Work Session Agenda
Staunton City Council
Rita S. Wilson Council Chambers
October 26, 2023
5:00 p.m.

5:00 p.m.	**1.**	**Consideration of Work Session and Regular Meeting Agendas**
5:05 p.m.	**2.**	**Discussion of Request of Green Street Re-Designation**
5:20 p.m.	**3.**	**Staunton Public Library Annual Report 2022-2023**
5:35 p.m.	**4.**	**Discussion of City of Staunton Alternative Energy Plan Proposal**
5:50 p.m.	**5.**	**Update on Staunton's Pathway to Affordable Housing and Housing for Working Families**
6:10 p.m.	**6.**	**Discussion of Panhandling and Potential Signage in the City of Staunton**
6:25 p.m.	**7.**	**Closed Meeting for (i) Discussion of the Performance of the City Manager, and (ii) Discussion of the Acquisition of Real Property within the City of Staunton on Thornrose Avenue Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy of the Public Body (Includes Break Until Regular Meeting at 7:00 p.m.)**

Regular Meeting Agenda
Staunton City Council
Rita S. Wilson Council Chambers
October 26, 2023
7:00 p.m.

Call to Order

Pledge of Allegiance

Invocation/Moment of Silence—Robertson

Proclamation—Attendance Awareness Month

Mayor's Report

Additional Items by Members of Council

REGULAR MEETING

A. Consent Agenda

A.1. Approval of Minutes
Work Session and Regular Meeting of October 12, 2023

A.2. Consideration of Proclamations to be Presented in Council Chambers at the November 9, 2023 City Council Meeting—Veterans Day and Small Business Saturday

All items will be voted on in one (1) motion. If so requested by any member of Council, an item placed on the consent agenda shall be removed and taken up as a separate matter at the end of the Regular Meeting.

B. Public Hearing and Consideration of Application for Exemption from Real Estate Property Taxes by Valley Area Community Support Inc., dba Valley Supportive Housing

C. Consideration of Resolution Endorsing an Application by City of Staunton to the Virginia Department of Housing and Community Development for a Virginia Industrial Revitalization Fund Loan for the WSH Boiler/Steam Plant Project

D. Consideration of Resolution Establishing the City of Staunton's 2024 Legislative Program

Matters from the City Manager

Matters from the Public*

Adjournment

***Public Participation** **For instructions on how to participate in a Public Hearing and Matters from the Public portions of the City Council meeting visit www.staunton.va.us/council.**

Per **Council Procedure Memorandum No. 5**, **Grant Applications**, grants that do not require City funds or property to be contributed as a matching share do not require City Council approval. However, Council's procedure requires that the City Manager report all such grants to Council no later than the second meeting of City Council following their approval and submittal by the City Manager. Recently approved and submitted grants include:

1. **Police Department:** *Department of Motor Vehicles Highway Safety Grant, funding in the amount of $20,444, with an in-kind match of $10,222 in the form of fuel and vehicle maintenance*. This grant will provide funds for overtime, training and equipment (radar units) to help the city reduce the number of fatalities, injuries and related economic losses resulting from traffic crashes on the city's roadways.

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**City Council**
Item #	**1**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Values: Integrity Engagement**	
Subject:	**Work Session and Regular Meeting Agendas**	

Background: Consistent with Procedural Memorandum No. 3, attached are draft meeting agendas for City Council's consideration and for approval as Council prefers.

Suggested Motion: I move to approve the Work Session agenda and the Regular Meeting agendas [as presented] [with the following changes: as to the Work Session, the addition/deletion of __________; as to the Regular Meeting, the addition/deletion of __________].

