



# City of Richmond

## Meeting Minutes

### Finance and Economic Development Standing Committee

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Thursday, September 20, 2018

3:00 PM

Council Chamber, 2nd Floor – City Hall

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#### Committee Members and Staff in Attendance

The Honorable Cynthia Newbille – Chair  
The Honorable Michael Jones – Vice Chair  
The Honorable Parker Agelasto – Member (*late arrival*)  
The Honorable Kim Gray – Member (*late arrival*)  
The Honorable Kristen Larson – Member  
The Honorable Ellen Robertson – Alternate Member  
Lisa Braxton, Interim Deputy City Clerk  
Lou Brown Ali, Council Chief of Staff  
Bill Echelberger Jr., Council Budget Analyst  
Charles Jackson, Council Budget Analyst  
Pamela Nichols, Assistant City Clerk  
Tabrica Rentz, Senior Assistant City Attorney

#### Call to Order

Chair Cynthia Newbille called the meeting to order at 3:01 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

Member Kristen Larson moved to approve the minutes of the Thursday, July 17, 2018, meeting at 5:00 p.m., which was seconded and approved: Ayes 4, Larson, Robertson, Jones, Newbille. Agelasto and Gray had not yet arrived.

#### Board Vacancies

There were no board applications for the committee to consider.

## **Presentations**

There were no presentations.

## **Paper(s) for Consideration**

**Vice Chair Michael Jones moved to amend the agenda as follows:**

### ORD. 2017-197

To amend and reordain ch. 2, art. V of the City Code by adding therein a new div. 10 (§§ 2-1002-2-1008) and a new div. 11 (§§ 2-1035-2-1041) and to amend ch. 12 of the City Code by adding therein a new art. V (§§ 12-201-12-218) for the purpose of establishing an Education, Health, and Human Services Grant Commission, a Visual and Performing Arts Grant Commission, and related grant programs for nonprofit organizations to be administered by each commission.

**Patron:** Ms. Larson

### **To be withdrawn by patron**

### RES. 2017-R076

To establish, pursuant to City Code § 12-206, the per capita amounts to be used to determine budget appropriations for nonprofit organization grant programs beginning with the Fiscal Year 2018-2019.

**Patron:** Ms. Larson

### **To be withdrawn by patron**

### ORD. 2018-233

To amend City Code § 27-201, concerning parking for disabled persons in time-restricted or metered spaces in certain areas, to provide that no benefits deriving from Va. Code § 46.2-1245 shall apply within certain areas of the city.

**Patron:** Mayor Stoney

### **To be continued to the October 18, 2018 Finance and Economic Development Standing Committee meeting**

**The motion was seconded and approved:** Ayes 4, Larson, Robertson, Jones, Newbille. Agelasto and Gray had not yet arrived.

### **The following ordinance was considered:**

### ORD. 2018-030

To amend ch. 12, art. I of the City Code by adding therein new §§ 12-18 and 12-19, concerning the preparation of strategic action plans by each City department, agency, and office, for the purpose of aligning the service delivery goals of each City department, agency, and office with the City's overall strategic plan.

**Patron:** Ms. Robertson

*Alternate member Ellen Robertson introduced ORD. 2018-030. Member Robertson stated that the strategic action plans will assist in Council's budget consideration and will clearly define the city's priorities and objectives.*

Member Parker Agelasto arrived and was seated.

Shannon Paul, senior policy advisor for the Office of Performance Management – Budget and Strategic Planning, remarked that city administration has implemented many of the reporting requirements included in ORD. 2018-030, which are based on the results of the performance review.

Member Kristen Larson and Member Parker Agelasto expressed support of amending ORD. 2018-030 to ensure that the strategic action plans will align with the performance review criteria established by city administration.

Tabrica Rentz, senior city attorney, explained that the suggested amendment to ORD. 2018-030 would not be available for introduction at the October 8<sup>th</sup> Formal Council meeting.

Alternate member Ellen Robertson stated that, it was her preference not to amend ORD. 2018-030; however, she will support a consensus of the committee.

Vice Chair Michael Jones moved to forward ORD. 2018-030 to Council with no recommendation.

The motion failed for lack of a second.

There were no further comments or discussions and **Chair Newbille moved to forward ORD. 2018-030 to Council with the recommendation to approve with amendment, which was seconded and approved:** Ayes 5, Larson, Agelasto, Robertson, Jones, Newbille. Gray had not yet arrived.

