



City of Richmond

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

Meeting Minutes

Finance and Economic Development Standing Committee

Thursday, March 15, 2018

5:00 PM

Council Chamber, 2nd Floor – City Hall

The Honorable Cynthia Newbille – Chair
The Honorable Michael Jones – Vice Chair (*Late arrival*)
The Honorable Parker Agelasto – Member
The Honorable Kim Gray – Member (*Late arrival*)
The Honorable Kristen Larson – Member
Meghan Brown, Deputy Council Chief of Staff
Bill Echelberger Jr., Council Budget Analyst
Charles Jackson, Council Budget Analyst
Pamela Nichols, Assistant City Clerk
Candice Reid, Interim City Clerk
Tabrica Rentz, Senior Assistant City Attorney

Call to Order

Chair Cynthia Newbille called the meeting to order at 5:02 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.

Vice Chair Michael Jones arrived and was seated.

Chair Newbille announced that the committee will consider the continuation of several agenda items, to include ORD. 2018-031, during the agenda amendment portion of the meeting and anticipates holding public hearings on the continued items at its April 19, 2018 committee meeting; however, because of public interest, the committee had unanimously agreed to make a special exception to allow comments on ORD. 2018-031 during the meeting's Public Comment Period.

Paper(s) for Consideration

Member Kristen Larson moved to amend the agenda as follows:

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

To be continued to the April 19, 2018 Finance and Economic Development Standing Committee meeting

ORD. 2018-031

To amend ch. 12, art. II of the City Code by adding therein a new § 12-37, concerning the disposition of cigarette tax proceeds, and to amend Chapter 26 of the City Code by adding therein a new art. XVIII, consisting of sections numbered 26-1277 through 26-1288, concerning the levy of a cigarette tax, for the purpose of imposing a new tax on the sale of cigarettes with the intent of making additional funds available for the renovation and replacement of public school facilities in the city.

Patron: Mr. Agelasto

To be continued to the April 19, 2018 Finance and Economic Development Standing Committee meeting

ORD. 2018-101

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a First Amendment to Stone Brewery Cooperation Agreement, as Amended, dated March 2, 2015, between the City of Richmond and the Economic Development Authority of the City of Richmond for the purpose of revising the definition of "Phase 2 Facility" to allow for the demolition of an existing structure and construction of a new building.

Patron: Mayor Stoney

To be continued to the April 19, 2018 Finance and Economic Development Standing Committee meeting

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

To be continued to the April 19, 2018 Finance and Economic Development Standing Committee meeting

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

Public Comment Period

Garet Prior highlighted three beneficial uses of the additional tax revenue from the proposed cigarette tax.

Member Kim Gray arrived and was seated.

Tanya Cook, Philip Morris USA director of cigarette manufacturing, remarked that Philip Morris USA plans to continue its support of the city's schools; however, an imposed cigarette tax places an unfair burden on certain residents and negatively impacts small businesses. Ms. Cook indicated that the city receives more revenue from Philip Morris USA compared to the revenue a small percentage of cities with a cigarette tax receives.

Sayed Saddat, 7-Eleven franchisee, explained that a proposed cigarette tax will negatively impact his business, employees and his family.

Vernon Knapp, 7-Eleven field consultant, commented that statistics showed that many smokers live in lower income communities and the proposed cigarette tax will directly impact those residents and the revenue to the city.

Meena Tewodros, 7-Eleven franchisee, explained that, as a parent, he wants better school facilities for the city; however, he is concerned that a cigarette tax will cause him to lose business to the adjacent county and eventually force him to close his store.

Ernest GunaRatnam, 7-Eleven business consultant, commented that the proposed cigarette tax will cause many business owners to lose their businesses because the revenue stream from those stores will decrease tremendously.

Ansley Perkins stated that the tax revenue will provide additional funding for maintenance repairs for the city's schools, such as roof repairs and heating and ventilation upgrades.

Robin Gahan, senior director of government relations for the American Heart Association, stated that she supports the proposed cigarette tax because the increased purchase price of cigarettes would force more current smokers to quit.

Mike Thompson, president of the Thomas Jefferson Institute of Public Policy, remarked that the city needs to consider how the proposed tax would impact local businesses because a decline in cigarette sales will also impact the sale of non-tobacco items.