City Manager: Leslie Beauregard

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**October 26, 2023**	**City Council** **Amanda Kaufman** **Assistant City Manager**
Item #	**2**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Inclusion & Equity**	
Subject:	**Discussion of Request for Green Street Re-Designation**	

Background: City Council has received a request from Melissa Patrick, Quartermaster at Thomas-Fields VFW Post 7814, to re-designate Green Street. The request is to honor, via proclamation, the memories of two African American war heroes from Staunton: Captain William Washington Green, Sr. – Buffalo Soldier and WWI officer, and Captain William W. Green, Jr. – Tuskegee Airman and Korean War veteran. Ms. Patrick will attend the work session to present her proposal and to answer any questions.

Attachment: VFW Post 7814 request for re-designation

City Manager's Recommendation: If City Council approves this request, this item will be included on the November 9, 2023 Consent Agenda for consideration, and staff recommends that a date be set to hold a proclamation ceremony at Green Street to honor this re-designation.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Attachment 1

Resolution

WHEREAS the street in the Newtown Addition of the city of Staunton, Virginia known as Green Street was originally named for General Nathaniel Greene, a Revolutionary War hero and the commander under whom the Augusta Militia served;

WHEREAS the correct spelling of General Greene's name has been corrupted over time so that the spelling of Green Street no longer accurately reflects the original purpose of the naming;

WHEREAS the citizens of Staunton can be proud of the military service of two African-American residents of the city who were war heroes in World War I and World War II, to wit: Captain William Washington Green, Sr. who was a Buffalo Soldier in the 24th Infantry Regiment from 1898-1917, was commissioned as a Captain in the first Officer Training School class of African-American officers in 1917, was a company commander in the segregated 92d Division of the American Expeditionary Force in France, was awarded both the Silver Star and Distinguished Service Cross for exceptional heroism on the battlefield, and who retired to Staunton, living here until his death and is now buried in Thornrose Cemetery; and Major William W. Green, Jr, who was a pilot of the Tuskegee Airmen. William Green, Jr. was a graduate of Booker T. Washington High School in 1939, graduated from flight school in 1943, flew 123 combat missions with the 332d Fighter Squadron, is credited with three aerial kills, was shot down over Yugoslavia whereupon he joined Tito's partisans, fighting behind enemy lines and participating in a resupply mission. For his work with the Partisans, he was awarded the Yugoslav Order of the Partisan Star, 3d class, and is the only American to be so recognized. He was also awarded the Distinguished Flying Cross and Air Medal (6 oak leaf cluster). He also flew combat missions during the Korean War before retiring;

WHEREAS the Thomas-Fields Veterans of Foreign Wars (VFW) Post 7814 was chartered in 1946 to honor African-American military personnel who served during World Wars I and II and today continues to honor and keep alive the memories of Staunton-Augusta African-Americans who served honorably during an earlier time of segregation;

Now therefore, be it **RESOLVED** that the Thomas-Fields VFW Post 7814 respectfully requests that the City Council of Staunton, Virginia proclaim that Green Street in said city be designated to honor the memories of two Staunton African-American war heroes who served selflessly and with distinction, Captain William Washington Green, Sr., Buffalo Soldier and World War I officer, decorated for heroism on the battlefield; and Captain William W. Green, Jr., Tuskegee Airman and Korean War veteran, who was decorated for his aerial exploits and heroism, in addition to honoring the Revolutionary War hero Nathaniel Greene.

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**Staff Member:** **Sarah Skrobis**
Item #	**3**	
Department:	**Library**	
Alignment with Staunton Plan (Value/Strategic Area):	**Values: Inclusion & Equity, Excellence, and Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Staunton Public Library Annual Report 2022-2023**	

Background: Sarah Skrobis, Director of Library Services, has prepared the attached annual report of activities for the past fiscal year and will present a general update on the Staunton Public Library's activities.