Several committee members expressed concern regarding a lack of review for continued items; therefore, it was determined that the committee would be updated on the status of all patron requested continuations at the time of the request.

#### **The following ordinance was considered:**

##### ORD. 2018-195

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Agreement between the City of Richmond, 400 Hull Street, LLC, and the Economic Development Authority of the City of Richmond to induce 400 Hull Street, LLC, to construct a mixed-use development and public improvements on the approximately 2.2-acre city block bounded by Hull Street, Decatur Street, East 4th Street, and East 5th Street in the Manchester neighborhood in the city of Richmond.

**Patron:** Mayor Stoney

Douglas Dunlap, acting deputy chief administrative officer – Economic and Community Development, provided an overview of ORD. 2018-195 and noted that the applicant amended the request to include affordable housing units.

#### **Support**

**Bryan K. Jackson, partner with Hirschler Fleischer and representative for the developer,** spoke in support of ORD. 2018-195 stating that the proposed mixed-used development would significantly improve quality of life for citizens in the area and the proposed commercial component of the development was the largest of any residential development in the city. Mr. Jackson further stated that the mixed-use development will include affordable housing units for residents making less than eighty percent of the area median income (AMI) for the Richmond-Petersburg Metropolitan Statistical Area (MSA).

**Laura Lafayette, chief executive officer of the Richmond Association of Realtors**, spoke in support of ORD. 2018-195 stating that the mixed-use development was a well-rounded development in terms of affordability, amenities and area improvements.

*Member Parker Agelasto commented that the income levels for the city was considerable less than that of other localities; therefore, the development's affordable housing qualifying income levels should be based on the AMI for the city and not the Richmond-Petersburg Metropolitan Area (MSA). Member Agelasto questioned whether the grant agreement could be revised to reflect the area median income (AMI) for the city.*

*Mr. Jackson explained that financing for the affordable housing component of the project was based on the MSA as defined by the United States Department of Housing and Urban Development (HUD), and changing the standards would impact anticipate funding.*

*Alternate member Ellen Robertson provided a copy of the FY 2018 income limits summary as defined by HUD and noted that other affordable housing projects in the city were based on the MSA.*

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

*Vice Chair Michael Jones inquired about the benchmark for other residential developments as it related to AMI.*

*Member Kim Gray entered and was seated.*

*Member Kristen Larson stated that the city needs to establish guidelines for selecting economic development projects and expressed concerned that approval of the proposed mixed-used development could set a precedent for future requests.*

There were no further comments or discussions and **Member Larson moved to forward ORD. 2018-195 to Council with no recommendation, which was seconded and approved:** Ayes 5, Larson, Gray, Agelasto, Jones, Newbille.

**The following ordinance was considered:**

ORD. 2018-218

To amend City Code §§ 28-899 and 28-922, concerning the City's stormwater utility, to clarify the use of certain defined terms, and to amend the fee descriptions set forth in Appendix A of the City Code for sections 28-923 (concerning fees for developed single family residential stormwater service) and 28-924 (concerning fees for developed nonresidential and non-single family residential stormwater service) of the City Code to clarify the use of certain defined terms.

**Patron:** Mayor Stoney

*Wayne Lassiter, deputy director – Department of Public Utilities, explained ORD. 2018-218 will not change the current fee structure for the stormwater rate.*

There were no further comments or discussions and **Member Larson moved to forward ORD. 2018-218 to Council with the recommendation to approve, which was seconded and approved.**

**The following ordinance was considered:**

ORD. 2018-232

To authorize the Chief Administrative Officer, on behalf of the City of Richmond, to execute a General Services Administration Public Buildings Service Lease Amendment between the City of Richmond and the Government of the United States of America for the purpose of renewing the lease from Oct. 1, 2018, through Sept. 30, 2023, and decreasing the number of parking spaces leased to the federal government from 21 to 20 at a City-owned parking facility located at 500 East Marshall Street.

**Patron:** Mayor Stoney

*Lynne Lancaster, interim deputy director – Department of General Services, introduced ORD. 2018-232.*

There were no further comments or discussions and **Member Gray moved to forward ORD. 2018-232 to Council with the recommendation to approve, which was seconded and unanimously approved.**

**The following ordinance was considered:**

ORD. 2018-234

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute an agreement between the City of Richmond and E.LocalLink, Inc., consisting of a document captioned as "Community Video Program" together with a document entitled "Addendum to Contractor's Standard Form," for the purpose of enabling the City to participate in a Community Video Program.

