



# ADMINISTRATION COMMITTEE MEETING SUMMARY

## Finance & Economic Development Standing Committee

Thursday, February 15, 2024

### Committee Notes

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#### 1. Ordinance No. 2024-011

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Stephen Harms, Senior Policy Advisor for the CAO's Office; Matt Welch, Senior Policy Advisor for Economic Development; Chris Nizamis, Real Estate Manager for Economic Development; Michael Nguyen, Deputy Director for Finance

Summary:

**Key Points:**

- This paper authorizes the city's purchase of 10 Belt Boulevard for community services related to homelessness and housing alternatives.
- 10 Belt Boulevard is an approximately 1.9-acre parcel of real estate consisting of a free-standing building of 56,850± square feet of office and warehouse space (B-3 General Business zoning in Council District 8).
- Purchase price is \$3.6 million plus additional closing costs approximated at \$50,000 for a combined total of \$3.65 million.
- This paper amends the FY 2024 General Fund budget by increasing estimated city revenues by a total of \$3.65 million that will be appropriated to the Department of Economic Development for purchase of the parcel.
- The \$3.65 million increase in estimated city revenues is derived from 1) \$3,140,571 in revenues from funds due to the city from the Greater Richmond Convention Center Authority in accordance with the February 1, 2000, Interlocal Agreement; and 2) \$509,429 in revenues from additional interest generated from the use.
- This ordinance is recommended for continuance.

**Fiscal Impact:** Amends the FY 2024 General Fund budget to increase city revenues by \$3.65 million.

#### 2. Ordinance No. 2024-033

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Bob Steidel, Deputy Chief Administrative Officer for Operations; Adam Hohl, Senior Policy Advisor for Operations; Dironna Moore Clarke, Office of Equitable Transit and Mobility

Summary: To revise the Main Street Station rental fee schedule based on a 2023 market analysis.

**Key Points:**



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- City Code § 8-555 authorizes the Chief Administrative Officer (or designee) to license Main Street Station or any portion thereof for temporary use by the public. The current fee schedule was last revised in 2020.
- An industry best practice is to periodically review and, as applicable, revise fees based on current and anticipated future conditions.
- In 2023, the city worked with a consultant who specializes in fees and rates analyses to conduct a market and cost analysis of Main Street Station rental fees.
- Based upon the 2023 analysis, this paper recommends revised rates. These recommended rates are intended to maximize cost recovery, best meet revenue requirements, and maintain a competitive advantage.
- If adopted, revised rental fees will be effective July 1, 2024, and will be communicated to new prospective customers. Existing contracts beyond that date will be honored at the agreed upon rates.
- The administration recommends adoption of this ordinance.

**Fiscal Impact:** Estimated \$945,000 in additional revenues.

### 3. Ordinance No. 2024-038

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Sabrina Joy-Hogg, Deputy Chief Administrative officer for Finance and Administration; Meghan Brown, Acting Director of Budget and Strategic Planning

**Summary:** Appropriates \$3.1 million in one-time revenues from the Greater Richmond Convention Center Authority (GRCCA) agreement for economic development efforts.

**Key Points:**

- This paper transfers \$500,000 from a reserve account to ElderHomes Corporation and appropriates \$3.1 million in one-time GRCCA revenues to economic development efforts in the city:
  - \$1.9 million for professional and consulting services related to the Diamond District and City Center development; and
  - \$1.2 million to reimburse the Economic Development Authority for expenditures associated with the training facility at 2401 West Leigh Street.
- The administration recommends adoption of this ordinance.

**Fiscal Impact:** Total cost of \$3.6 million (\$3.1 million in new funding and \$0.5 million in existing funding that will be a transfer within Non-Departmental or net neutral).

### 4. Ordinance No. 2024-039

**Patron(s):** All Members of Council

**Administration Point of Contact:** Joyce Davis, Council Policy Analyst



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**Summary:** To amend the pay range for the Council Liaison classification in section I of the Pay Plan.

**Key Points:**

- At the behest of Richmond City Council and in concert with the findings of an independent market and compensation analysis, this paper proposes an amendment to the general pay range for Council Liaisons in the unclassified service to \$70,000 to 110,000 from the current range of \$47,161 to \$84,669.
- The Band for the Council Liaison position is to be determined by the Department of Human Resources (HR). As a result of this legislation, it is requested that HR assigns\* the Band for the Council Liaison position to correspond with the General Range salary that approximates \$70,000 - \$110,000.
- Council has approved the increased salaries of Council Liaisons including approval for any salary above a ten percent increase that requires the approval of Council.
- The Market and Compensation analysis recommends revising and updating the City Council Liaison classification specification.
- Adoption of this Ordinance will result in an increase of all salaries of the Council Liaisons to remedy salary compression and reestablish an equalized baseline for salaries. Upon adoption of this Ordinance, the salary increases will be processed to take effect in March 2024.

**Fiscal Impact:** An estimated cost of \$31,331 for salary and fringe for the remainder of FY 2024 (March to June 30).

**5. Ordinance No. 2024-040**

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Bobby Vincent, Director of Public Works; Steve Bergin, Office of Parking Management

**Summary:** To disburse Special Parking District Funds to the neighborhood associations that are not participating in the Clean Sweep Program.

