

COUNTY OF HENRICO, VIRGINIA  
BOARD OF SUPERVISORS  
SPECIAL MEETING  
July 24, 2018

The Henrico County Board of Supervisors convened a special meeting on Tuesday, July 24, 2018, at 4:45 p.m., in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico, Virginia.

**Members of the Board Present:**

Frank J. Thornton, Chairman, Fairfield District  
Tyrone E. Nelson, Vice Chairman, Varina District  
Thomas M. Branin, Three Chopt District (*arrived at 5:09 p.m.*)  
Harvey L. Hinson, Brookland District  
Patricia S. O'Bannon, Tuckahoe District

**Other Officials Present:**

John A. Vithoukas, County Manager  
Joseph P. Rapisarda, Jr., County Attorney  
J. T. (Tom) Tokarz, Deputy County Attorney  
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board  
Tanya B. Harding, CMC, Deputy Clerk/Administrative Assistant  
Timothy A. Foster, Deputy County Manager for Community Operations  
W. Brandon Hinton, Deputy County Manager for Administration  
Anthony E. McDowell, Acting Deputy County Manager for Public Safety  
Anthony J. Romanello, Deputy County Manager for Community Services  
Randall R. Silber, Deputy County Manager for Community Development  
C. Michael Schnurman, Legislative Liaison  
Eric S. Leabough, Housing Specialist  
Benjamin A. Sheppard, Director of Public Relations & Media Services

Mr. Thornton called the meeting to order at 4:46 p.m.

Mr. Vithoukas referred to the items on this special meeting agenda and noted a closed meeting would be added to the agenda after presentation and discussion of the first item. He reminded the Board there was an extended conversation at the Board's retreat in January 2018 regarding an indoor sports facility. Mr. Vithoukas explained there was a relationship between the first two items listed on this agenda (Sports Tourism Update and Economic Forum). He pointed out that during the last economic downturn many parents gave up their family vacations, so their children could continue playing sports. Mr. Vithoukas introduced two college students, Madelyn Richardson and Joseph Williams, who are interning this summer in the County Manager's Office. He thanked them for their work. Mr. Vithoukas advised the Board that the special meeting was scheduled to adjourn at 6:30 p.m. to allow Board members sufficient time to have their photographs taken with all of the County's summer interns prior to the 7:00 p.m. regular meeting.

## Sports Tourism Update

Mr. Vithoulikas recognized Jack Berry, President and Chief Executive Officer of Richmond Region Tourism (RRT), who in turn recognized RRT's Vice President of Community Relations, Katherine O'Donnell. Mr. Berry narrated the first section of a slide presentation addressing this item, titled *Henrico Tourism Update*. Mr. Berry provided data documenting how Richmond, Virginia (RVA) tourism is big business. He noted Henrico is one of Virginia's top five tourism destinations, has nearly one-half of the Richmond region's hotel inventory, experienced a 3.1 percent increase in meals tax revenues in Fiscal Year (FY) 2018, and has nearly 32 percent of its meals tax paid by visitors. Mr. Berry also shared slides highlighting the region's travel segments, pointing out 93 percent of the region's visitors plan to return, 59 percent within the year. He identified tourism trends and advised the Board that 30 percent of travelers select a destination based on food, RVA is the world's number one beer destination according to VinePair Inc., and *Forbes* magazine has named Richmond as one of the ten coolest U.S. cities to visit in 2018. Mr. Berry concluded his presentation by mentioning how RRT is promoting travel and reaching travelers through social media.

Mr. Berry recognized Dawn Miller, the County's Recreation Tourism Specialist, who in turn recognized Neil Luther, Director of Recreation and Parks, and Jason Schilling, the County's Sports Tourism Coordinator. She introduced Jaren Mustain, a college student who is interning this summer in the County's Division of Recreation and Parks. Mrs. Miller narrated the second section of the presentation, titled *Sports Tourism: Visit Henrico County*. She noted sports tourism is RVA's fastest-growing segment and mentioned that state and international softball tournaments are being held this year in Henrico. Mrs. Miller documented the economic impact of sports tourism in Henrico from athletic fields, pointing out there was a 42 percent increase from 2012 to 2017 but also a 26 percent increase in the lost economic impact of sports tourism from 2016 to 2017 because of a shortage of fields and facilities. She provided statistics pertaining to indoor sports in Henrico; identified needs for an indoor sports facility; explained seating possibilities for such a facility; reviewed the key impacts of an indoor sports facility; and compared the sizes, number of basketball courts, and seating capacity for several existing indoor sports facilities in Virginia, North Carolina, South Carolina, Pennsylvania, and Tennessee. Mr. Schilling distributed to the Board a draft prototype for an indoor sports facility, which would also include 24 volleyball courts, a concession area, a viewing mezzanine, and meeting/film rooms. Mrs. Miller shared a conceptual rendering of the prototype facility's floor plan and site plan and suggested a 200,000-square-foot facility with 12 high school basketball courts and 4,900 retractable seats would be appropriate for Henrico. She confirmed for Mrs. O'Bannon that an indoor track could also be included in this type of facility.

Mr. Berry narrated the final section of the presentation, titled *RVA Is Better Than Ever*. He highlighted the growth in airport traffic at Richmond International Airport and enhancements that have been made to Richmond International Raceway.