**Patron:** Mayor Stoney

*Lincoln Saunders, chief of staff for the mayor, explained the intent of ORD. 2018-234.*

There were no further comments or discussions and **Vice Chair Jones moved to forward ORD. 2018-234 to Council with the recommendation to approve, which was seconded and unanimously approved.**

**The following ordinance was considered:**

ORD. 2018-235

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.20 for the tax year beginning Jan. 1, 2019, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.129 as computed in accordance with Va. Code § 58.1-3321(a).

**Patrons:** President Hilbert and Ms. Robertson

There were no comments or discussions and **Member Agelasto moved to forward ORD. 2018-235 to Council with the recommendation to approve, which was seconded and unanimously approved.**

**The following ordinance was considered:**

ORD. 2018-236

To amend ch. 26, art. V, div. 2 of the City Code by adding therein new sections 26-370-26-374, concerning a real estate tax deferral program for real estate owned and occupied as a sole dwelling, for the purpose of establishing a new real estate tax deferral program for real estate owned and occupied as a sole dwelling.

**Patron:** Ms. Gray

*John Wack, director – Finance, explained the proposed tax deferral program will have a fiscal impact on the General Fund Budget, and he provided a whitelist of the potential impacts associated with ORD. 2018-236.*

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

*Member Kim Gray stated that the intent of ORD. 2018-236 is to assist homeowners experiencing increasing real estate assessments caused by economic activity near their homes. Member Gray stated that she would work with city administration to discuss options to assist the affected homeowners.*

*Chair Cynthia Newbille asked city administration to benchmark with other localities on types of programs to assist homeowners facing similar financial hardships.*

*Member Parker Agelasto asked for an update on City Council's request for city administration to prepare a comparison analysis on the city's tax relief thresholds for annual household income and assessed home values.*

*Member Kristen Larson requested a presentation on the proposed tax deferral program and other tax relief programs provided by the city.*

There were no further comments or discussions and **Member Gray moved to continue ORD. 2018-236 to the October 18, 2018 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

**The following ordinance was considered:**

ORD. 2018-237

To amend City Code § 12-13, concerning contracts for non-departmental appropriations, for the purpose of requiring the Greater Richmond Transit Co. to enter into grant contracts with the City prior to the disbursement of any monies appropriated thereto.

**Patron:** Ms. Robertson

*Councilor Ellen Robertson provided an overview of ORD. 2018-237 and explained that the grant contract would clearly define the use of funds, cost of service and ensure that the public transportation network aligns with the needs of the city.*

*Member Kristen Larson asked for clarification for ORD. 2018-237.*

*Jay Brown, director – Budget and Strategic Planning explained that ORD. 2018-237 will not change the annual reporting requirement for the Greater Richmond Transit Company.*

There were no further comments or discussions and **Vice Chair Jones moved to forward ORD. 2018-237 to Council with the recommendation to approve, which was seconded and unanimously approved.**

**The following ordinance was considered:**

ORD. 2018-238

To amend City Code § 12-36, concerning disposition of revenues derived from the expiration of partial exemptions from real estate taxation, to provide that the proceeds from certain sales of tax delinquent properties shall be credited to the Affordable Housing Trust Fund.

**Patron:** Ms. Robertson

*Councilor Ellen Robertson provided an introduction of ORD. 2018-238 and explained that the ordinance would require that net revenues from the sale of tax delinquent properties be deposited into the Affordable Housing Trust Fund after all costs associated with the sale of the properties have been recovered.*

**Support**

**Rick Gregory, member the Affordable Housing Trust Fund Oversight Board and the Virginia Board of Housing and Community Development,** spoke in support of ORD. 2018-238 stating that funding for affordable housing will assist developers in bridging the gap between the cost of construction and the monthly rental rates for housing units.

**Laura Lafayette, chief executive officer of the Richmond Association of Realtors and member of the Partnership for Housing Affordability,** spoke in favor of ORD. 2018-238 stating that having a dedicated funding source for an affordable housing trust has proven successful for many localities.

