



# City of Richmond

900 East Broad Street  
Richmond, VA 23219  
www.richmondgov.com/city clerk

## Meeting Minutes

### Finance and Economic Development Standing Committee

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Thursday, January 18, 2018

5:00 PM

Council Chamber, 2nd Floor – City Hall

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The Honorable Cynthia Newbille – Chair  
The Honorable Michael Jones – Vice Chair  
The Honorable Parker Agelasto – Member  
The Honorable Kristen Larson – Member  
Lisa Braxton, Interim Deputy City Clerk  
Meghan Brown, Deputy Council Chief of Staff  
Bill Echelberger Jr., Council Budget Analyst  
Charles Jackson, Council Budget Analyst  
Pamela Nichols, Assistant City Clerk  
Alexander Rawles, Boards and Commissions Administrator  
Tabrica Rentz, Senior Assistant City Attorney

#### **Absent**

The Honorable Kim Gray – Member

#### **Call to Order**

Chair Newbille called the meeting to order at 5:03 p.m.

#### **Evacuation Announcement and Citizen Speaker Guidelines**

Pamela Nichols, assistant city clerk, provided information on the appropriate manner in which the Council Chamber is to be evacuated in the event of an emergency along with citizen speaker guidelines.

#### **Public Comment Period**

There were no public comments.

#### **Approval of Minutes**

Vice Chair Jones moved to approve the minutes of the Thursday, November 30, 2017, meeting at 5:00 p.m., which was seconded and approved.

#### **Board Vacancies**

Alexander Rawles, boards and commissions administrator, reviewed the following board applications for consideration by the committee:

**Member Agelasto moved to forward the following board applications to Council with the recommendation to approve and to continue consideration for the Board of Directors of the Economic Development Authority's resident of the city who is a member of the residential, commercial or mixed-use development community vacancy to the February Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved:**

<u>Board Name</u>	<u>Criteria for Appointment</u>	<u>Applicant Name</u>
Board of Directors of the <b>Economic Development Authority</b> (7 directors)	Resident of the city (1 vacancy)	Hossein Sadid (reappointment)
	Resident of the city who is a member of the Virginia State Bar (1 vacancy)	Anupama Agarwal (reappointment)

*There were discussions regarding Mr. Richard Johnson's eligibility to serve another term as a member of the Economic Development Authority.*

*Chair Newbille asked Mr. Rawles to provide clarification of the criteria for the Board of Directors of the Economic Development Authority resident of the city who is a member of the residential, commercial or mixed-use development community at the next committee meeting.*

**Member Agelasto moved to forward the following board applications to Council with the recommendation to approve, which was seconded and unanimously approved:**

<u>Board Name</u>	<u>Criteria for Appointment</u>	<u>Applicant Name</u>
<b>Minority Business Enterprise and Emerging Small Business Advisory Board</b> (9 members)	Representative of a minority business enterprise * (2 vacancies)	Brittany Rawlinson – <i>Also an at-large resident of the city</i> (reappointment) Janet West – <i>Also an at-large resident of the city</i>
	At-large resident of the city (1 vacancy)	Melody J. Short
	Section 3 contractor * (mayoral nominee, 1 vacancy)	<i>No nominees</i>
	Representative of a lender or business other than a minority business enterprise * (mayoral nominee, 1 vacancy)	<i>No nominees</i>

\* Applicants must either reside or work in the city.

*A copy of the material provided has been filed.*

*Member Agelasto voiced concern that the mayoral nominee for Minority Business Enterprise and Emerging Small Business Advisory Board Section 3 contractor was still vacant.*

*Chair Newbille volunteered to meet with the mayor to discuss the importance of appointing a Section 3 contractor to serve as a member of the Economic Development Authority.*

## **Presentations**

### **Economic Impact of Non-Profit Arts and Culture in Richmond**

Scott Garka, Richmond CultureWorks president, presented information on the importance of arts and culture to the community, CultureWorks' economic impact, and the consortium's objectives. Mr. Garka reported that organizational and audience spending were two major factors in the arts and culture's economic impact.

*A copy of the material provided has been filed.*

The committee asked questions relative to alternative parking solutions to address congestion associated with many of the events, and future plans to increase arts and culture in the 8<sup>th</sup> and 9<sup>th</sup> Council Districts.

Steven Bergin, parking operations manager – Department of Public Works, was also present to respond to questions.

## Papers for Consideration

### The following ordinance was considered:

#### ORD. 2018-008

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Permit Fees Grant Agreement between the City of Richmond, Owens & Minor Medical, Inc., and the Economic Development Authority of the City of Richmond to induce Owens & Minor Medical, Inc. to improve, equip, and operate a new centralized facility for its distribution center administrative operations in the city of Richmond.

