript or recording, if made, at a price sufficient to cover the expense incurred. The parties may arrange to provide a court reporter, at their expense. Where a court reporter is utilized, the commission shall receive one copy of the transcript.

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L. The commission may, where it deems appropriate, consolidate two or more interlocal issues for purposes of a public hearing.

1VAC50-20-640. Conclusion of mandatory reviews.

A. The commission may request or authorize the parties to an issue to submit, at a time established by the commission, a written concluding argument with proposed findings and recommendations.

B. The commission shall not accept for consideration or for inclusion in the record of a case any document, exhibit, or other material submitted after the date established by it for the close of the record. This regulation shall not preclude the commission's acceptance of data or information from any party at any time which has been solicited by the commission or its staff.

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C. The commission shall prepare an official record of all proceedings before it of such a nature and in such a manner as it deems appropriate.

Commented [NL(6)]: Historically, this has not happened. The final report, meeting notes and minutes, and the submissions are all stored independently for archival purposes.

D. The commission shall submit a written report on the issues presented to it in the manner and at such time as provided by law. The reports shall set forth findings of fact and recommendations on both the merits of a proposed action and, where appropriate and feasible, the financial aspects thereof. Copies of reports shall be made available to the parties and to members of the public

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requesting such. The commission may charge a fee for copies of its reports in an amount sufficient to cover the cost of duplication, shipping, and handling accordance with the Department of Housing and Community Developments' Freedom of Information Act policies and applicable law.

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E. Subsequent to its review of a petition submitted by a town under the authority of § 15.2-3234 of the Code of Virginia, and based upon the applicable statutory standards, the commission shall enter an order granting annexation rights to the town. The order may grant the town annexation rights upon the terms proposed by the town in its petition or upon some other basis as the commission deems appropriate and consistent with law. The order shall in no event grant the town the right to annex county territory by ordinance more frequently than once every five years.

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Statutory Authority

Part VI

Investigations and Mediation

1VAC50-20-650. Statutorily invoked mediation in annexation immunity issues.

When any county, city, or town seeks to negotiate an agreement with one or more localities relative to annexation or partial immunity under the authority granted by § 15.2-2907 E of the Code of Virginia, it shall notify the commission, and copies of the notice shall be served on all adjacent localities. The notice to the commission shall be accompanied by satisfactory evidence that the governing body of the locality giving notice supports the negotiation. Local governments negotiating under the above referenced provision of law shall keep the commission advised of progress in the negotiations. If, after a hearing, the commission finds that none of the parties is willing to continue to negotiate, or if it finds that three months have elapsed with no substantial progress, it shall declare the negotiations to be terminated. Unless the parties agree otherwise, negotiations shall in any event terminate 12 months from the date notice was first given to the commission of the desire to negotiate. Once the commission has declared negotiations terminated, or upon the expiration of the 12 month negotiating term or any agreed extension thereof, no new notice to negotiate shall be filed by any party. Upon the request of the local governments negotiating under the authority of § 15.2-2907 E of the Code of Virginia, the commission, or its designee, may be requested to serve as mediator, and, in addition, the commission's staff and resources shall be available to assist the negotiating local governments. All expenses incurred by the commission and its staff in assisting with negotiations shall be borne by the parties initiating the negotiations unless otherwise agreed.

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Statutory Authority

1VAC50-20-660. Mediation of other interlocal issues.

The commission shall, at its discretion, accept for mediation interlocal issues presented to it by mutual agreement of the affected localities. Requests for commission mediation under this section should be made to the commission's offices in Richmond and should be accompanied by satisfactory evidence that the governing bodies of the affected localities agree to the request for mediation assistance. The requests should include a statement indicating the issue for which mediation is sought and any other information as would enable the commission to determine whether its mediation effort would be timely and appropriate. Where the requests for mediation are presented to the commission prior to the submission of formal notice of pending action as

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required by § 15.2-2907 of the Code of Virginia, the requests need not be accompanied by any of the statistical data or material required under Part IV (1VAC50-20-540 et seq.) of this chapter.

However, if the commission agrees to mediate interlocal issues under this section, the local governments requesting the mediation shall assist the commission by providing data, material and other information as the commission or the parties deem necessary.

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1VAC50-20-670. Requested investigations and analyses.

The commission may, if it deems appropriate and within the capability of its resources, accept requests from local governments for the undertaking of investigations and analyses. Requests for investigations and analyses should be addressed to the commission's offices in Richmond and should include satisfactory evidence that the governing body of the locality initiating the request supports the proposed study. The request should also include a detailed statement of the issue giving rise to the request for the study, a statement of the extent to which the issue is of general interest to local governments in Virginia, a statement concerning the prospective benefits of a study, and other information as would aid the commission in its determination as to whether or not to undertake the requested study. Where the commission agrees to undertake a study under this section, the locality or localities requesting the study shall assist the commission and provide, to the extent possible, the data and material the commission or the parties deem necessary for the study. The commission shall render reports on such studies at such a time and in such a manner as it deems appropriate.

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**Report on Proffered
Cash Payments and Expenditures
By Virginia's Counties, Cities and Towns
2022-2023**



**Commission on Local Government
Commonwealth of Virginia**

November 2023

***Members of the
Commission on Local Government (CLG)***

Chair

Ceasor T. Johnson, D.Min.

Vice-Chair

Edwin S. Rosado

Robert W. Lauterberg

Diane M. Linderman, PE

Director, Department of Housing and Community Development

Bryan Horn

Policy and Legislative Director

Trisha Lindsey

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This report is available on the Commission's website at
<https://www.dhcd.virginia.gov/clg>

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**REPORT OF THE COMMISSION ON LOCAL GOVERNMENT
DISCLOSURE OF PROFFERED CASH PAYMENTS AND EXPENDITURES
2022 – 2023**

INTRODUCTION

Section 15.2-2296 of the Code of Virginia authorizes governing bodies to accept proffers through conditional zoning. Localities under §15.2-2296 through §15.2-2300 have been authorized to accept proffers, and the number of localities authorized to collect proffers as a form of conditional zoning has expanded over the years. A proffer is a voluntary offer from a property owner as implied by §15.2-2296 Code of Virginia and can be an act, donation of money, a product, or services¹ that limit or qualify how the property subject to the conditions will be used or developed. These conditions are in addition to the general, uniform regulations otherwise applicable to land within the same zoning district. Upon approval by the local governing body, the conditions become part of the rezoning and pass with the ownership of the property.² Cash proffers are a form of conditional zoning that are generally used to offset the impacts of a particular development by providing funding for new roads, schools, or other public facilities and services. Cash proffers can be used for onsite or offsite improvements to offset impacts from a new commercial or residential development.³

In 2016, the Virginia General Assembly passed new legislation addressing residential developments and cash proffers; stipulating that onsite or offsite proffers must be specifically attributable to a proposed new residential development and must directly address an impact to an offsite facility. A voluntary cash proffer is considered unreasonable unless the residential development created a need for one or more public facility improvements and the new development would receive a direct benefit from those improvements. Localities are only allowed to accept cash proffers for roads, schools, public safety or parks and recreation that would need improvements or a brand new facility as a direct impact of a new residential development. This limits how cash proffers can be used for residential developments in the future, however; localities can still expend cash proffers for commercial developments for 11 different types of uses as listed under §15.2-2303.2 Code of Virginia if the proffers were collected prior to 2016.⁴

