

INTRODUCED: March 14, 2016

AN ORDINANCE No. 2016-091

As Amended

To amend and reordain City Code § 2-301, concerning certain definitions applicable to City Code §§ 2-301—2-304, for the purpose of modifying the definition of “economic development project” to include public investment.

Patrons – Mrs. Robertson and Mr. Agelasto

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 28 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That section 2-301 of the Code of the City of Richmond (2015) be and is hereby **amended** and reordained as follows:

Sec. 2-301. Definitions.

For purposes of sections 2-301 through 2-304 of this Code, the following words, terms and phrases shall have the meanings ascribed to them in this section, except where the context clearly indicates that a different meaning is intended:

“*Economic development project*” means an undertaking involving (i) a City expenditure or grant of at least \$5,000,000 or with a value of at least ten percent of the initial estimate of the

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: SEPT 26 2016 REJECTED: _____ STRICKEN: _____

total project cost, the pledge of a moral obligation or other financial guarantee by the City, or the conveyance of City-owned real estate with an assessed value of \$200,000 or greater, (ii) any ~~[other public or]~~ [private investment] ~~[either or both]~~ ~~[or any expenditure or contribution]~~ one or more expenditures or contributions from funds not provided by the City in connection with the undertaking made or to be made by [a political subdivision] any one or more private entities, political subdivisions of the Commonwealth ~~[or any other legal entity]~~ other than the City, or other legal entities owned or controlled by one or more political subdivisions, or any combination thereof, ~~[totaling]~~ the total value of which is at least ~~[\$5,000,000 or with a value of at least ten percent of the initial estimate of the total project cost from funds not provided by the City in connection with the undertaking]~~ \$3,000,000, and (iii) a requirement for the Council's approval to authorize the execution of a cooperation agreement, development agreement, or other contract between the City and one or more separate political subdivisions of the Commonwealth, any other legal entity owned or controlled by one or more political subdivisions, or one or more private entities in order to facilitate the construction of improvements to real property in the city of Richmond. The term "economic development project" shall not be construed to include ancillary undertakings that are associated with, but are not contained in or addressed by, cooperation agreements, development agreements, or other contracts between the City and one or more separate political subdivisions of the Commonwealth or one or more private entities, or to include projects where the only City funds involved are grants or loans of the Enterprise Zone program, Commercial Area Revitalization Effort (i.e., CARE and Extra-Care) programs, Community Development Block Grant funds, Housing Opportunities Made Equal Investment Partnership funds, Emergency Solutions Grant funds, or Housing Opportunities for Persons with AIDS funds to eligible recipients.

“Economic impact statement” means a written report containing analysis and estimates of the effect of a proposed economic development project in the city of Richmond on the creation or loss of employment and business opportunities within the city of Richmond.

“Fiscal impact statement” means a written report containing analysis of the estimated public service costs and the increase or decrease of revenues to the City associated with a proposed economic development project.

§ 2. This ordinance shall be in force and effect upon adoption.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lou Brown Ali *LB*
Council Chief of Staff

FROM Meghan Brown, Council Budget Analyst *MB*

COPY Ms. Ellen F. Robertson, 6th District Council Member
Haskell Brown, Deputy City Attorney
Vincent Jones, Deputy Council Chief of Staff *V. Jones*
Kiya A. Stokes, 6th District Liaison

DATE March 4, 2016

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TITLE Amendment to the Requirement for Fiscal and Economic Impact Statements

RECEIVED

MAR 04 2016

OFFICE OF CITY ATTORNEY

This is a request for the drafting of an Ordinance Resolution

REQUESTING COUNCILMEMBER/PATRON

Councilwoman Robertson

SUGGESTED STANDING COMMITTEE

Finance & Economic Development

ORDINANCE/RESOLUTION SUMMARY

The patron is requesting an amendment to the current City Code that requires fiscal and economic impact statements be submitted to City Council for certain economic development projects, to now include public funding as well.

BACKGROUND

The fiscal and economic impact statements are required to be provided to City Council upon introduction of an ordinance authorizing certain economic development projects. Current City Code only requires impact statements for economic development projects that involve and meet all three (3) of the following criteria:

- A City expenditure or grant of at least \$5,000,000 or with a value of at least ten percent (10%) of the initial estimate of the total project cost, the pledge or a moral obligation or other financial guarantee by the City, or the conveyance of City-owned real estate;
- Includes a private investment;
- It requires City Council approval to authorize the execution of a cooperation agreement, development agreement, or other contract between the City and one or more separate political subdivisions of the Commonwealth or one or more private entities.

Recently, City Council adopted an ordinance which authorized the Chief Administrative Officer to execute a project development agreement. The project met only two of the three criteria for requiring fiscal and economic impact statements be submitted to Council. The one criteria that was not met was that the project funding did not include any private investment. The total funding for the project was all federal, state and local government funding. Since there was no private investment the submission of the impact statement to Council was not required.

The original purpose for establishing the requirement for fiscal and economic impact statements for economic development projects was as such:

Purpose:

To assist both the governing body (City Council) and the public with understanding the potential financial and economic impacts prior to the adoption or amendment of any proposal for approval for City-funded development projects; such as, an expenditure (whether or not debt financed), moral or other financial guarantee by the City or the sale, purchase or lease of property. The impact statements are to provide Council with the information necessary to consider the intended outcomes against the financial impact of proposed City-funded development projects.

The patron believes that an amendment to the current City Code is necessary in order to ensure that the criteria for requiring the impact statements for economic development projects is in line and fully supports the intended purpose for the impact statements. The patron believes that the impact statements should be required to be submitted regardless whether there is a private investment or not. The patron is requesting to make the following amendment:

(1) Definitions:

"Economic development project" means an undertaking involving (i) a City expenditure or grant of at least \$5,000,000 or with a value of at least ten percent of the initial estimate of the total project cost, the pledge of a moral obligation or other financial guarantee by the City, or the conveyance of City-owned real estate, (ii) any other public or private entity investment, or both, ~~private investment~~ and (iii) a requirement for the Council's approval to authorize the execution of a cooperation agreement, development agreement, or other contract between the City and one or more separate political subdivisions of the Commonwealth or one or more private entities in order to facilitate the construction of improvements to real property in the city of Richmond. The term "economic development project" shall not be construed to include ancillary undertakings that are associated with, but are not contained in or addressed by, cooperation agreements, development agreements, or other contracts between the City and one or more separate political subdivisions of the Commonwealth or one or more private entities, or to include projects where the only City funds involved are grants or loans of the Enterprise Zone program, Commercial Area Revitalization Effort (i.e., CARE and Extra-Care) programs, Community Development Block Grant funds, Housing Opportunities Made Equal Investment Partnership funds, Emergency Solutions Grant funds, or Housing Opportunities for Persons with AIDS funds to eligible recipients.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact	\$	
Fiscal Summary: None		

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /sis