**Patron:** Mayor Stoney

*Lee Downey, deputy chief administrative officer for Economic and Community Development, introduced ORD. 2018-008.*

There were no comments or discussions and **Member Larson moved to forward ORD. 2018-008 to Council with the recommendation to approve, which was seconded and unanimously approved.**

### The following ordinance was considered:

#### ORD. 2018-009

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute Lease Amendment No. 1 to a U.S. Government Lease for Real Property (Short Form) with Lease Number GS-03P-LVA00156 between the City of Richmond and the Government of the United States of America, for the purpose of setting forth the notice of termination requirement for leasing 45 parking spaces within a City-owned parking facility located at 501 North 7th Street.

**Patron:** Mayor Stoney

*Steven Bergin, parking operations manager – Department of Public Works, introduced ORD. 2018-009.*

There were no comments or discussions and **Member Agelasto moved to forward ORD. 2018-009 to Council with the recommendation to approve, which was seconded and unanimously approved.**

### The following resolution was considered:

#### RES. 2017-R089

To request that the Mayor petition the Virginia Department of Transportation to provide businesses in certain areas affected by the construction of the Broad Street Bus Rapid Transit project with financial assistance to compensate for declining customer traffic and sales due to extended construction activities and impediments resulting from the construction of the Broad Street Bus Rapid Transit project.

**Patron:** Ms. Gray

*The patron, in her absence, requested that RES. 2017-R089 be continued to the next committee meeting.*

There were no comments or discussions and **Member Agelasto moved to continue RES. 2017-R089 to the February 15, 2018 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

**The following resolution was considered:**

RES. 2017-R096

To authorize the issuance of general obligation public improvement refunding bonds of the City of Richmond, Virginia in the maximum principal amount of up to \$8,600,000 to refund all or portions of certain general obligation bonds previously issued by the City; to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such refunding bonds for such purposes; to provide for the form, details and payment of such bonds; and to authorize the issuance of taxable bonds in the same maximum principal amount and payable over the same period as such general obligation public improvement refunding bonds.

**Patron:** Mayor Stoney

*John Wack, director – Finance Department, introduced RES. 2017-R096 and explained that, refunding the debt to a fixed-rate bond will afford the city the option to combine this refunding bond with future borrowing requests. He stated that the estimated annual debt service for the bond would be approximately \$750,000.00 for fifteen years. He further stated that the proposal will not have an additional impact on the city's general fund annual debt service obligation; however, the outstanding debt does impact the city's overall debt capacity.*

*Member Agelasto asked a series of questions regarding the issuance of revenue bonds through the project to cover the outstanding balance and other alternatives to generate funding for its debt obligation or plans to renegotiate the terms of the agreement. He stated that he cannot support the request with the current contract.*

*Mr. Wack explained that, although the city would assume responsibility for the debt, the Economic Development Authority (EDA) will continue to apply funds received from the project to reduce the city's general fund annual debt service obligation.*

*James Duval, investment and debt portfolio manager – Finance Department, explained that the project was not generating enough revenue to support a revenue bond.*

*Member Agelasto asked the committee to consider continuing the proposed legislation to allow time for city leaders, the EDA and representatives from the Washington Redskins to discuss alternatives to the terms of the agreement.*

*Member Larson requested a complete accounting history of the project.*

*Vice Chair Jones expressed concern that Council was being asked to consider a funding request without having a comprehensive analysis of the financial implications to the city's general fund budget. Vice Chair Jones inquired about the terms of the contract and whether or not all parties had met its contractual obligations.*

*City administration provided the committee with copies of the EDA's statement of net position enterprise funds for 2017 which included the Leigh Street development.*

*A copy of the material provided has been filed.*

There were no further comments or discussions and **Member Larson moved to continue RES. 2017-R096 to the February 15, 2018 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

## **Discussion Item**

### **Personal Property Tax Exemptions**

*John Wack, director – Finance Department, provided benchmarking tax exemption threshold results by localities. Mr. Wack reported that, increasing the exemption threshold will decrease the city's tax revenue by approximately six hundred thousand dollars.*

*A copy of the material provided has been filed.*

*Member Agelasto inquired about tax exemptions for residents with energy efficient vehicles and agreed to assist city administration in obtaining a report on the number of energy efficient vehicles in the city.*

## **Staff Report**

Bill Echelberger and Charles Jackson, council budget analysts, provided the January staff report and reported that Council staff will present a synopsis of the recently distributed monthly financial report as of December 31, 2017. Mr. Echelberger also reported that the contract for Council's financial advisor has been finalized and awarded to Public Financial Management.

*A copy of the material provided has been filed.*

## **Adjournment**

There being no further business, the meeting adjourned at 6:32 p.m.