



City of Richmond

900 East Broad Street
Richmond, VA 23219
www.rva.gov/office-city-clerk

Minutes

Finance and Economic Development Standing Committee

Thursday, October 21, 2021

1:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members and Others in Attendance

The Honorable Michael Jones – Chair
The Honorable Kristen Larson – Vice Chair
The Honorable Ellen Robertson – Committee Member

Staff Present

Samson Anderson, Council Budget Analyst
Bill Echelberger, Council Budget Analyst
Candice Reid, City Clerk
Tabrica Rentz, Acting Deputy City Attorney
RJ Warren, Deputy City Clerk

Call to Order

Chair Michael Jones called the meeting to order at 1:15 p.m., and presided.

Chamber Emergency Evacuation Plan and Citizen Speaker Guidelines

Upon the Chair's request, Deputy City Clerk RJ Warren 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 comment speakers.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of the Thursday, September 16, 2021 committee meeting, and the committee approved the minutes as presented.

Agenda Amendments

Member Ellen Robertson moved to amend the agenda as follows:

RES. 2021-R041

To express the Council's intent to appropriate 60 percent of the \$25,000,000.00 that the City anticipates that it will receive if the ONE Casino + Resort casino gaming operation is approved to community improvement projects in South Richmond and underserved communities.

Patron: Mr. Jones

To be continued to the November 18, 2021 Finance and Economic Development Standing Committee meeting.

RES. 2021-R076

To request that the Chief Administrative Officer cause all City department budget estimates submitted to the Department of Budget and Strategic Planning as part of the annual budget process to be posted to the City's website.

Patron: Ms. Lynch

To be continued to the November 18, 2021 Finance and Economic Development Standing Committee meeting.

The motion was seconded and unanimously approved.

Discussion Item

Update on the Affordable Housing Tax Abatement Program and the Commercial Real Estate Tax Abatement Program

Sherrill Hampton, Department of Housing and Community Development Director, provided the committee with an update regarding the city's Affordable Housing Partial Tax Exemption Program.

A copy of the material provided has been filed.

Member Ellen Robertson stated her support for the program and informed the committee it was important that the city inform developers of the program opportunity to help increase the city's affordable housing inventory. Member Robertson requested that the committee receive an annual report providing informative data on the program.

Vice Chair Kristen Larson inquired about promotion efforts by the city to inform citizens of the available program.

Ms. Hampton stated that the city would make the information available at city libraries and community centers. Ms. Hampton also stated that written information regarding the program would also be available in Spanish. Ms. Hampton informed the committee that a press release would be issued to promote the program.

Chair Michael Jones stated it was important that Council follow up regarding previously adopted legislation, and he informed city staff of his appreciation for the update regarding efforts related to ORD. 2020-148, adopted September 14, 2020.

Leonard Sledge, Department of Economic Development Director, provided the committee with an update regarding the city's Affordable Housing Partial Tax Exemption Program as it relates to commercial and industrial development. Mr. Sledge also provided information regarding a time extension provided to developers to apply for the partial tax exemption program.

Papers for Consideration

The following ordinance was considered:

ORD. 2021-235

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, 2022, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.071 as computed in accordance with Va.

Code § 58.1-3321(a).
Patron: President Newbille

Bill Echelberger, Council Budget Analyst, provided an introduction and background information regarding ORD. 2021-235.

Chief Administrative Officer Lincoln Saunders provided the committee with additional information regarding the impacts of the city's real estate tax rate on city revenues.

Vice Chair Kristen Larson inquired about the timeframe of the legislation and inquired if there was enough time to amend the proposed ordinance.

Mr. Echelberger confirmed that action was necessary by the November 8, 2021 City Council Formal Meeting, to allow enough time for the city to issue real estate tax bills, otherwise special meetings of Council would be necessary.

City Clerk Candice Reid confirmed that any public hearing for a real estate tax related ordinance required advertisement at least 30 days prior to the public hearing.