Mr. Luther responded to questions from Mr. Nelson and Mr. Branin regarding the layout of the prototype facility, including seating options and options for accommodating sports other than basketball. In response to questions from Mr. Thornton, Mr. Vithoulikas informed the Board that staff had put together a draft request for proposals to help the County build the facility under the Virginia Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). Mr. Luther advised Mr. Thornton the projected lifespan for the facility would be at least 20 to 25 years. Mr. Thornton remarked the PPEA process could also be used as a tool

to develop an aquatics center in Henrico. Mr. Vithoulkas and Mr. Rapisarda responded to questions from Mr. Thornton and Mrs. O'Bannon pertaining to the PPEA procurement process. Mr. Vithoulkas advised the Board that his plan was to initiate the PPEA process by August 1, have a private partner selected after a Board public hearing on December 11, and reach a final agreement with the partner in 2019. There was further discussion among Board members and Mr. Vithoulkas concerning the PPEA process and the County's role in establishing design and cost parameters. Mr. Hinson commented he thought staff had brought forward a great concept for a facility that is badly needed. Mr. Nelson pointed out data supports the need for this facility and stated he believes the County should strike while the iron is hot. Mr. Vithoulkas extended kudos to the County's Division of Recreation and Parks staff for managing multiple, mega projects and boosting County revenues by promoting sports tourism. He agreed with Mr. Thornton that the County can consider using another PPEA proposal for the development of an aquatics center.

In response to a question from Mr. Nelson, Mr. Luther updated the Board on plans for future outdoor athletic facility development at Greenwood Park. Mr. Thornton confirmed there was consensus from the Board for staff to hone the conceptual rendering of the facility and bring it back to the Board for further review and discussion. Mr. Vithoulkas thanked the members of staff who have worked on this proposal, including the Division of Recreation and Parks and the County Attorney's Office.

On motion of Mr. Branin, seconded by Mr. Nelson, the Board approved going into a closed meeting at 5:39 p.m. for Consultation with the County Attorney Pertaining to Actual Litigation Styled *In. Re: March 22, 2018 Decision of the Board of Zoning Appeals of Henrico County*, Pursuant to Section 2.2.-3711(A)(7) of the Code of Virginia, 1950, as Amended.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Thomas M. Branin	
Harvey L. Hinson	
Patricia S. O'Bannon	

On motion of Mr. Branin, seconded by Mr. Nelson, the Board approved going out of the Closed Meeting at 6:01 p.m.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Thomas M. Branin	
Harvey L. Hinson	
Patricia S. O'Bannon	

On motion of Mr. Hinson, seconded by Mr. Nelson, the Board approved the attached Certificate of Closed Meeting.

The vote of the Board was as follows:

<u>Aye</u>	<u>Nay</u>
Frank J. Thornton	
Tyrone E. Nelson	
Thomas M. Branin	
Harvey L. Hinson	
Patricia S. O'Bannon	

The Board recessed at 6:01 p.m. and reconvened at 6:06 p.m.

### **Economic Forum**

Mr. Vithoulkas recognized Robert McNab, a professor with Old Dominion University's Dragas Center for Economic Analysis and Policy and Strome College of Business; and Michael Varano, Managing Director and Senior Portfolio Manager for PFM Asset Management LLC. Professor McNab narrated a slide presentation addressing this item, titled *Economic Outlook*. He began by reviewing graphs containing state (Virginia) and national data highlighting historical trends in national economic expansions, gross domestic and nonfarm employment growth, recovery from the 2007 Great Recession, and unemployment rates. In the interest of time, he skipped over slides included in the printed handout of his presentation that contained Virginia and national data highlighting job openings, corporate profits as a percentage of gross domestic product (GDP), price/earnings and home price indices, new residential construction, and cash out refinance activity. During the second section of his presentation, Professor McNab reviewed graphs highlighting historical trends in federal spending, including the Department of Defense's base budget and discretionary budget authority as well as projected trends in the federal deficit and net interest on the federal debt. He responded to a question from Mrs. O'Bannon regarding a graph depicting the employment of individuals in Henrico County from January 2007 to May 2018. The third section of Professor McNab's presentation highlighted historical trends in Henrico County's civilian labor force, employment and unemployment, median household income, and population with subprime credit. His presentation concluded with observations pertaining to accelerated growth and increased economic growth in 2018. Professor McNab responded to a question from Mr. Nelson concerning the anticipated timeframe of the next recession.

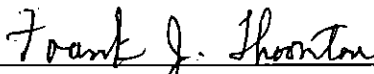
Mr. Morano narrated a slide presentation also addressing this item, titled *National Economic Update*. He began by reviewing current market themes and then reviewed graphs highlighting trends in the national labor, housing, and mortgage markets; banking conditions; inflation; Standard & Poor's (S&P) 500, and consumer debt. He then shared statement highlights from the Federal Open Market Committee (FOMC) relating to the labor market, national economic activity, and anticipated further gradual increases in the target range for the federal funds rate. He responded to questions from Mr. Branin regarding the impact of rising interest rates on the housing market and the anticipated timeframe for the next major downturn in the economy. Mr. Morano concluded his presentation by identifying geopolitical risks around the globe and sharing a slide on recent trends in the U.S. Treasury

yield curve. He responded to a question from Mr. Nelson pertaining to future short-term and long-term trends in interest rates.

### **Regular Meeting Agenda Items**

Mr. Vithoukas advised the Board that he would skip reviewing the items on the 7:00 p.m. regular meeting agenda so the Board would have sufficient time before the 7:00 p.m. meeting to have their photographs taken outside the building with the summer interns.

There being no further business, the meeting was adjourned at 6:35 p.m.

  
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Chairman, Board of Supervisors  
Henrico County, Virginia