

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
September 11, 2012

The Henrico County Board of Supervisors convened a special meeting on Tuesday, September 11, 2012, at 4:30 p.m., in the County Manager's Conference Room, Administradon Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico, Virginia.

Members of the Board Present:

Richard W. Glover, Chairmah, Brookland District
David A. Kaechele, Vice Chairman, Three Chopt District
Tyrone E. Nelson, Varina District
Patricia S. O'Bannon, Tuckahoe District
Frank J. Thornton, Fairfield District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Joseph P. Rapisarda, Jr., County Attorney
J. Thomas Tokarz, Deputy County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Deputy Clerk to the Board/Administrative Assistant
George T. Drumwright, Jr., Deputy County Manager for Community Services
Timothy A. Foster, P.E., Deputy County Manager for Community Operations
Randall R. Silber, Deputy County Manager for Community Development
John A. Vidoulkas, Deputy County Manager for Adinistradon
C. Michael Schnurman, Jr., Legislative Liaison
Tamara McKinney, Director of Public Relations & Media Services
Eugene H. Walter, Director of Finance
Jane D. Crawley, Director of Social Services

Mr. Glover called the meeting to order at 4:32 p.m.

Mr. Hazelett briefly reviewed the three items listed on the agenda, noting that the third item might have to be moved to the September 25 special meeting depending upon the length of discussions for the first two items.

Richmond 2015 Briefing

Mr. Hazelett offered brief background information on this item and recognized Wilson H. Flohr, Jr., Chief Executive Officer for Richmond 2015, Inc. Richmond 2015 is the nonprofit organization responsible for staging the nine-day 2015 World Road Cycling Championships in Richmond. Mr. Flohr introduced the following members of his staff who were present, all of

whom are residents of Henrico County: Monica Callihan, Marketing and Event Manager; Tim Miller, Chief Operating Officer; and Lee Kalhnan, Director of Marketing and Communications. He then narrated a slide presentation explaining the role of his organization in planning, organizing, and implementing the 2015 championship; the history and scope of the annual world championships, which include 1,000 cyclists and represent 70 countries; a proposal for Henrico County to host the first event of the 2015 championships, the team time trial; the regional, national, and international visibility that the championships would bring to the County; the extensive media, branding, and community-driven opportunities associated with the championships; the \$42 million economic impact that the championships are projected to have on the County; and the proposed County investment of \$1.4 million in the championships based on the County's regional share of financial participation in the Greater Richmond Convention Center. Mr. Flohr concluded his presentation by noting that Richmond 2015 is eager to have the County as a key strategic partner.

Following his presentation, Mr. Flohr and his staff responded to a number of questions and concerns from the Board and Mr. Hazelett regarding race logistics, public and private funding sources for his organization's \$21 million budget, the estimated economic benefits of the championships, the public safety costs of staging the time trials in the County, the formula used for calculating the proposed level of financial support by the County, how worldwide television coverage of the championships is financed, the timeframe for transitioning the races from a City of Richmond venture to a regional venture, and the organization's lack of transparency in planning the races and sharing information about costs and benefits. Mr. Glover expressed disappointment that the County was not included in the planning process until one year after the bid to host the races was awarded to Richmond 2015. Mr. Thornton suggested that the plans need to be fine tuned. Mr. Nelson stated his support for the races but also voiced displeasure at the limited amount of financial information provided in Mr. Flohr's presentation given his organization's request for funding from the County.

Mr. Hazelett advised the Board that although the County continues to be a regional player he cannot recommend the expenditure of \$1.4 million in County funds for this project at this time because of uncertainties pertaining to additional public safety and security costs that would be incurred by the County, the absence of detailed budget information, and the organization's failure to provide more specifics regarding the level of support from the local corporate community and out-of-state sponsors. He further advised that County staff would continue to work on this matter and bring it back to the Board at a later date. Mr. Flohr agreed to respond back to the County with more information in three weeks.

Soliciting Contributions on County Highways

Mr. Hazelett noted that staff has been working on changing the County ordinance that addresses this topic after receiving concerns from citizens and members of the Board. He further noted that the ordinance is a work in progress requiring input from the Board.

Mr. Hazelett recognized Mr. Rapisarda, who narrated a slide presentation. At the outset of his presentation, Mr. Rapisarda reviewed the provisions of the current ordinance, which was last amended on August 12, 2008; provided background information on the current ordinance; and

reviewed the state enabling legislation, which was last amended in 2010. Mr. Rapisarda also discussed 1) the impact of the Dillon Rule on the ordinance; 2) recommended changes to the ordinance; 3) the rationale for the recommended changes; and 4) future steps, which with the Board's concurrence would lead to introduction of an ordinance paper at the Board's September 25 regular meeting and a public hearing on the ordinance at the Board's October 23 regular meeting.

