

DRAFT MINUTES
Regular Meeting
Commission on Local Government
10:30 a.m., July 15, 2014
Herndon Council Chambers Building
765 Lynn Street
Herndon, Virginia 20170

Members Present

John T. Stirrup, Jr., Chairman
Bruce C. Goodson, Vice-Chairman
Cole Hendrix
John G. Kines, Jr.
Victoria L. Hull

Members Absent

Staff Present

Zack Robbins, Local Government Policy Manager
Edward Lanza, Senior Public Finance Analyst

Call to Order

Commission Chairman John Stirrup called the meeting to order at 10:39 a.m. on July 15, 2014 in the Herndon Council Chambers Building in Herndon, Virginia.

At this time, Mr. Stirrup amended the order of the agenda to present a commending resolution to Mr. Harold H. Bannister. Mr. Stirrup read the resolution as it was adopted at the Commission's Regular Meeting on March 10, 2014. Mr. Kines, Mr. Hendrix, and Mr. Goodson also provided commending remarks.

I. Administration

A. Approval of Minutes of Oral Presentations and Public Hearing on May 12, 2014; of the Oral Presentations and Public Hearing on May 13, 2014; and the Regular Meeting on May 14, 2014

Mr. Hendrix made a motion that the minutes of the Oral Presentations and Public Hearing on May 12, 2014; of the Oral Presentations and Public Hearing on May 13, 2014; and the Regular Meeting on May 14, 2014 be approved. Such motion was seconded by Ms. Hull, and the Commission approved the minutes unanimously without

amendment.

B. Public Comment Period

The Chairman opened the floor to receive comments from the public. No person appeared to testify before the Commission during the public comment period.

II. Report on the City of Bristol – Washington County Voluntary Settlement Agreement

Mr. Stirrup further amended the agenda to consider its report on the voluntary settlement agreement between the City of Bristol and Washington County. Mr. Robbins and Mr. Lanza proceeded to review each section of the report in detail. Mr. Robbins also presented several suggested changes to the draft report as follows:

1. Amending the Economic Development Strategic Planning recommendation to read: *“The Commission recognizes this project is a major undertaking for the City and the Commonwealth. As such, the Commission urges the City to consider adopting a formal economic development plan or strategy. Bristol has several economic development initiatives underway, but there is not any formal document to guide these efforts. The City's Comprehensive Plan refers to economic development strategies, but these ideas should be more fully elaborated and updated, as the Plan is 12 years old. The Commission also emphasizes the importance of diversifying Bristol's economy so that it will be less dependent on retail and service sectors.”*
2. Adding a new recommendation entitled “Trammel Property Description,” as follows: *“The Commission also notes that Section 1 of the agreement describes the Trammel property as an 83.5 acre area consisting of eight specified tracts of land owned by the Trammel estate that will be subject to a revenue sharing arrangement. The maps that were submitted with the Joint Petition depict a larger 132.1 acre area, including several parcels that are not currently owned by the Trammel estate. The Commission urges both parties to verify that they*

understand that Trammel property revenue sharing provisions would only be applicable to the 83.5 acres described in the agreement, not the 132.1 acres that were shown in the maps. In addition, the Commission suggests that the City and County consider how revenue sharing would be impacted if a business were to straddle the revenue sharing boundary.”

3. Page 7, fourth paragraph, second line, delete the word “City”
4. Page 7, last paragraph, delete the word “In” at the end of the last line.
5. Page 8, first paragraph, first line, after would, insert “contain provisions for”
6. Page 10, third paragraph, third line, change “government” to “governments”

Mr. Goodson made a motion to approve the report with the suggested amendments, which was seconded by Mr. Kines. The motion passed unanimously and the Commission approved the report with the suggested alterations.

I. Administration (cont.)

At this time, Mr. Stirrup returned to the agenda.

C. Presentation of Financial Statement for June 2014

Referencing an internally produced financial statement that encompassed expenditures through the end of June 2014, Mr. Robbins stated that as of the end of FY 2014, the Commission spent approximately 81% of its funding. The remaining funds were absorbed by DHCD and used for agencywide purposes.

D. Local Government Policy Manager’s Report

Mr. Robbins identified a number of news articles in the Commissioners’ packets. He discussed a number of issues, which included the following:

- Buena Vista is still struggling to make debt payments for the municipal golf course that it built before the recession.
- Leesburg’s boundary line adjustment of a historic property (Morven Park) appears to be temporarily on hold.