Section 15.2-2297 of the Code of Virginia stipulates that a zoning ordinance may include and provide for the voluntary proffering in writing, by the owner, of reasonable conditions, prior to a public hearing before the governing body, in addition to regulations provided for in the zoning district or zone by the ordinance, as part of a rezoning or amendment to a zoning map. Furthermore, (1) the rezoning itself must give rise for the need for the conditions; (2) the conditions shall have a reasonable relation to the rezoning; (3) the conditions shall not include a cash contribution to the locality; (4) the conditions shall not include mandatory dedication of real or personal property for open space, parks, schools, fire departments or other public facilities not otherwise provided for in 15.2-2241; (5) the conditions shall not include a requirement that the applicant create a property owners association under Chapter 18 (§55.1-1800 et seq.) of Title 55.1 which includes an express

¹ Kamptner, Greg, *The Albemarle County Land Use Law Handbook*. (June 2017) Chapter 11, Page 11-1

² Virginia Citizens Planning Association and the Virginia Department of Housing and Community Development, *The Language of Planning*, Community Planning Series, V (June, 1986), p. 10.

³ John H. Foote, "Planning and Zoning," *Handbook of Virginia Local Government Law*, ed. by Susan Warriner Custer, 2001 Edition, pp. 1-11 – 1-14.

⁴ Appendix A

further condition that members of a property owners association pay an assessment for the maintenance of public facilities not otherwise provided for in 15.2-2241; however such facilities shall not include sidewalks, special street signs or markers, or special street lighting in public rights-of-way not maintained by the Department of Transportation; (6) the conditions shall not include payment for or construction of off-site improvements except those provided for in 15.2-2241; (7) no condition shall be proffered that is not related to the physical development or physical operation of property; and (8) all such conditions shall be in conformity with the comprehensive plan as defined in 15.2-2223.

Section 15.2-2303.2 of the Code of Virginia directs the Commission on Local Government to annually collect data concerning local government revenues and expenditures resulting from the acceptance of voluntarily proffered cash payments. These cash proffers comprise either (1) the aggregate dollar amount of proffered cash payments collected by the locality; (2) the estimated aggregate dollar amount of proffered cash payments that have been pledged to the locality and which pledges are not conditioned on any event other than time; and (3) the total dollar amount of proffered cash payments expended by the locality in each of the following categories: schools, roads and other transportation improvements, fire and rescue/public safety, libraries, parks, recreation, and open space, water and sewer service extension, community centers, stormwater management, special needs housing, affordable housing, and miscellaneous.

Although the Code of Virginia has authorized every jurisdiction to use some form of conditional zoning since 1987, only localities meeting specific criteria may accept cash proffers. The table below shows the statutory authority for and categories of localities eligible to accept cash proffers. On the basis of these criteria and decennial census data from the United States Bureau of the Census, a total of 162 Virginia localities (49 counties, 27 cities, and 86 towns) were eligible to accept cash proffers during FY2023.⁵ Appendix B provides a list of localities eligible by statute to accept cash proffers.

⁵ U.S. Department of Commerce, Bureau of the Census, 1990 Census of Population, Number of Inhabitants, Table 4; U.S. Department of Commerce, Bureau of the Census, 2000 Census of Population and Housing, Summary File 1 (SF 1) 100-Percent Data; U.S. Department of Commerce, Bureau of the Census, 2010 Census Redistricting Data (Public Law 94-171) Summary File; U.S. Department of Commerce, Bureau of the Census, 2020 Census Redistricting Data (Public Law 94-171) Summary File. Sec. 1-235, Code of Va. states that unless otherwise specified, unadjusted population statistics are to be used in determining the decennial growth rate. See Appendix B for the list of Virginia localities with statutory authority to accept cash proffers.

Statutory Authority	Types of Localities Eligible to Accept Cash Proffers
§15.2-2298	<p>With the exception of localities eligible under the terms of § 15.2-2303:</p> <ul style="list-style-type: none"> • Any locality with a decennial census growth rate $\geq 5\%$; • Any city adjoining another city or county which had a decennial census growth rate $\geq 5\%$; • Any towns located within a county which had a decennial census growth rate $\geq 5\%$; • Any county contiguous with at least three counties which had a decennial census growth rate $\geq 5\%$; and • Any towns located within a county which was contiguous with at least three counties which had a decennial census growth rate $\geq 5\%$.
§15.2-2303	<ul style="list-style-type: none"> • Any county with an urban county executive form of government (i.e., Fairfax County); • Any town within a county with an urban county executive form of government; • Any city adjacent to or completely surrounded by a county with an urban county executive form of government; • Any county contiguous to a county with an urban county executive form of government; • Any city adjacent to or completely surrounded by a county contiguous to a county with an urban county executive form of government; • Any town within a county contiguous to a county with an urban county executive form of government; and • Any county east of the Chesapeake Bay.
§15.2-2303.1	<ul style="list-style-type: none"> • New Kent County.

SURVEY ON THE USE OF PROFFERED CASH PAYMENTS

Section 15.2-2303.2 of the Code of Virginia requires localities with populations greater than 3,500 that are eligible to accept voluntary cash proffer payments to submit a report of cash proffer activity to the Commission within three months of the close of each fiscal year. In July of 2023, Commission staff sent by electronic mail a survey⁶ to the chief administrative officers of the localities that were required to report their acceptance of cash proffers during FY 2023. Each locality was requested to complete the survey by September 30, 2023. In October, additional follow up was made to the jurisdictions that had not responded to the initial request.

The survey revealed that 37 localities (27 counties, 5 cities, and 5 towns) reported cash proffer activity during FY2023. In FY2022, 38 localities (29 counties, 6 cities, and 3 towns) reported cash proffer activity, a decrease of one locality over the past year. During the current period, the aggregate amount of cash proffers collected and expended by those jurisdictions was \$79,528,690 and \$59,894,422, respectively. Cash proffer collections decreased by 30.3% from FY2022, and expenditures increased by 34.6%.