Attachment: Staunton Public Library Fiscal Year 2022-2023 Report

City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Attachment 1

STAUNTON™
PUBLIC LIBRARY

Fiscal Year 2023 Report:
July 1, 2022 - June 30, 2023

At a Glance: Circulation & Collections

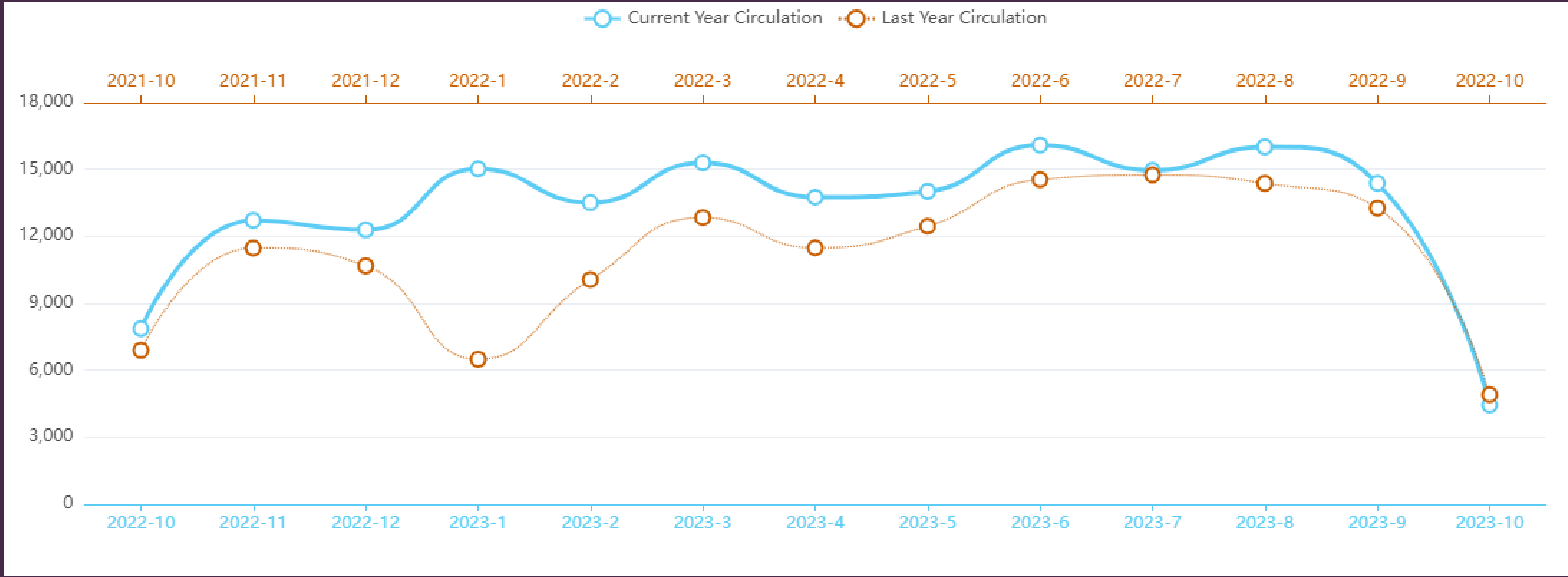
253,718
Items Checked Out*

9,104
Physical Items Added

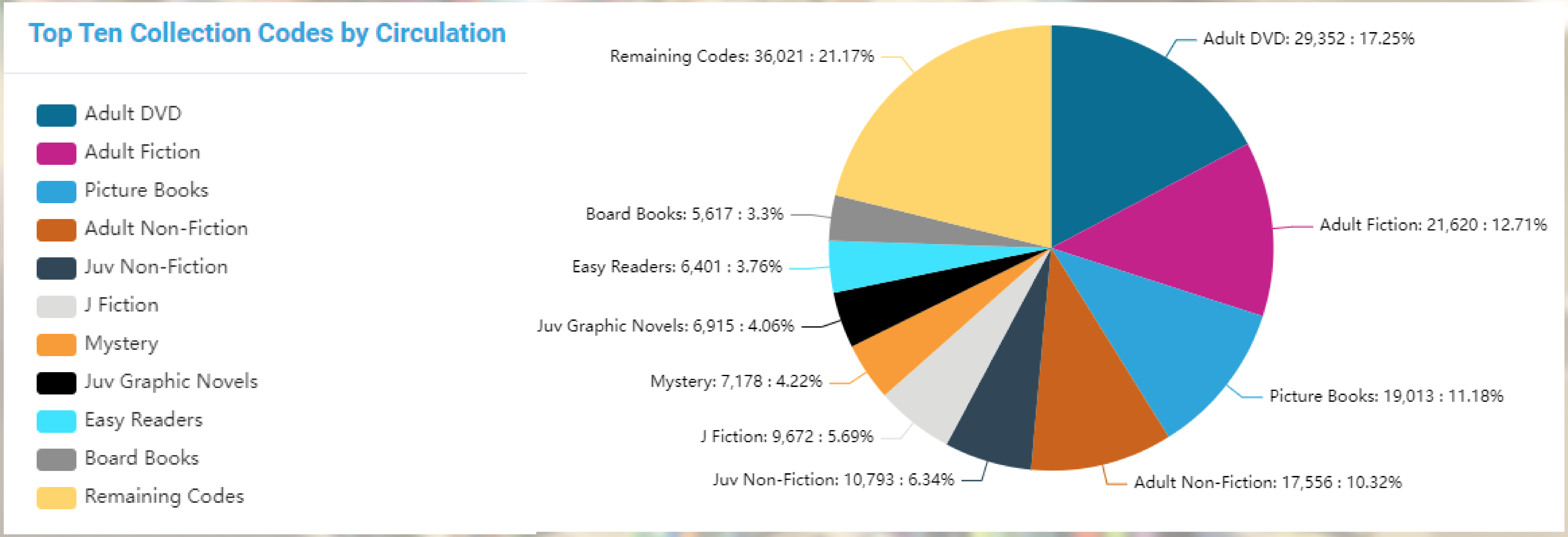
***When factoring in automated renewals: roughly 398,000**