- Prince William County approved a new proffer policy that increased the suggested proffer to \$45,000 for a single family unit. Their suggested amount was lower than four neighboring counties, but this will put them behind only Loudoun statewide, whose suggested proffer amount is \$59,000 per unit.
- Proffers are generating interest in Chesterfield County. The discussion has been focused on how the higher priced real estate in the western side of the county has the same cash proffer amount as more moderately priced homes in the eastern side of the county. There is also a disparity in that the eastern side of the county is where most business revenue is generated. Some in the east feel that they have unfairly supported residential development in the west.
- CDA bonds that were used to construct a Bass Pro Shop store in Hanover County are now in default. The CDA properties were originally all under contract when bonds were issued, but the recession prevented many land deals from closing, and only the Bass Pro Shop and a few small businesses have located on the property. The County is working to refinance the bonds, but ultimately, the County is not liable for the repayment - the CDA is.
- The Town of Front Royal, which the Commission visited in November 2013, is generating attention. The Town is studying annexation of the US 522/340 corridor. There was a 1998 agreement for the Town to provide utilities to the corridor, with the County assuming responsibility for parks and recreation, animal control, and fire and rescue services. That agreement also provided for the Town to collect "Payments in Lieu of Taxes" from entities to which it provided utilities in that area, which was ultimately stopped by a lawsuit. The County has seen significant growth in that area due to the availability of Town utilities. The County has been trying to engage the Town to talk about consolidating with the County, and has stated that they will not allow further annexations.
- The sale of the City of Falls Church's water system to the Fairfax Water Authority looks as though it will benefit the City in excess of \$5 million over what was expected.
- Bedford County schools are receiving about \$6 million in incentive payments for the school division consolidation that resulted from the reversion of the City of Bedford to Town status. The General Assembly initiated a JLARC study on school division consolidation incentives. They also required Bedford County Schools to undergo a school division efficiency review from the Department of Planning & Budget. The findings suggested closing one of two elementary schools in the rural part of the County. The County feels pressured to follow those recommendations to avoid the reduction of the incentive payments by the General Assembly.
- Bedford County and the Town of Bedford had to adopt an amendment to the reversion agreement, dealing with tax collections. The Commissioner of Revenue determined that because personal property taxes are assessed on a

calendar year basis that the County could not collect 6 months of personal property taxes from former city residents following the reversion that took effect on July 1, 2013. The Town has agreed to pay the County $\frac{1}{4}$ of the amount collected by the City for that tax year.

- The Town of Columbia may be annulling its charter if the voters approve such in November. The Town Council and Fluvanna County BOS have approved plans for dissolving the Town and divesting its assets to the County. The Town is Virginia's 3rd smallest, with a population of 83.
- Mr. Lanza added that the Town of Port Royal had successfully implemented a simple boundary adjustment. Commission staff had provided a considerable amount of technical assistance on this matter.

Mr. Robbins added that he and Mr. Conmy attended Plan Virginia's annual legal seminar, which included a summary of General Assembly land use matters and an overview of important Virginia Supreme Court decisions in land use issues.

Mr. Lanza stated that the \$35,000 budget request for the development of a web portal for local fiscal impact statements of legislation was received. He also noted that development of the portal by DHCD staff was underway.

III. 2014 General Assembly Session

Mr. Robbins indicated that the General Assembly passed the budget on June 12, the Governor communicated his vetoes on June 21, and the General Assembly acted on those vetoes on June 23. He stated that the Commission's funding for the next two fiscal years would be nearly level with its funding for FY 2014. Finally, he reported that the proposed \$70,000 cut to PDC funding was eliminated in the final budget.

IV. Annual Report on Municipal Boundary Changes

Mr. Robbins stated that the Commission compiles an annual listing of municipal boundary changes as reported to the Secretary of the Commonwealth, and disseminates this information to agencies that use this data for the allocation of funds. For the 2013 calendar year, he noted that there were five boundary changes to report.

Mr. Kines made a motion to accept the report, which was seconded by Mr. Goodson. The Commission approved the report without alterations. Mr. Hendrix was not present at this time.

V. Governor's Task Force for Local Government Mandate Review

Mr. Robbins stated that there isn't any new information related to the Governor's Task Force for Local Government Mandate Review or its membership.

VI. Adjournment

Ms. Hull made a motion to adjourn the meeting, which was seconded by Mr. Goodson, and adopted by the Commission. Mr. Hendrix was not present at this time. The meeting was adjourned at 11:37 a.m.

John T. Stirrup, Jr.
Chairman

Zachary Robbins
Local Government Policy Manager