The survey results revealed that the majority of cash proffers expended for FY2023 were for roads and other transportation improvements (51.3%), schools (17.4%), and parks, recreation, and open space (16.3%). These top three categories for expenditures are compliant with section §15.2-2303.4 of the Code of Virginia, which allows cash proffers to be proffered and expended towards schools, public safety, parks and recreation, or roads and other transportation improvements. A chart depicting the allocation of expenditures to various improvement categories is provided on the next page. The chart still depicts the 11 categories authorized for cash proffers as seen in §15.2-2303.2 Code of Virginia due to code provisions that allow localities to hold cash proffers for up to twelve years before they need to be expended.⁷ Localities must start the process however (engineering, site construction, etc.) if they are to hold onto the proffered cash payments for up to 12 years. In addition, localities can still collect cash proffers for any of the categories listed in §15.2-2303.2 Code of Virginia for commercial developments.⁸

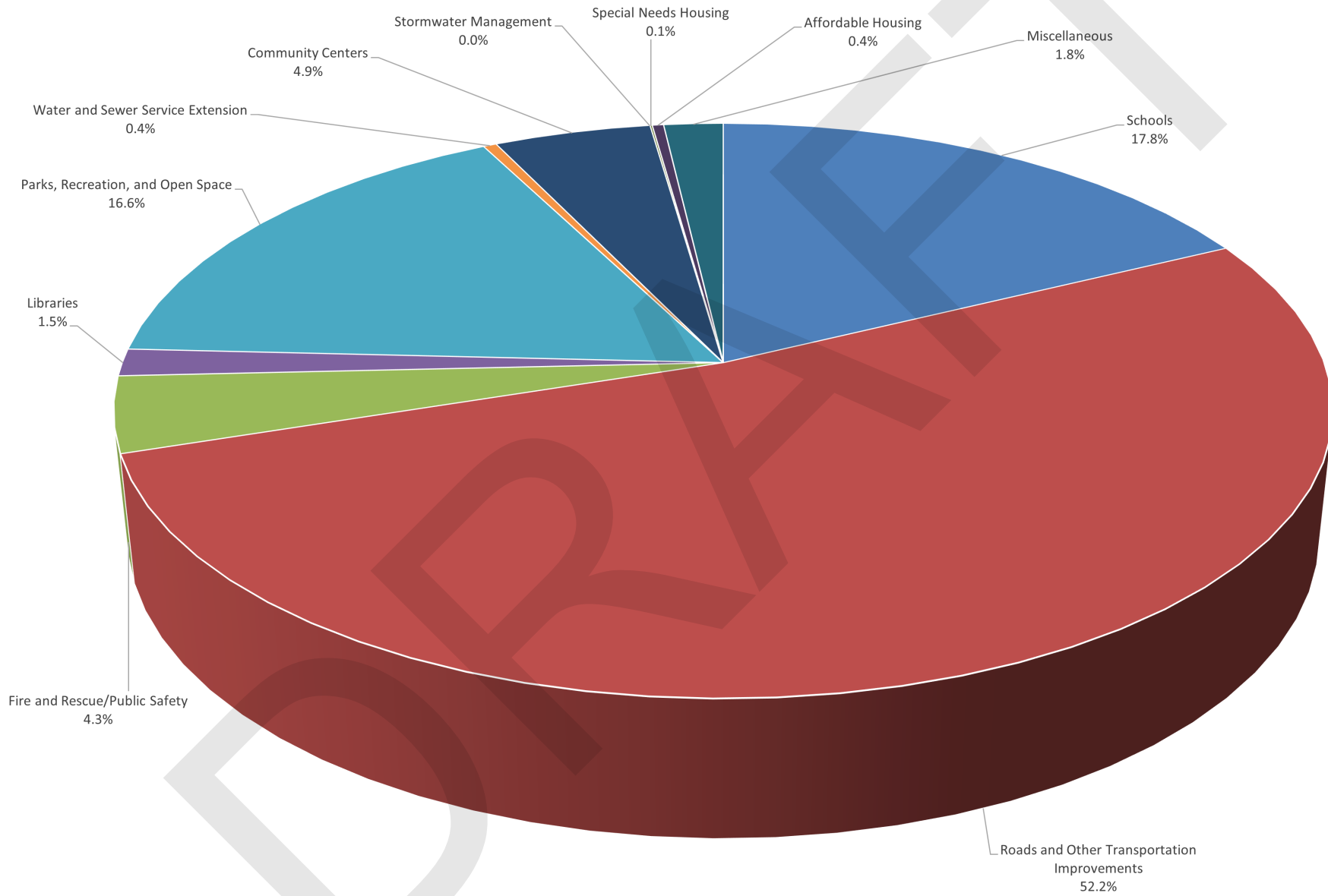
All responses from the FY2023 survey for individual local governments' cash proffer activity are reported in Appendix D. Appendix E includes a chart of the cash proffer revenues and expenditures for all localities for each fiscal year from FY 2000 through present.

⁶ Appendix C contains a copy of the electronic survey instrument. In 2003, the General Assembly enacted HB 2600, which changed the scope of the Commission's survey on the acceptance of cash proffers. The legislature exempted localities with a resident population of less than 3,500 from the reporting requirement. Because of that provision, only 22 of the 86 eligible towns must report on their acceptance of cash proffers.

⁷ § 15.2-2303.2 section A of the Code of Virginia

⁸ Appendix A

Proffered Funds Expended by Category of Use, FY2023



APPENDIX A

Section 15.2-2303.2, Code of Virginia

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§ 15.2-2303.2. Proffered cash payments and expenditures.

A. The governing body of any locality accepting cash payments voluntarily proffered on or after July 1, 2005, pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1 shall, within 12 years of receiving full payment of all cash proffered pursuant to an approved rezoning application, begin, or cause to begin (i) construction, (ii) site work, (iii) engineering, (iv) right-of-way acquisition, (v) surveying, or (vi) utility relocation on the improvements for which the cash payments were proffered. A locality that does not comply with the above requirement, or does not begin alternative improvements as provided for in subsection C, shall forward the amount of the proffered cash payments to the Commonwealth Transportation Board no later than December 31 following the fiscal year in which such forfeiture occurred for direct allocation to the secondary system construction program or the urban system construction program for the locality in which the proffered cash payments were collected. The funds to which any locality may be entitled under the provisions of Title 33.2 for construction, improvement, or maintenance of primary, secondary, or urban roads shall not be diminished by reason of any funds remitted pursuant to this subsection by such locality, regardless of whether such contributions are matched by state or federal funds.

B. The governing body of any locality eligible to accept any proffered cash payments pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1 shall, for each fiscal year beginning with the fiscal year 2007, (i) include in its capital improvement program created pursuant to § 15.2-2239, or as an appendix thereto, the amount of all proffered cash payments received during the most recent fiscal year for which a report has been filed pursuant to subsection E, and (ii) include in its annual capital budget the amount of proffered cash payments projected to be used for expenditures or appropriated for capital improvements in the ensuing year.

C. Regardless of the date of rezoning approval, unless prohibited by the proffer agreement accepted by the governing body of a locality pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1, a locality may utilize any cash payments proffered for any road improvement or any transportation improvement that is incorporated into the capital improvements program as its matching contribution under § 33.2-357. For purposes of this section, "road improvement" includes construction of new roads or improvement or expansion of existing roads as required by applicable construction standards of the Virginia Department of Transportation to meet increased demand attributable to new development. For purposes of this section, "transportation improvement" means any real or personal property acquired, constructed, improved, or used for constructing, improving, or operating any (i) public mass transit system or (ii) highway, or portion or interchange thereof, including parking facilities located within a district created pursuant to this title. Such improvements shall include, without limitation, public mass transit systems, public highways, and all buildings, structures, approaches, and facilities thereof and appurtenances thereto, rights-of-way, bridges, tunnels, stations, terminals, and all related equipment and fixtures.