Member Ellen Robertson inquired about the impact if a different rate was adopted than what was proposed in ORD. 2021-235.

Chief Administrative Officer Saunders stated that any lower rate would impact the city's ability for revenue growth. Mr. Saunders also stated that any delay to attempt amending ORD. 2021-235 would greatly impact the city's ability to issue real estate tax bills to citizens.

Vice Chair Larson inquired about the city's current revenue projections.

Jason May, Budget and Strategic Planning Director, stated that the city experienced fluctuations of received revenues over the past months, and that it would be difficult to predict future revenues at this time.

Shelia White, Director of Finance, provided the committee with information regarding the city's process for issuing real estate tax bills.

Member Robertson discussed the need to sufficiently fund initiatives to address city issues, and she stated that she did not think it was the right time to cut potential city revenue.

There were no further comments or discussions and Member Ellen Robertson moved to forward ORD. 2021-235 to Council with a recommendation to approve, which was seconded and unanimously approved.

The following ordinance was considered:

ORD. 2021-286

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.135 for the tax year beginning Jan. 1, 2022, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.071 as computed in accordance with Va. Code § 58.1-3321(a).

Patron: Ms. Trammell

Chair Michael Jones stated that the city's prior tax abatement program prevented the city from receiving needed revenue, which therefore requires that the city rely on the city's real estate tax revenue to fund city initiatives.

Vice Chair Kristen Larson stated she believed the tax rate reduction proposed in ORD. 2021-286 was too large, but she informed the committee that she believed the city should review lowering the city's real estate tax rate to counter rising real estate assessments.

Member Ellen Robertson stated that it was important for the city to review methods to assist homeowners with rising real estate assessments.

There were no further comments or discussions and **Member Ellen Robertson moved to forward ORD. 2021-286 to Council with the recommendation to strike, which was seconded.**

Vice Chair Larson stated her preference that the ORD. 2021-286 not be forwarded with a recommendation to strike.

Chair Jones stated additional work by Council would be necessary in the future to fully examine the potential reduction of the city's real estate tax rate.

The motion to forward ORD. 2021-286 to Council with the recommendation to strike was approved: Ayes 2, Robertson, Jones. Noes 1, Larson.

The following resolution was considered:

RES. 2021-R075

To request that the Mayor propose an annual budget for the Fiscal Year 2022-2023 that recommends an appropriation to implement any recommendations of the Department of Human Resources' pay plan study for compensation increases for sworn employees of both the Department of Police and the Department of Fire and Emergency Services required by Ord. No. 2021-040, adopted May 24, 2021, and to express the Council's intent that any one-time bonuses proposed by the Mayor to be funded, to the extent permitted by law, as premium pay from American Rescue Plan Act funds not replace or offset any compensation increases recommended for sworn employees of the Department of Police and the Department of Fire and Emergency Services in such study.

Patron: Ms. Larson

Vice Chair Kristen Larson provided an introduction and additional background information regarding RES. 2021-R075.

Support

Bill Pantele, on behalf of Richmond Coalition of Police (RCOP), spoke in support of RES. 2021-R075, and he addressed staffing, officer recruitment, and compensation within the Richmond Police Department (RPD).

Brendan Leavy, RCOP President, spoke in support of RES. 2021-R075. Mr. Leavy stated that RPD was in the middle of a compensation and staffing crisis, and he informed the committee that the proposed resolution would help address the crisis.

Keith Andes, Richmond Firefighters Association IAFF Local 995 President, spoke in support of RES. 2021-R075, and stated it was important that Richmond public safety officers receive a new pay plan. Mr. Andes also stated that members of IAFF Local 995 were appreciative of the premium pay bonuses, but would prefer a new pay plan.

Chief Administrative Officer Lincoln Saunders stated he agreed the premium pay bonuses included in the city's proposed American Rescue Plan Act spending plan, did not fix the public safety officer pay plan issue. Mr. Saunders provided information regarding an outside consultant's review of a proposed new pay plan for public safety officers, and he also stated that city administration was currently awaiting the results of that study. Mr. Saunders requested that Council wait on the results of that study before moving forward on RES. 2021-R075.