Camille Harris, former school teacher, stated that the revenue from the proposed tax will be used to address the needs of the city's deplorable schools, that Virginia has the second lowest cigarette tax in the nation and at least ninety-two cities in Virginia have successfully imposed a similar tax.

Dwarkesh Shah, business owner, expressed concern regarding the financial impact a cigarette tax will have on his business.

Approval of Minutes

Member Kristen Larson moved to approve the minutes of the Thursday, February 15, 2018, meeting at 5:00 p.m., which was seconded unanimously approved

Board Vacancies

There were no board applications to be considered.

Presentations

There were no presentations.

Paper(s) for Consideration - Continued

The following ordinance was considered:

ORD. 2018-045

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to accept a donation of professional services and associated tools valued at approximately \$50,000.00 from Integral Group, LLC, and in connection therewith to execute a Contract for Donated Goods and Services between the City and Integral Group, LLC for the purpose of providing a citywide energy and climate action plan.

Patron: Mayor Stoney

Alicia Zatcoff, sustainability manager – Office of Sustainability, provided an overview of ORD. 2018-045.

Support

Trip Pollard, chair of the Richmond Green City Commission, spoke in support of the proposed legislation, on behalf of the Richmond Green City Commission, stating that the proposed request will provide the services and tools to develop actions and strategies to achieve the mayor's goal to reduce carbon emissions by the year 2050.

There were no further comments or discussions and **Member Gray moved to forward ORD. 2018-045 to Council with the recommendation to approved, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2018-100

To amend City Code § 12-16, concerning the provisions of monthly financial synopses to the Council, and City Code § 12-32, concerning the disposition of funds from sale of real estate and certain insurance proceeds, for the purpose of revising the basis for calculating receipts to be credited to a special reserve assigned to support public schools in the city and requiring that monthly financial synopses provided to the City Council include activities with regard both to such special reserve and to another special reserve assigned to support the educational curriculum and programming of public schools in the city.

Patrons: Mr. Agelasto and Ms. Larson

Member Larson provided an overview of ORD. 2018-100 and noted that the proposed legislation will allow Council and the public the ability to monitor the activities of specified accounts designated for the city's schools.

John Wack, director – Finance Department, explained the department's reporting process for the required monthly financial reports for Council, and expressed concern that the proposed legislation would require monthly financial reports on accounts that are typically captured in the city's annual financial report. Mr. Wack offered an amendment to ORD. 2018-100 to clarify that city administration has already established a monthly reporting process for the revenue from the approved meals tax.

Tabrica Rentz, senior assistant city attorney, agreed to follow-up with city administration to discuss a possible amendment to ORD. 2018-100.

Member Gray inquired about the reporting process for the disbursement of proceeds from the sale of school property.

Member Agelasto stated that Council has the responsibility of appropriating funds from the special reserve for schools; therefore, Council should be updated on the disbursement of funds.

Chair Newbille asked the patrons if they are willing to work with city administration regarding ORD. 2018-100.

Lenora Reid, deputy chief administrative officer – Finance and Administration, stated that city administration is willing to work with the patrons and the city attorney to draft amendments to ORD. 2018-100.

There were no further comments or discussions and **Member Agelasto moved to forward ORD. 2018-100 to Council with the recommendation to approve with amendment, which was seconded and unanimously approved.**

The following resolution was considered:

RES. 2018-R021

To express the Council's opposition to any extension of the term of a certain Agreement dated February 14, 2013, between the Economic Development Authority of the City of Richmond, Virginia, and Pro-Football, Inc., which owns and operates a National Football League franchise known as the Washington Redskins, beyond its current expiration date of December 31, 2020, unless certain terms and conditions are met.

Patrons: Mr. Agelasto, Ms. Gray, Ms. Larson, President Hilbert, Mr. Addison, Mr. Jones and Ms. Trammell

Member Agelasto introduced RES. 2018-R021.

Chair Newbille requested to be added as a co-patron of RES. 2018-R021.

Lee Downey, deputy chief administrative officer – Planning and Economic Development, was present to respond to questions.

There were no further comments or discussions and **Member Gray moved to forward RES. 2018-R021 to Council with the recommendation to approve, which was seconded and approved.**

Staff Report

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

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 6:07 p.m.