Regardless of the date of rezoning approval, unless prohibited by the proffer agreement accepted by the governing body of a locality pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1, a locality may utilize any cash payments proffered for capital improvements for alternative improvements of the same category within the locality in the vicinity of the improvements for which the cash payments were originally made. Prior to utilization of such cash payments for the alternative improvements, the governing body of the locality shall give at least 30 days' written notice of the proposed alternative improvements to the entity who paid such cash payment mailed to the last known address of such

entity, or if proffer payment records no longer exist, then to the original zoning applicant, and conduct a public hearing on such proposal advertised as provided in subsection F of § 15.2-1427. The governing body of the locality prior to the use of such cash payments for alternative improvements shall, following such public hearing, find: (a) the improvements for which the cash payments were proffered cannot occur in a timely manner or the functional purpose for which the cash payment was made no longer exists; (b) the alternative improvements are within the vicinity of the proposed improvements for which the cash payments were proffered; and (c) the alternative improvements are in the public interest. Notwithstanding the provisions of the Virginia Public Procurement Act, the governing body may negotiate and award a contract without competition to an entity that is constructing road improvements pursuant to a proffered zoning condition or special exception condition in order to expand the scope of the road improvements by utilizing cash proffers of others or other available locally generated funds. The local governing body shall adopt a resolution stating the basis for awarding the construction contract to extend the scope of the road improvements. All road improvements to be included in the state primary or secondary system of highways must conform to the adopted standards of the Virginia Department of Transportation.

D. Notwithstanding any provision of this section or any other provision of law, general or special, no cash payment proffered pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1 shall be used for any capital improvement to an existing facility, such as a renovation or technology upgrade, that does not expand the capacity of such facility or for any operating expense of any existing facility such as ordinary maintenance or repair.

E. The governing body of any locality with a population in excess of 3,500 persons accepting a cash payment voluntarily proffered pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1 shall within three months of the close of each fiscal year, beginning in fiscal year 2002 and for each fiscal year thereafter, report to the Commission on Local Government the following information for the preceding fiscal year:

1. The aggregate dollar amount of proffered cash payments collected by the locality;
2. The estimated aggregate dollar amount of proffered cash payments that have been pledged to the locality and which pledges are not conditioned on any event other than time; and
3. The total dollar amount of proffered cash payments expended by the locality, and the aggregate dollar amount expended in each of the following categories:

Schools	\$ _____
Road and other Transportation Improvements	\$ _____
Fire and Rescue/Public Safety	\$ _____
Libraries	\$ _____
Parks, Recreation, and Open Space	\$ _____
Water and Sewer Service Extension	\$ _____
Community Centers	\$ _____
Stormwater Management	\$ _____
Special Needs Housing	\$ _____
Affordable Housing	\$ _____
Miscellaneous	\$ _____
Total dollar amount expended	\$ _____

F. The governing body of any locality with a population in excess of 3,500 persons eligible to accept any proffered cash payments pursuant to § 15.2-2298, 15.2-2303, or 15.2-2303.1 but that did not accept any proffered cash payments during the preceding fiscal year shall within three months of the close of each fiscal year, beginning in 2001 and for each fiscal year thereafter, so notify the Commission on Local Government.

G. The Commission on Local Government shall by November 30, 2001, and by November 30 of each fiscal year thereafter, prepare and make available to the public and the chairmen of the Senate Local Government Committee and the House Counties, Cities and Towns Committee an annual report containing the information made available to it pursuant to subsections E and F.

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APPENDIX B

**Localities Eligible by Statute to Accept
Proffered Cash Payments**

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**Principal Reason Eligible
to Accept Cash Proffers**

CITIES	2000	2010	2020
Alexandria	IIC	IIC	IIC
Bristol	IB	IB	
Buena Vista	IB	IB	
Charlottesville	IA	IB	IA
Chesapeake	IA	IA	IA
Colonial Heights	IA	IB	IB
Covington		IB	
Danville	IB		
Emporia	IA	IB	
Fairfax	IIC	IIC	IIC
Falls Church	IIC	IIC	IIC
Franklin	IA	IB	IB
Fredericksburg	IB	IA	IA
Galax	IB		
Hampton	IA	IB	IB
Harrisonburg	IA	IA	IA
Hopewell	IB	IB	IB
Lexington	IB	IB	
Lynchburg	IB	IA	IB
Manassas	IIE	IIE	IIE
Manassas Park	IIE	IIE	IIE
<i>Martinsville</i>			
Newport News	IA	IB	IB
Norfolk	IB	IB	IB
<i>Norton</i>			
Petersburg	IB	IB	IB
Poquoson	IA	IA	IB
Portsmouth	IB	IB	IB
Radford	IB	IB	IB
Richmond	IB	IB	IA
Roanoke	IB	IB	
Salem	IB	IB	
Staunton	IB	IB	IA
Suffolk	IA	IA	IA
Virginia Beach	IA	IB	IB
Waynesboro	IA	IA	IA
Williamsburg	IB	IA	IA
Winchester	IA	IA	IA

COUNTIES	2000	2010	2020
Accomack	IIG	IIG	IIG
Albemarle	IA	IA	IA
Alleghany	ID	IA	
Amelia	IA	IA	
Amherst	IA	ID	

**Principal Reason Eligible
to Accept Cash Proffers**

COUNTIES (Cont'd)	2000	2010	2020
Appomattox	IA	IA	IA
Arlington	IID	IID	IID
Augusta	IA	IA	IA
Bath	IA	ID	
Bedford	IA	IA	IA
Bland	IA		
Botetourt	IA	IA	
Brunswick	IA		
<i>Buchanan</i>			
Buckingham	IA	IA	ID
Campbell	IA	IA	
Caroline	IA	IA	IA
Carroll	IA		
Charles City	IA	ID	ID
Charlotte	IA	ID	
Chesterfield	IA	IA	IA
Clarke	ID	IA	IA
Craig	IA	ID	
Culpeper	IA	IA	IA
Cumberland	IA	IA	ID
<i>Dickenson</i>			
Dinwiddie	IA	IA	
Essex	IA	IA	ID
Fairfax	IIA	IIA	IIA
Fauquier	IA	IA	IA
Floyd	IA	IA	
Fluvanna	IA	IA	IA
Franklin	IA	IA	
Frederick	IA	IA	IA
Giles	ID		
Gloucester	IA	IA	IA
Goochland	IA	IA	IA
Grayson	IA		
Greene	IA	IA	IA
Greensville	IA	IA	
Halifax	IA		
Hanover	IA	IA	IA
Henrico	IA	IA	IA
Henry	ID		
<i>Highland</i>	*		
Isle of Wight	IA	IA	IA
James City	IA	IA	IA
King and Queen	IA	ID	ID
King George	IA	IA	IA
King William	IA	IA	IA