**Key Points:**

- The use of funds is outlined in the Ordinance 2010-73-86. Allowable uses include:
  - Providing clearly marked crosswalks.
  - Providing off-duty patrols for the purpose of responding to reports of loud noise and other disturbances associated with celebrations and festivities.
  - Maintaining and improving safety and cleanliness.
- The Special Parking District Fund is funded by increased citation fees in the five designated Residential Permit Districts (Fan, Carver, Mulberry, Randolph, Jackson Ward).
- The Special Parking District Fund established by Ordinance 2010-73-86 aimed at deterring negative behavior. The funds are to be used to cover the cost of enhancements that will



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provide and maintain environments that are cleaners and safer to students, residents, and visitors.

- Several neighborhood associations have opted out of the Clean Sweep Program to use funds for other beatification and security activities.
- An annual report submitted in September will account for funds received over the previous fiscal year. Funds will be distributed each October based on that amount. There will be \$147,960 from FY 2023 funds to be disbursed in FY 2024.
- The administration recommends adoption of this ordinance.

**Fiscal Impact:** Cost of \$147,960 in FY 2024.

### 6. Ordinance No. 2024-041

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Sabrina Joy-Hogg, Deputy Chief Administrative Officer for Finance and Administration; Sheila White, Director of Finance

**Summary:** To reduce the percentage of penalty applied to unpaid personal property taxes.

**Key Points:**

- Under current code, delinquent tangible personal property (i.e., vehicles) taxpayers receive a ten percent penalty and interest calculations beginning on June 6.
- This paper will reduce the percentage to a two percent penalty from June 6 to June 30. The remainder of the ten percent penalty and interest calculation will be applied to delinquent accounts as of July 1.
- This delinquent penalty and interest approach is used by other localities in Central Virginia, such as Hanover County.
- With a July 1, 2024, effective date, it will be programed and implemented for the FY 2025 tangible personal property tax due date.
- The administration recommends adoption of this ordinance.

**Fiscal Impact:** Reduction in General Fund revenues by an estimated \$565,000.

### 7. Resolution No. 2024-R005

**Patron(s):** Mayor Stoney

**Administration Point of Contact:** Sabrina Joy-Hogg, Deputy Chief Administrative Officer for Finance and Administration; Sheila White, Director of Finance

**Summary:** To set the rate of personal property tax relief for qualifying vehicles for the 2024 tax year.

**Key Points:**

- The Commonwealth, since the mid-2000's, has annually provided the City of Richmond with \$16,708,748 in Personal Property Tax Relief Act (PPTRA) funding.



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- The calculated value of relief for FY 2024 is 20 percent. As additional vehicles are garaged in the city and the value of vehicles increases, the percentage of relief reduces. Please see table 1 demonstrating the impact of relief on the taxpayer (numbers rounded for clarity):

**Table 1: PPTRA Taxpayer Impact**

	LOW-VALUE VEHICLE	MID-VALUE VEHICLE	HIGH-VALUE VEHICLE
Value Range	≤\$1K	>\$1K, <\$20K	≥\$20K
Example Vehicle	2004 Saturn Ion	2017 Jeep Wrangler	2023 Porsche Cayenne
Vehicle Value	\$980	\$19,600	\$105,000
Base Tax	\$36	\$725	\$3,885
<i>PPTRA Calculated Percent</i>	<i>100.0%</i>	<i>22.0%</i>	<i>22.0%</i>
PPTRA Amount	\$36	\$160	\$163
Taxpayer Amount	\$0	\$566	\$3,722

- The approval of this Resolution is essential to the tangible personal property billing process, as delays in approval will reduce the amount of time taxpayers have from receiving a bill to the due date.
- The supply chain impacts of COVID-19 drastically increased the valuation of vehicles. As such, the Department of Finance recommended a Freeze and Stairstep approach to provide additional aid beyond the allocated \$16.7 million in FY 2022 and FY 2023 (see Table 2).

**Table 2: City of Richmond Five-Year PPTRA History**

	2020	2021	2022	2023	2024
Resolution	<u>2020-R023</u>	<u>2021-R018</u>	<u>2022-R024</u>	<u>2023-R009</u>	<u>2024-R005</u>
PPTRA Allocation	\$16,708,748	\$16,708,748	\$16,708,748	\$16,708,748	\$16,708,748
PPTRA Percentage	50%	50%	50%	37%	22%
Note	Calculation recommended and adopted	Calculation recommended and adopted	'Freeze' Approach recommended and adopted (30.4% calculated)	'Stairstep' Approach recommended and adopted (22.9% calculated)	Calculation recommended

**Fiscal Impact:** None.



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**Presentation(s):**

1. American Rescue Plan Act (ARPA) Quarterly Report: Sabrina Joy-Hogg, Deputy Chief Administrative Officer for Finance and Administration
2. Economic Development/Economic Development Authority (EDA) Performance Grant Agreement Update: Leonard Sledge, Director of Economic Development

**Board Vacancies:** None.

**Discussion Item(s):** Review of Assigned Boards & Commissions.

**Staff Report:** None.