Maj. Steve Alloway explained that panhandlers have been circumventing the current ordinance by sitting down in the median strip when approached by a police officer. The proposed ordinance changes would prohibit panhandling in that location whether the panhandlers are sitting or standing. Mr. Rapisarda pointed out that the changes would also take advantage of the 2010 state law amendments by adding the sale or attempted sale of services to the list of activities that are prohibited by the County.

During Mr. Rapisarda's presentation, he and Mr. Hazelett responded to questions from the Board pertaining to the exclusion of sidewalks from the County's ordinance, the inclusion of shoulders in the County's ordinance, the definition of the term "highway" for purposes of the ordinance, and the residency of persons who commonly solicit on highways in the County. Mrs. O'Bannon noted that she and some of her constituents have public safety concerns in regards to solicitation from highway median strips. Mr. Rapisarda pointed out that other localities, including the City of Roanoke, are also battling this problem.

The Board recessed for dinner at 5:45 p.m. and reconvened at 5:53 p.m.

Real Estate Assessment Trends

Mr. Hazelett recognized Mr. Walter, who explained that the purpose of bringing this matter to the Board was to clarify mixed messages in the news relating to the current real estate market. Mr. Walter pointed out that the real estate market is continuing to struggle and that growth in local real estate tax revenues is expected to be slow once the market does settle out. He narrated the first portion of a slide presentation titled *Real Estate Update*. Mr. Walter reviewed the impact of the housing crash on the County and explained charts that showed recent historical trends in average real estate tax bills and the County's real estate tax collections.

Mr. Walter recognized Tom Little, Real Estate Assessment Director, who continued the presentation by discussing mixed messages regarding residential real estate trends; recent historical trends in local residential foreclosures; neighborhood examples of average assessments during the past eight years; recent historical trends in residential new construction permits; historical home price growth trends as compared with inflation; continued gradual improvement in the commercial real estate market; Henrico's 2012 commercial breakdown; recent local historical trends in commercial real estate average assessed value, overall office vacancy rates, commercial sales, and new commercial construction; and new and future developments in the commercial market.

During the presentation, Mr. Little as well as Mr. Hazelett and Mr. Vitoulkas responded to questions from the Board relating to some of the data that was presented. Mrs. O'Bannon

commented on the large number of commercial vacancy real estate signs in her district. Mr. Hazelett noted that approximately one-third of the County's real estate tax base is commercial versus residential. He explained that it is important to provide the Board with a snapshot of where the County is in regards to real estate tax revenues as deliberations begin on the upcoming budget and the Board looks towards future bond referenda. Mr. Hazelett concluded the discussions on this item by pointing out that the County's debt capacity has declined along with real estate assessments and that the County has a long way to go before its tax base recovers from the economic downturn although the economy is showing some improvements.

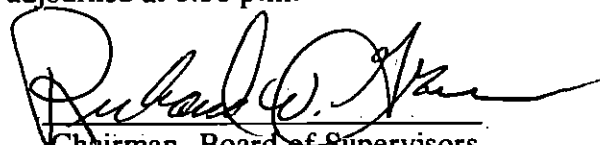
Mr. Glover presented a certificate of award to Mr. Hazelett recognizing him for 40 years of service to the County as of September 5. He thanked Mr. Hazelett for his dedication to the Board and to the citizens of the County.

Mrs. O'Bannon noted that she is a member of the Capital Region Airport Commission's Budget Committee and commented that the reduction in corporate jet activity at the airport is symbolic of corporate downsizing during the economy and has impacted airport revenues. Mr. Hazelett alluded to a large economic development project that the County is currently working on involving the airport. Mrs. O'Bannon also commented on the proliferation of dollar stores in shopping centers.

Mr. Hazelett reviewed the agenda for the 7:00 p.m. regular meeting. He noted that the public hearing items listed on the agenda were all presented to the Board in prior work sessions so the Board should be familiar with them. Mr. Rapisarda advised the Board that John Walk, a partner in local land use attorney Jun Theobald's law firm, had recently written the County objecting to the inclusion of a grandfather clause in the proposed ordinance to eliminate plan of development appeals to the Board of Supervisors. Mr. Hazelett explained the procedure for bringing forward a substitute ordinance for the item to revise the Urban Mixed Use (UMU) district. Mr. Silber responded to a question from Mr. Glover regarding how the substitute ordinance would limit the number of apartments in UMU districts. At Mr. Kaechele's request, Mr. Hazelett reviewed the resolution on the general agenda that would award a contract for professional space planning services at 1400 Best Plaza Drive. He responded to questions from the Board concerning the timeframe and scope of the contract and the background of the firm recommended by staff.

Mr. Hazelett informed the Board that slides commemorating the tragic events of September 11, 2001, would be shown during the Board meeting immediately after the Pledge of Allegiance, at which time Mr. Glover would also deliver prepared remarks and lead a moment of silence. In response to a question from Mr. Nelson, Mr. Hazelett noted that a Varina District citizen had signed up to speak during the public comment period regarding the commemoration of 9/11.

There being no further business, the meeting was adjourned at 6:38 p.m.


Chairman, Board of Supervisors
Henrico County, Virginia