**Principal Reason Eligible
to Accept Cash Proffers**

COUNTIES (Cont'd)	2000	2010	2020
Lancaster	IA	ID	
Lee		IA	
Loudoun	IID	IID	IID
Louisa	IA	IA	IA
Lunenburg	IA		
Madison	ID	IA	ID
Mathews	IA		
Mecklenburg	IA		
Middlesex	IA	IA	
Montgomery	IA	IA	IA
Nelson	IA	ID	ID
New Kent	IIIA	IIIA	IIIA
Northampton	IIG	IIG	IIG
Northumberland	IA		
Nottoway	ID	ID	
Orange	IA	IA	IA
Page	IA	ID	ID
Patrick	IA		
Pittsylvania	IA	ID	
Powhatan	IA	IA	IA
Prince Edward	IA	IA	
Prince George	IA	IA	IA
Prince William	IID	IID	IID
Pulaski	ID	ID	
Rappahannock	IA	IA	ID
Richmond	IA	IA	
Roanoke	IA	IA	
Rockbridge	IA	IA	
Rockingham	IA	IA	IA
Russell	IA		
<i>Scott</i>			
Shenandoah	IA	IA	IA
Smyth	ID		
Southampton	ID	IA	
Spotsylvania	IA	IA	IA
Stafford	IA	IA	IA
Surry	IA	ID	ID
Sussex	IA	ID	
<i>Tazewell</i>			
Warren	IA	IA	IA
Washington	IA	IA	
Westmoreland	IA	ID	IA
<i>Wise</i>			
Wythe	IA	IA	
York	IA	IA	IA

**Principal Reason Eligible
to Accept Cash Proffers**

TOWNS	2000	2010	2020
Abingdon	IA	IA	
Accomac	*	IA	
Alberta	*	IC	
Altavista	*	IC	IC
Amherst	*	IA	ID
<i>Appalachia</i>	*		
Appomattox	*	IC	IC IA
Ashland		IA	IA IC
Bedford		IB	IB IA
Belle Haven	*		IA
Berryville		ID	IA IA
Big Stone Gap			IA
Blacksburg		IA	IA IA
Blackstone	*	IA	ID
Bloxom	*	IA	
Bluefield			IA
Boones Mill	*	IA	IC IA
Bowling Green	*	IA	IA IA
Boyce	*	ID	IA IA
Boydton	*	IC	
Boykins	*	ID	IC
Branchville	*	IA	IC
Bridgewater		IA	IA IA
Broadway		IA	IA IA
Brodnax	*	IC	
Brookneal	*	IC	IC
Buchanan	*	IC	IC
Burkeville	*	ID	ID
Cape Charles	*		IA
Capron	*	IA	IC
<i>Cedar Bluff</i>	*		
Charlotte Court House	*	IC	IA
Chase City	*	IC	
Chatham	*	IC	ID
<i>Cheriton</i>	*		
Chilhowie	*	ID	
Chincoteague	*	IA	IA
Christiansburg		IA	IA IA
Claremont	*	IC	IA ID
Clarksville	*	IA	IA
Cleveland	*	IC	IA
Clifton	*	IIB	IIB IIB
Clifton Forge		ID	IC
<i>Clinchco</i>	*		
Clinchport	*	IA	

**Principal Reason Eligible
to Accept Cash Proffers**

TOWNS (Cont'd)	2000	2010	2020
<i>Clintwood</i>	*		
Coeburn	*	IA	
Colonial Beach	IC	IA	IA
Courtland	* IA	IC	
Craigsville	* IA	IC	IC
Crewe	* ID	ID	
Culpeper	IA	IA	IA
Damascus	* IA	IC	
Dayton	* IA	IA	IA
Dendron	* IC	ID	ID
Dillwyn	* IC	IC	ID
Drakes Branch	* IC	IA	
Dublin	* IA	IA	IA
Duffield	* IA	IA	
Dumfries	IIF	IIF	IIF
Dungannon	* IA		
Eastville	* IA	IA	
Edinburg	* IC	IA	IA
Elkton	* IA	IA	IA
Exmore	*	IA	
Farmville	IA	IA	ID
Fincastle	* IA	IC	IA
Floyd	* IA	IC	IA
Fries	* IC		
Front Royal	IA	IA	IC
<i>Gate City</i>	*		
Glade Spring	* IC	IA	
Glasgow	* IC	IA	
Glen Lyn	* ID		
Gordonsville	* IA	IC	IC
Goshen	* IA	IC	
Gretna	* IC	ID	
Grottoes	* IA	IA	IA
<i>Grundy</i>	*		
Halifax	* IA		
Hallwood	* IA		
Hamilton	* IIF	IIF	IIF
Haymarket	* IIF	IIF	IIF
Haysi	*	IA	
Herndon	IIB	IIB	IIB
Hillsboro	* IIF	IIF	IIF
Hillsville	* IA		IA
Honaker	* IC	IA	
Hurt	* IC	ID	
Independence	* IC		IA

**Principal Reason Eligible
to Accept Cash Proffers**

TOWNS (Cont'd)	2000	2010	2020
Iron Gate	* ID	IC	
Irvington	* IA	ID	IA
Ivor	* ID	IA	
Jarratt	* IA	IA	
Jonesville	* IA	IC	
<i>Keller</i>	*		
Kenbridge	* IC		
Keysville	* IA	ID	
Kilmarnock	* IA	IA	
La Crosse	* IA		
Lawrenceville	* IC	IA	
Lebanon	* IC		
Leesburg	IIF	IIF	IIF
Louisa	* IA	IA	IA
Lovettsville	* IIF	IIF	IIF
Luray	IA	ID	ID
Madison	* ID	IA	ID
Marion	ID		
McKenney	* IA	IA	
Melfa	* IA		
Middleburg	* IIF	IIF	IIF
Middletown	* IC	IA	IA
Mineral	* IC	IA	IC
Monterey	*		IA
Montross	* IC	IA	IC
Mount Crawford	* IA	IA	IC
Mount Jackson	* IA	IA	IC
Narrows	* ID		
Nassawadox	*		IA
New Castle	* IA	ID	
New Market	* IA	IA	IC
Newsoms	* ID	IA	
Nickelsville	* IA		
Occoquan	* IIF	IIF	IIF
Onancock	* IA		
<i>Onley</i>	*		
Orange	IA	IA	IC
Painter	*		IA
Pamplin City	* IC	IA	IC
Parksley	* IA		
Pearisburg	* IA		
Pembroke	* IA		
Pennington Gap	*	IC	
Phenix	* IC	IA	
<i>Pocahontas</i>	*		

**Principal Reason Eligible
to Accept Cash Proffers**

TOWNS (Cont'd)	2000	2010	2020
Port Royal	* IC	IC	IA
Pound	* IA		
Pulaski	ID	ID	
Purcellville	IIF	IIF	IIF
Quantico	* IIF	IIF	IIF
Remington	* IA	IC	IC
Rich Creek	* ID	IA	
Richlands		IA	
Ridgeway	* ID		
Rocky Mount	IC	IA	
Round Hill	* IIF	IIF	IIF
Rural Retreat	* IA	IA	
Saltville	* IC	IC	
<i>Saxis</i>	*		
Scottsburg	* IC		IA
Scottsville	* IA	IC	IC
Shenandoah	* IC	IA	ID
Smithfield	IA	IA	IA
South Boston	IA		
South Hill	IC	IA	
St. Paul	* IC		
Stanardsville	* IA	IC	IC
Stanley	* IA	IA	ID
Stephens City	* IC	IA	IA
Stony Creek	* IC	ID	IA
Strasburg	IA	IA	IA
Stuart	* IC	IA	