Member Ellen Robertson stated that she supported the resolution, but requested additional information regarding the scope of the public safety officer pay plan study.

Mona Adkins-Easley, Director of Human Resources, provided the committee with information and a timeline regarding the study of the proposed public safety officer pay plan by the Segal Group.

Vice Chair Kristen Larson stated she was hopeful that the study would be completed before deliberations on the city budget begins. Vice Chair Larson also stated her concerns regarding police staffing and morale.

Chair Michael Jones stated it was incorrect to claim that Council did not care about public safety officers. Chair Jones informed members that he believed the city's tax abatement program and cuts to certain taxes, prevented the city from having sufficient funds to address public officer pay. Chair Jones also stated it was important that city administration work with representatives of public safety officers to determine necessary changes to the public safety officer pay plan.

Member Robertson again stated her concerns with moving forward on the resolution prior to receiving results of the study conducted by the Segal Group, due to the potential of public safety officer representatives opposing the results of the study.

Vice Chair Larson stated her preference that RES. 2021-R075 be adopted, so that city administration budget staff would be aware of Council's request prior to the next year's budget deliberations.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward RES. 2021-R075 to Council with the recommendation to approve, which was seconded and unanimously approved.**

Member Ellen Robertson requested that the scheduled discussion regarding the Standing Committee Crossover Report take place at a future meeting.

Chair Michael Jones recessed the meeting at 3:11 p.m.

Member Ellen Robertson left the meeting at 3:11 p.m.

Chair Michael Jones reconvened the meeting at 3:17 p.m.

Presentations

Diamond District Redevelopment Process

Leonard Sledge, Department of Economic Development Director, provided the committee with a presentation regarding the city's plan for the redevelopment of the Diamond District.

A copy of the material provided has been filed.

Vice Chair Kristen Larson confirmed that the Arthur Ashe Center was included within the scope of the redevelopment project.

Acting Deputy City Attorney Tabrica Rentz informed the committee that legal action may be necessary between the city and Richmond Public Schools regarding ownership and use of the Arthur Ashe Center.

Chair Michael Jones requested that staff work to provide committee members with information regarding Arthur Ashe Center ownership. Chair Jones also requested that honoring

Arthur Ashe, Jr. be included within the Diamond District redevelopment process.

Mr. Sledge provided the committee with information regarding plans for public and private partnerships related to the redevelopment within the Diamond District.

Discussion Item

Oversight of American Rescue Plan Act Fund Spending

Chair Michael Jones stated in the event that the city identifies surplus funding from the city's American Rescue Plan Act spending plan, Council would need to determine best practices to address the surplus funding.

Jason May, Budget and Strategic Planning Director, stated that the American Rescue Plan Act requires that the city provide updates and reports regarding spending. Mr. May informed the committee that Council would receive copies of the updates and reports. Mr. May also confirmed that any appropriation of surplus funding would require approval from Council.

Board Vacancies

Jamie Isley, Boards and Commissions Administrator, reviewed board vacancies for the committee's consideration.

Vice Chair Kristen Larson moved to forward the following reappointment applications to Council with the recommendation to approve:

Board Name	Criteria for Appointment	Applicant Name
Board of Directors of the Economic Development Authority (7 Directors)	City resident and member of the banking, lending or financial services community	John Molster (reappointment)
	City resident and member of the residential, commercial or mixed use development community	Nathan Hughes (reappointment)
Minority Business Enterprise and Emergency Small Business Advisory Board (9 members)	Representative of a minority business enterprise – Reside or work in the city	Lester Johnson, Jr. (reappointment)

The motion was seconded and approved: Ayes 2, Larson, Jones. Noes None. Robertson had left the meeting.

A copy of the material provided has been filed.

Staff Report

Samson Anderson, Council Budget Analyst, provided the committee with the October staff report.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 3:47 p.m.