

MINUTES
Commission on Local Government
Public Hearing
City of Covington – Alleghany County
Proposed Voluntary Economic Growth Sharing Agreement

7:00 p.m., March 13, 2017
Covington City Council Chambers
333 W. Locust Street
Covington, Virginia 24426

Members Present

Diane M. Linderman, Chairman
Kimble Reynolds, Vice-Chairman
Bruce C. Goodson
Victoria L. Hull

Members Absent

R. Michael Amyx

Staff Present

J. David Conmy, Local Government Policy Administrator
Ali Akbor, Senior Public Finance Analyst
Kristen Dahlman, Senior Policy Analyst

I. Call to Order

A. Welcome

Commission Chair Diane Linderman called the meeting to order at 7:07 p.m. on March 13, 2017, in the Covington City Council Chambers. Ms. Linderman announced that the Commission was present to review a proposed economic growth-sharing agreement between the City of Covington and Alleghany County. The agreement, if approved by the local governing bodies following the Commission's review, would provide for the City and the County to make joint investments in economic development efforts through their joint Industrial Development Authority, and share in revenue of such joint projects, regardless of whether that revenue is in the form of tax revenue or revenue from sale, lease, management, or financing of projects. Ms. Linderman stated that the revenue that the City and County agree to share includes the tax increment revenue, as defined by the agreement, from Development Areas jointly certified by the City and County and subject to additional Performance Agreements that would establish (1) the investments of the City and County (which should normally be 50/50), (2) the rights and obligations of any economic development prospect, and (3) the revenue sharing of the City and County. The tax sources subject to such sharing would be limited to real estate taxes, personal property taxes, machinery and tools taxes, and professional and occupational license taxes. She reiterated that only the tax increments would be shared and they would, by default, be shared on a 50/50 basis. Additional revenue from the sale, lease, management, or financing of such joint ventures would also be shared. She also stated that the Growth Sharing Agreement has no established term limit.

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B. Introduction of Commission Members and Staff

Next, Ms. Linderman introduced the members of the Commission and provided biographical information on each member and introduced the Commission staff.

II. Commission's Review

Mr. Conmy indicated that the Commission's review is conducted under the authority of Section 15.2-2903 of the Code of Virginia, which requires the Commission on Local Government 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 resulting from proposed economic growth-sharing agreements among localities. In accordance with Section 15.2-1301 of the Code of Virginia, the Commission will issue a report of its findings at the conclusion of its review of the proposed agreement.

Mr. Conmy stated that the public hearing was advertised by notice published in *The Virginian Review* on Thursday, February 23, 2017. In addition, notice of the public hearing was mailed to the local governments contiguous to, or sharing functions, revenue, or tax sources with the City and County.

Mr. Conmy explained that the Commission is present today as a result of a joint submission filed by the City of Covington and Alleghany County on November 11, 2016, requesting Commission review of a proposed economic growth-sharing agreement. Further, prior to the Commission's arrival, the Commission received documents from the City and County describing the proposed agreement as well as a joint response on February 24 to the Commission's questions and request for additional information made on February 7. Mr. Conmy indicated that those materials have been reviewed by the members of the Commission and staff. He also stated that earlier in the morning, the Commission toured the key areas within the region identified by the City and County as relevant to the growth-sharing agreement. In the afternoon the Commission heard oral presentations from City and County representatives on the proposed agreement.

Mr. Conmy indicated that the Commission was now here to hold a public hearing on the matter. He added that the public hearing was intended to afford the public an opportunity to comment on the proposed economic growth-sharing agreement. He further stated that the Commission agreed to keep its record open for the receipt of additional written citizen comment through March 27, 2017, and will close its record as of that date.

Mr. Conmy concluded that the Commission would endeavor to render its report to the affected local governments prior to the end of May 2017. He mentioned that the Commission is currently scheduled to meet on Tuesday May 9, 2017. Additional details regarding this meeting would be announced on the Commission's website as well as the Virginia Regulatory Town Hall website and the Commonwealth Calendar.

III. Receipt of Testimony

Ms. Linderman indicated that those who pre-registered would first have the opportunity to speak, followed by those who signed up at the meeting, followed by any others. She asked that any groups choose a spokesperson so as to avoid repetitious remarks, and to limit comments to no more

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than five minutes per speaker. Mr. Conmy indicated that no one had pre-registered to speak during the public hearing.

Mr. David Oliver of Alleghany County and Chair of the Industrial Development Authority spoke in support of the proposed voluntary economic growth-sharing agreement.

Ms. Susan Adcock of Clifton Forge and member of Board of Supervisors of Alleghany County spoke in support of the agreement and indicated that regional efforts can be impactful and asked that the Commission be supportive.

IV. Closing Remarks

The Chair and other Commission members then thanked the localities for their comments and hospitality. The Chair also reminded those in attendance that the Commission will close its record March 27, 2017, and anticipates submission of its report before the end of May 2017.

V. Executive Session

As a result of the potential significant snow storm forecasted to impact the area for following day, the Commission members raised concerns that staff and the Commissioners might be unable to hold their executive session meeting that was scheduled for Tuesday March 14, 2017, at 10:00 am in Covington City Council Chambers. Because the executive session portion of the meeting was closed to the public, by consensus the Commission decided that it would be appropriate to enter into executive session while they were still convened for the current public hearing. Therefore, pursuant to §2.2-3711 of the Code of Virginia and 1VAC50-20-160 of the Virginia Administrative Code, Ms. Hull made a motion for the Commission on Local Government to hold and conduct an executive session so that the Commission members and staff could discuss matters related to the proposed economic growth sharing agreement between the City of Covington and Alleghany County. At the direction of Ms. Linderman, Mr. Conmy took a roll call vote of the Commission members on Ms. Hull's motion to move into executive session:

Mr. Goodson: Aye

Ms. Hull: Aye

Mr. Reynolds: Aye

Ms. Linderman: Aye

The CLG unanimously voted to conduct an executive session at 7:20 p.m.

At 8:07 p.m., Mr. Conmy took a roll call vote on the ending executive session:

Mr. Goodson: Aye

Ms. Hull: Aye

Mr. Reynolds: Aye

Ms. Linderman: Aye

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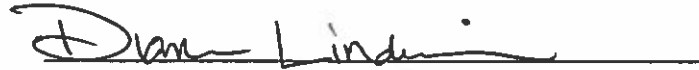
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The Commission on Local Government unanimously approved to end their executive session at 8:07 p.m.

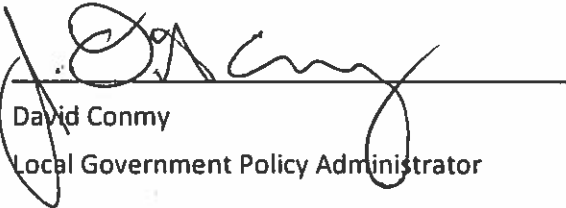
VI. Adjournment

There being no further business to come before the Commission, the public hearing was officially adjourned at 8:07 p.m.



Diane Linderman

Chair



David Conmy
Local Government Policy Administrator