**Principal Reason Eligible
to Accept Cash Proffers**

TOWNS (Cont'd)	2000	2010	2020
Surry	* IA	ID	ID
Tangier	*	IA	
Tappahannock	* IA	IA	ID
Tazewell		IA	
The Plains	* IA	IC	IA
Timberville	* IA	IA	IA
Toms Brook	* IA	IC	IA
Troutdale	* IA		
Troutville	* IC	IC	IA
Urbanna	* IC	IC	
Victoria	* IC		
Vienna	IIB	IIB	IIB
Vinton	IC	IC	
Virgilina	* IC		
Wachapreague	*		IA
Wakefield	* IC	ID	
Warrenton	IA	IA	IC
Warsaw	* IA	IA	IA
Washington	* IC	IC	ID
Waverly	* IC	ID	
<i>Weber City</i>	*		
West Point	* IC	IA	IC
White Stone	* IC	ID	IA
Windsor	* IC	IA	IC
<i>Wise</i>	*		
Woodstock	IA	IA	IA
Wytheville	IC	IA	

See "Notes" at end for explanation of "Principal Reason Eligible to Accept Cash Proffers."

Italicized localities have never qualified to collect cash proffers.

NOTES:

* = Localities not required to report cash proffer activity. 2003 revisions to § 15.2-2303.2 limited the requirement for the reporting on the acceptance of proffered cash payments to only those localities with a population in excess of 3,500 persons. Thus, all eligible cities and counties and only 22 of the 86 eligible towns are required to report proffered cash payments.

Principal Reasons Eligible to Accept Cash Proffers

- I. Eligibility for acceptance of cash proffers under § 15.2-2298 (high-growth localities):**
 - A.** Any locality which had a decennial census growth rate of 5% or more;
 - B.** Any city adjoining another city or county which had a decennial census growth rate of 5% or more;
 - C.** Any towns located within a county which had a decennial census growth rate of 5% or more; and
 - D.** Any county contiguous with at least three counties which had decennial census growth rate of 5% or more, and any town located in that county.

- II. Eligibility for acceptance of cash proffers under § 15.2-2303:**
 - A.** Any county with the urban county executive form of government (i.e. Fairfax County)
 - B.** Any town within Fairfax County;
 - C.** Any city adjacent to or completely surrounded by Fairfax County;
 - D.** Any county contiguous to Fairfax County
 - E.** Any city adjacent to or completely surrounded by a county contiguous to Fairfax County;
 - F.** Any town within a county contiguous to Fairfax County; and
 - G.** Any county east of the Chesapeake Bay

- III. Eligibility for acceptance of cash proffers under § 15.2-2303.1:**
 - A.** New Kent County

APPENDIX C

**Survey Instrument for
Local Government Revenues and Expenditures
Derived from Proffered Cash Payments
2022 – 2023**

DRAFT



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Virginia Commission on Local Government: Fiscal Year 2023 Cash Proffer Survey

Section [15.2-2303.2](#) of the *Code of Virginia* requires the Virginia Commission on Local Government to annually survey the acceptance and use of cash proffers by eligible localities. The objective of the survey is to assist the General Assembly in determining the amount of cash proffer revenues and expenditures of local governments and the purposes for which such expenditures were made during Fiscal Year 2023 (July 1, 2022 - June 30, 2023). Accordingly, the Commission is asking the chief administrative officer or other appropriate official in each affected county, city, and town to provide essential information about their locality's acceptance and use of cash proffers.

Please respond to this online questionnaire by September 30, 2023. **Please ensure that only one response is generated for your locality; duplicate responses will require additional staff resources to determine which response is correct.**

Information about the survey is also available on the Department of Housing and Community Development's [website](#). The data that you furnish is essential for the preparation of a report that the Commission is required to submit to the General Assembly by November 30, 2023.

If you have any questions concerning these matters, please contact Chase Sawyer at chase.sawyer@dhcd.virginia.gov. Thank you for your cooperation.

1. Please provide your contact information: *

Locality Name

Contact Name

Position/Title

Phone Number:

Email Address

2. Is the locality a City, County, or Town? *

-- Please Select -- ▾

A cash proffer is (i) any money voluntary proffered in a writing signed by the owner of property subject to rezoning, submitted as part of a rezoning application and accepted by a locality pursuant to the authority granted by Va. Code Ann. § [15.2-2303](#), or § [15.2-2298](#), or (ii) any payment of money made pursuant to a development agreement entered into under authority granted by Va. Code Ann. § [15.2-2303.1](#). This does NOT include cash contributions imposed through conditional/provisional/special use permits as authorized by § [15.2-2286](#) (A)(3).

3. Did the locality accept cash proffers at any time during FY2023?

If you answer "No" for FY2023, additional information is not needed. *

-- Please Select -- ▾

Enter the total amount of cash proffer revenue collected by the locality during FY2023:

This is the total dollar amount of revenue collected from cash proffers in the specified fiscal year regardless of the fiscal year in which the cash proffer was accepted. Unaudited figures are acceptable.

Enter the estimated amount of cash proffers pledged during FY2023 by which payment is conditioned only on time:

These are cash proffers conditioned only on time (i.e. linked to a specific date or specified time following rezoning approval but NOT an unknown date such as at the time of certificate of occupancy) approved by the locality as part of a rezoning case. Unaudited figures for the specified fiscal year are acceptable.

4. Did the locality expend cash proffer revenue at any time during FY2023?

If you answer "No" for FY2023, additional information is not needed. *

-- Please Select -- ▾

Enter the total amount of cash proffer revenue expended by the locality during FY2023:

This is the total dollar amount of public projects expended with cash proffer revenue in the specified fiscal year. Unaudited figures are acceptable.

Indicate the purpose(s) and amount(s) (in whole numbers) for which the expenditures in the previous question were made: *

The Total amount at the bottom should equal the amount reported in the cash proffer revenue expended box above.

<input type="text"/>	Schools
<input type="text"/>	Roads and Other Transportation Improvements
<input type="text"/>	Fire and Rescue/Public Safety
<input type="text"/>	Libraries
<input type="text"/>	Parks, Recreation, and Open Space
<input type="text"/>	Water and Sewer Service Extension
<input type="text"/>	Community Centers
<input type="text"/>	Stormwater Management
<input type="text"/>	Special Needs Housing
<input type="text"/>	Affordable Housing
<input type="text"/>	Miscellaneous

.....
Total : 0

5. Please share any additional comments regarding any unique circumstances surrounding the information you provided in this survey.

After hitting the "Submit" button a summary of your responses can be generated and printed for your records.