*Member Parker Agelasto asked about the financial impact ORD. 2018-238 would have on the city's tax delinquent property sale program and debt services.*

*Meghan Brown, deputy council chief of staff, explained that ORD. 2018-238 would not impact the tax delinquent property sale program administered by the Economic Development Authority (EDA), and funds would be deposited in the Trust Fund only after all fees associated with the city attorney's costs were satisfied.*

*John Wack, director – Finance, and Jay Brown, director – Budget and Strategic Planning, expressed concern regarding the fiscal impact that ORD. 2018-238 will have on the FY 2020 General Fund Budget.*

*Member Kristen Larson requested information on the last five years' revenue and expenditure report from tax delinquent tax sales. Member Larson stated that she was not comfortable voting on ORD. 2018-238 at this time without knowing the fiscal impacts.*

*Councilor Ellen Robertson remarked that revenue from the delinquent tax sales was a one-time funding source that could be used to address the affordable housing crisis in the city.*

*Chair Cynthia Newbille stated that ORD. 2018-238 will provide the city an opportunity to begin addressing a need for affordable housing. Chair Newbille moved to forward ORD. 2018-238 to Council with the recommendation to approve, pursuant to clarification from the Office of the City Attorney regarding the tax delinquent property sale programs.*

*The motion failed for lack of a second.*

*Tabrica Rentz, senior city attorney, explained that the proposed language for ORD. 2018-238 excludes all prior obligations associated with the tax delinquent property sales program administered by the Office of the City Attorney; therefore, an amendment is not needed for further clarification.*

*Vice Chair Michael Jones moved to forward ORD. 2018-238 to Council with no recommendation.*

*Member Kim Gray expressed concern that ORD. 2018-238 was ambiguous and offered an amendment to the motion to stipulate that funds will not be allocated to the Affordable Housing Trust Fund until all other financial obligations were met.*

*The motion failed for lack of a second.*

*Member Gray requested additional information on the projected revenue from the tax delinquent property sales program and the estimated amount of revenue that will be allocated to the Affordable Housing Trust Fund.*

There were no further comments or discussions and **Member Larson moved to continue ORD. 2018-238 to the October 18, 2018 Finance and Economic Development Standing Committee meeting, which was seconded and approved:** Ayes 4, Larson, Gray, Agelasto, Newbille. Abstentions 1, Jones.

**The following resolution was considered:**

RES. 2018-R074

To increase the salary of Amy E. Robins as a Council Liaison for the City of Richmond from \$59,000.00 annually to \$63,500.00 annually.

**Patron:** Mr. Agelasto

*Member Parker Agelasto explained the intent of RES. 2018-R074.*

*Member Kristen Larson inquired about the source of funding to cover the salary increase.*

*Chair Cynthia Newbille asked Council staff to review office savings to ensure the salary increase would not require a budget amendment.*

There were no further comments or discussions and **Vice Chair Jones moved to forward RES. 2018-R074 to Council with the recommendation to approve, which was seconded and unanimously approved.**

**The following resolution was considered:**

RES. 2018-R085

To express the Council's support for the development and operation of a new pari-mutuel wagering facility and the installation of the maximum number of historical racing terminals allowed for the City of Richmond in accordance with applicable laws and regulations.

**Patron:** Mr. Jones



*Vice Chair Michael Jones introduced RES. 2018-R085 and reported that the applicant met with members of Council and the surrounding community to discuss the proposed project, which will provide employment opportunities and generate revenue for the city. Vice Chair Jones further reported that the applicant has agreed to a five-year partnership with one of the area's elementary schools.*

*Larry Lucas, chairman of Colonial Downs, highlighted the economic benefits of the newly proposed project. Mr. Lucas noted that planned security improvements would assist other businesses in area.*

*Other representatives from the Colonial Downs Group were present to respond to questions.*

*Member Kristen Larson stated that the proposed project will generate tax revenue for the city and that the committee should consider future legislation to earmark the revenue for specific projects.*

There were no further comments or discussions and **Vice Chair Jones moved to forward RES. 2018-R085 to Council with the recommendation to approve, which was seconded and unanimously approved.**

#### **Discussion Item(s)**

*There were no discussion items.*

#### **Staff Report**

Bill Echelberger and Charles Jackson, council budget analysts, provided the September staff report.

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

#### **Adjournment**

There being no further business, the meeting adjourned at 5:58 p.m.