Submit



APPENDIX D

**Summary of Survey Responses from Localities
Accepting Proffered Cash Payments
2022 – 2023**

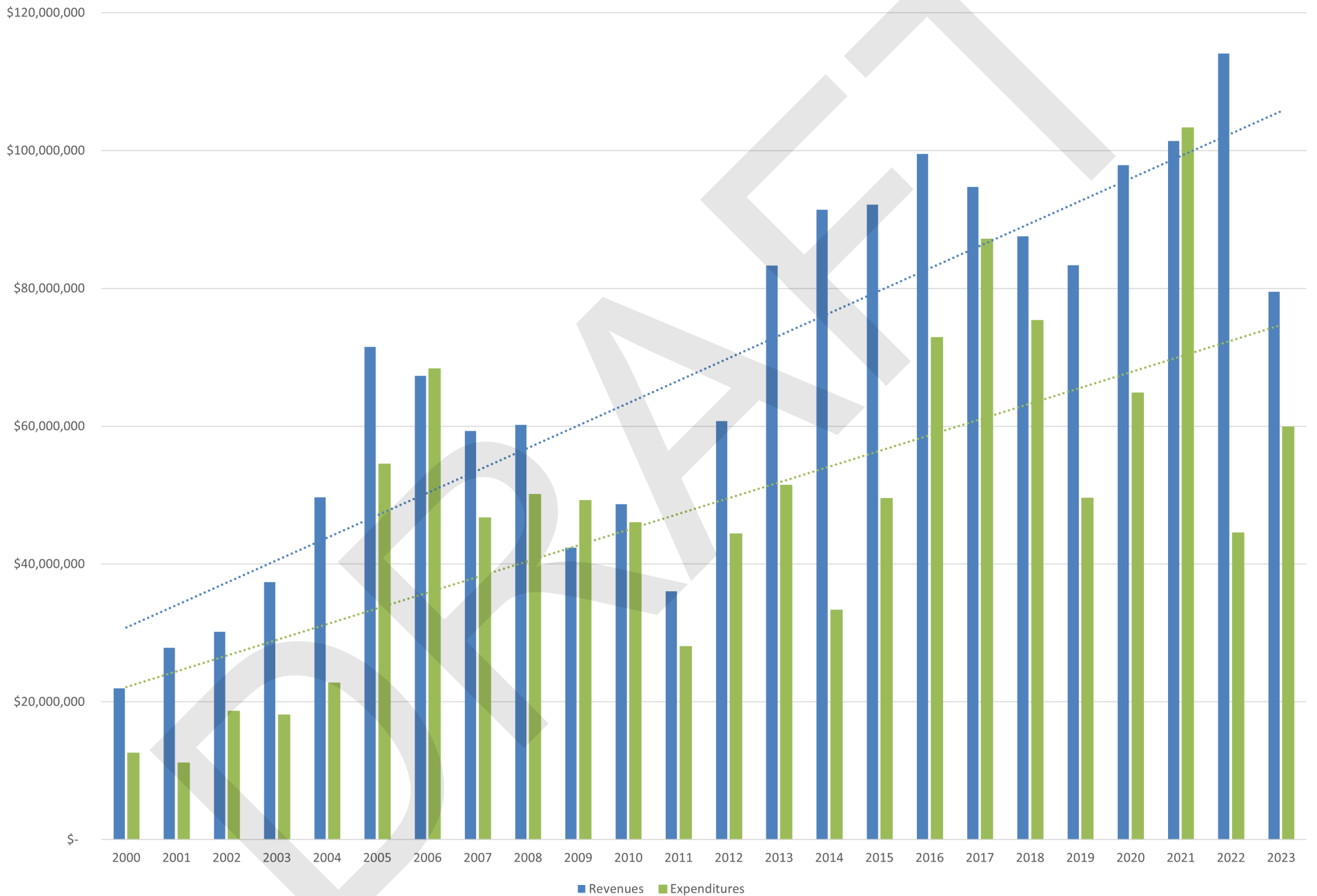
Appendix D
Summary of Survey Responses from Localities Accepting Proffered Cash Payments
Fiscal Year 2023

Locality	Total Cash Proffer Revenue Collected	Total Pledged But Payment Conditioned Only on Time	Total Cash Proffer Revenue Expended	Purpose and Amount for Cash Proffer Expenditures											
				Schools	Roads and Other Transportation Improvements	Fire and Rescue/Public Safety	Libraries	Parks, Recreation, and Open Space	Water and Sewer Service Extension	Community Centers	Stormwater Management	Special Needs Housing	Affordable Housing	Miscellaneous	
Albemarle	\$ 1,412,341	\$ -	\$ 186,711	\$ 54,785	\$ -	\$ -	\$ -	\$ 56,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,774	\$ -
Amelia	\$ 79,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Caroline	\$ 698,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chesterfield	\$ 2,165,891	\$ -	\$ 7,633,258	\$ -	\$ 7,337,936	\$ 2,992	\$ 9,352	\$ 282,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culpeper	\$ 1,169,067	\$ 1,223,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fairfax	\$ 16,014,607	\$ -	\$ 18,256,233	\$ 6,410,452	\$ 11,441,604	\$ 47,517	\$ -	\$ 356,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fauquier	\$ 106,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Frederick	\$ 3,906,812	\$ -	\$ 1,929,998	\$ -	\$ 1,593,873	\$ 44,449	\$ -	\$ 290,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700
Gloucester	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Goochland	\$ 2,712,772	\$ -	\$ 1,036,062	\$ 705,000	\$ -	\$ 130,450	\$ -	\$ 200,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hanover	\$ 2,647,567	\$ 4,810,989	\$ 560,237	\$ -	\$ 560,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Isle of Wight	\$ 501,730	\$ -	\$ 122,093	\$ 122,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
James City	\$ 629,024	\$ -	\$ 629,024	\$ 352,413	\$ 4,086	\$ 6,901	\$ 2,598	\$ 8,555	\$ 114,806	\$ 21,500	\$ -	\$ -	\$ -	\$ 118,165	\$ -
King William	\$ 299,613	\$ 1,000,000	\$ 249,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,000
Loudoun	\$ 12,958,818	\$ 519,759	\$ 12,224,074	\$ -	\$ 2,691,921	\$ 1,404,464	\$ 644,618	\$ 4,588,432	\$ -	\$ 2,855,489	\$ -	\$ 39,150	\$ -	\$ -	\$ -
Louisa	\$ 54,976	\$ -	\$ 54,976	\$ -	\$ -	\$ 54,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Middlesex	\$ 2,967	\$ 2,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Kent	\$ 1,158,680	\$ -	\$ 940,923	\$ 167,334	\$ -	\$ 773,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Orange	\$ 937,500	\$ 937,500	\$ 937,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 937,500
Powhatan	\$ 224,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prince George	\$ 28,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prince William	\$ 19,563,970	\$ -	\$ 10,488,544	\$ -	\$ 6,066,141	\$ -	\$ 96,323	\$ 3,368,633	\$ 23,476	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shenandoah	\$ 3,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spotsylvania	\$ 2,164,486	\$ -	\$ 169,811	\$ -	\$ 95,246	\$ 192	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,373
Stafford	\$ 4,319,842	\$ 1,322,523	\$ 2,920,268	\$ 1,380,923	\$ 902,709	\$ 38,270	\$ -	\$ 638,366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Warren	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
York	\$ -	\$ -	\$ 173,859	\$ 173,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Counties	\$ 73,765,084	\$ 9,817,088	\$ 58,512,738	\$ 9,366,859	\$ 30,693,753	\$ 2,503,800	\$ 752,891	\$ 9,791,362	\$ 203,282	\$ 2,876,989	\$ -	\$ 39,150	\$ 193,939	\$ 1,010,573	
Chesapeake	\$ 1,578,155	\$ -	\$ 171,069	\$ -	\$ 25,710	\$ -	\$ 145,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fredericksburg	\$ 76,678	\$ -	\$ 76,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,678
Manassas	\$ 408,393	\$ -	\$ 181,090	\$ 163,153	\$ 4,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ -	\$ -
Manassas Park	\$ 408,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Suffolk	\$ 1,690,571	\$ 703,466	\$ 373,765	\$ 373,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cities	\$ 4,085,119	\$ 703,466	\$ 802,602	\$ 536,918	\$ 30,147	\$ -	\$ 145,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ 76,678	
Herndon	\$ 282,378	\$ -	\$ 232,978	\$ 232,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leesburg	\$ 1,324,111	\$ -	\$ 305,000	\$ 305,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Luray	\$ 68,680	\$ -	\$ 38,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smithfield	\$ 3,317	\$ -	\$ 2,525	\$ -	\$ -	\$ 2,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Warrenton	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Towns	\$ 1,678,486	\$ -	\$ 579,081	\$ 537,978	\$ -	\$ 2,525	\$ -	\$ -	\$ 38,578	\$ -	\$ -	\$ -	\$ -	\$ -	
GRAND TOTAL	\$ 79,528,690	\$ 10,520,554	\$ 59,894,422	\$ 10,441,755	\$ 30,723,900	\$ 2,506,325	\$ 898,250	\$ 9,791,362	\$ 241,860	\$ 2,876,989	\$ -	\$ 39,150	\$ 207,439	\$ 1,087,251	

APPENDIX E

**Summary of Statewide Cash Proffer Revenues and Expenditures
FY 2000 through FY 2023**

Cash Proffer Revenues and Expenditures, FY2000 - FY2023





Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

TO: Members of the Commission on Local Government
FROM: DHCD Staff
DATE: October 20th, 2023
SUBJECT: Proposed Regular Meeting Schedule for 2023

As required by § 15.2-2904, the Commission on Local Government is required to hold a meeting at least once every two months. Keeping with past Commission procedure, staff is proposing the following dates:

- Friday, January 5th
- Friday, March 1st – virtual
- Friday, May 3rd
- Friday, July 12th
- Friday, September 6th
- Friday, November 1st - virtual

The meetings generally fall on the first Friday of odd months. Staff has designated two meetings – the March 1st and November 1st meeting - as potential “all virtual” meetings for Commission deliberation.

Please note that this list does NOT include any dates of special meetings, public hearings, or other meetings of the Commission. Those will be considered separately as needed.

However, the Commission is currently set to hear oral arguments and hold its public hearing for the Loudoun/Leesburg case from March 5th to March 8th. That time period does not include a regular meeting of the Commission.



**COMMISSION ON LOCAL GOVERNMENT
COMMONWEALTH OF VIRGINIA**

At a regular meeting of the Commission on Local Government held in Richmond, Virginia, on Friday, November 3rd, 2023, at the hour of 11:00 a.m., the following resolution was unanimously adopted:

WHEREAS, Stephanie Dean Davis, Ph.D., was appointed by Governor Ralph S. Northam and confirmed by the 2019 Virginia General Assembly to serve on the Commission on Local Government for a term of five years; and

WHEREAS, She served the Commission with distinction from April 2019, until January 2023; and

WHEREAS, She was unanimously elected Vice-Chair of the Commission, January 7, 2020, serving in that capacity during 2020; and

WHEREAS, She was unanimously elected Chair of the Commission on January 5, 2021, serving in that capacity during 2021; and

WHEREAS, as Chair, she oversaw the Commission in the City of Martinsville-Henry County Voluntary Settlement Agreement case; and

WHEREAS, as Vice-Chair, she oversaw the Commission during the global COVID-19 public health emergency modeling both resilience and adaptability; and

WHEREAS, Her commitment to the best interests of the Commonwealth and its localities coupled with her knowledge and experience in local government affairs and finance made her an asset to this Commission; and

WHEREAS, Her effective advocacy of her perspective, along with her respectful consideration of the views of others rendered her an invaluable participant in the Commission's deliberations; and

WHEREAS, Her intelligence, integrity, and dedication earned her the sincere respect and admiration of the members of this Commission, its staff, and all others associated with its activities; and

WHEREAS, Her good humor, her wit, and her graciousness added immeasurably to the pleasure and satisfaction derived from service on this Commission; and

WHEREAS, The termination of her service with the Commission deprives the Commonwealth of a distinguished and faithful public servant and this body of a valued member and good friend;

NOW, THEREFORE, BE IT RESOLVED, That the Commission on Local Government does hereby express its gratitude to **Stephanie Dean Davis, Ph.D.,** for her many contributions to this body and acknowledges with regret the loss of her company and good counsel.

BE IT FURTHER RESOLVED, That a copy of this resolution be spread upon the Minutes of this meeting and that a framed copy thereof be presented to **Stephanie Dean Davis, Ph.D.,** as a permanent testament of our affection, esteem, and high regard.

Ceasor T. Johnson, D.Min., Chair

Edwin Rosado, Vice-Chair

Diane M. Linderman

Robert Lauterberg

**COMMISSION ON LOCAL GOVERNMENT
COMMONWEALTH OF VIRGINIA**

At a regular meeting of the Commission on Local Government held in Richmond, Virginia on Friday, November 3rd, 2023, at the hour of 11:00 a.m., the following resolution was unanimously adopted:

WHEREAS, Kristen Dahlman served the Commission on Local Government and the Department of Housing and Community Development with distinction for nearly 8 years from 2015 to 2023; and

WHEREAS, During her years of service to the Commission, and the Department she worked with 12 Commissioners; and

WHEREAS, She assisted the Commission with its reports on Annexation Alternatives, the Martinsville-Henry County Voluntary Settlement Agreement, and numerous other reports; and

WHEREAS, Her dedication, industry, and character served as a model for those engaged in public service; and

WHEREAS, The Commission has been a direct beneficiary of her commitment to thoughtful consideration of matters before the body and her generous guidance and management of her colleagues; and

WHEREAS, Her knowledge, professionalism, and commitment have earned her the respect and admiration of all the members of this Commission, State and local officials throughout Virginia, and others who have had the good fortune of her association; and

NOW, THEREFORE, BE IT RESOLVED, That the Commission on Local Government does hereby express its gratitude to **Kristen Dahlman** for her many contributions to this body and for her enhancement of the professional and personal lives of all who have been associated with him; and

BE IT FURTHER RESOLVED, That a copy of this resolution be spread upon the Minutes of this meeting and that the resolution be presented to **Kristen Dahlman** as a permanent testament of our affection, esteem, and high regard.

Ceasor T. Johnson, D.Min, Chair

Edwin Rosado, Vice-Chair

Diane M. Linderman, PE

Robert Lauterberg