Circulation: Up 23%

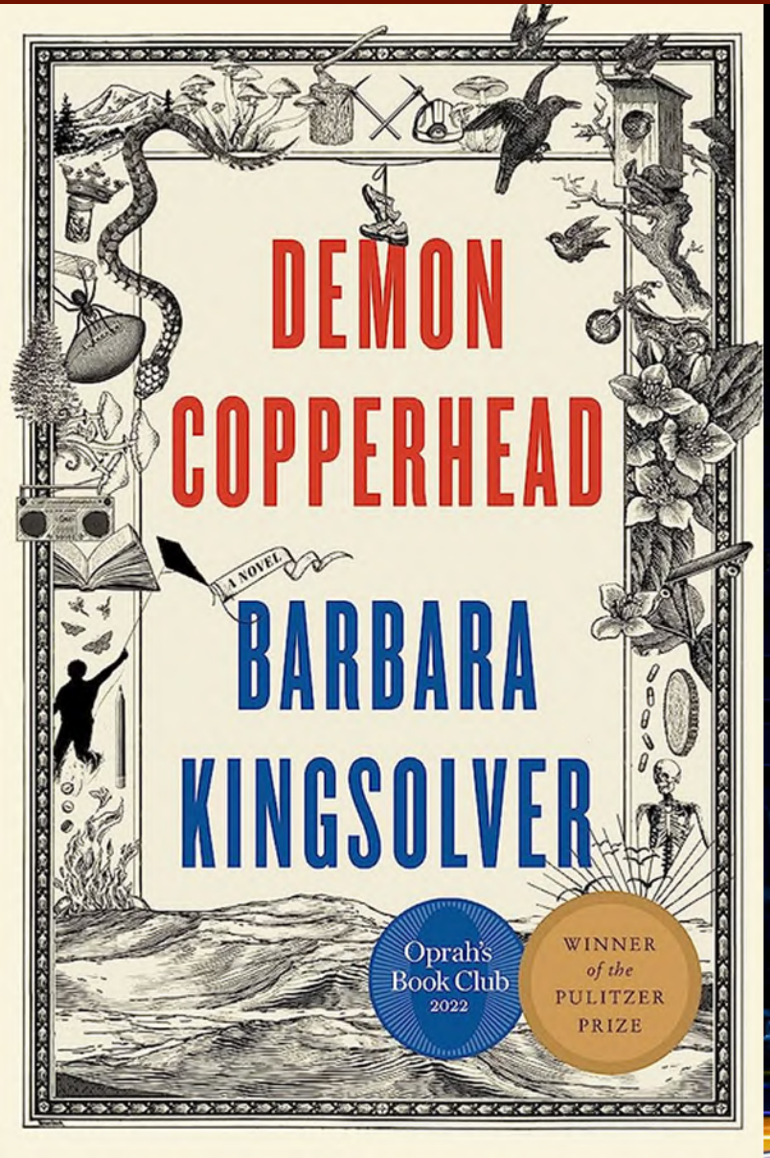
FY 2022	205,559
FY 2023	253,718

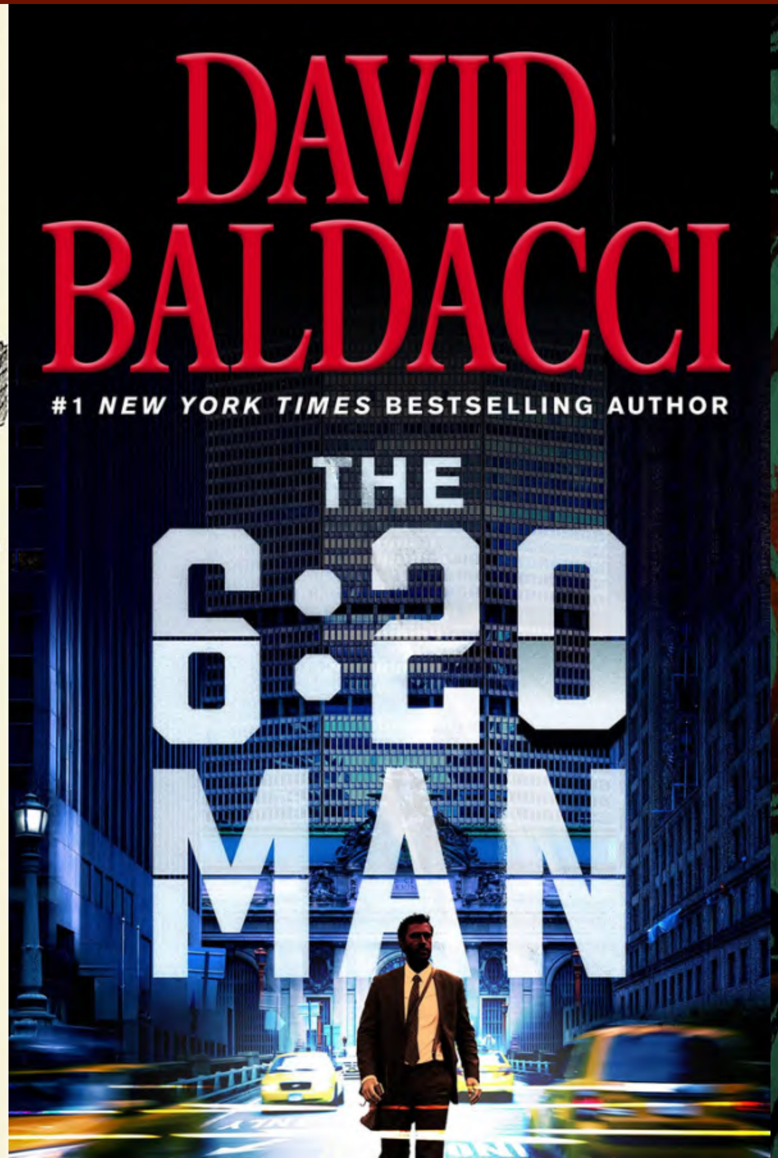


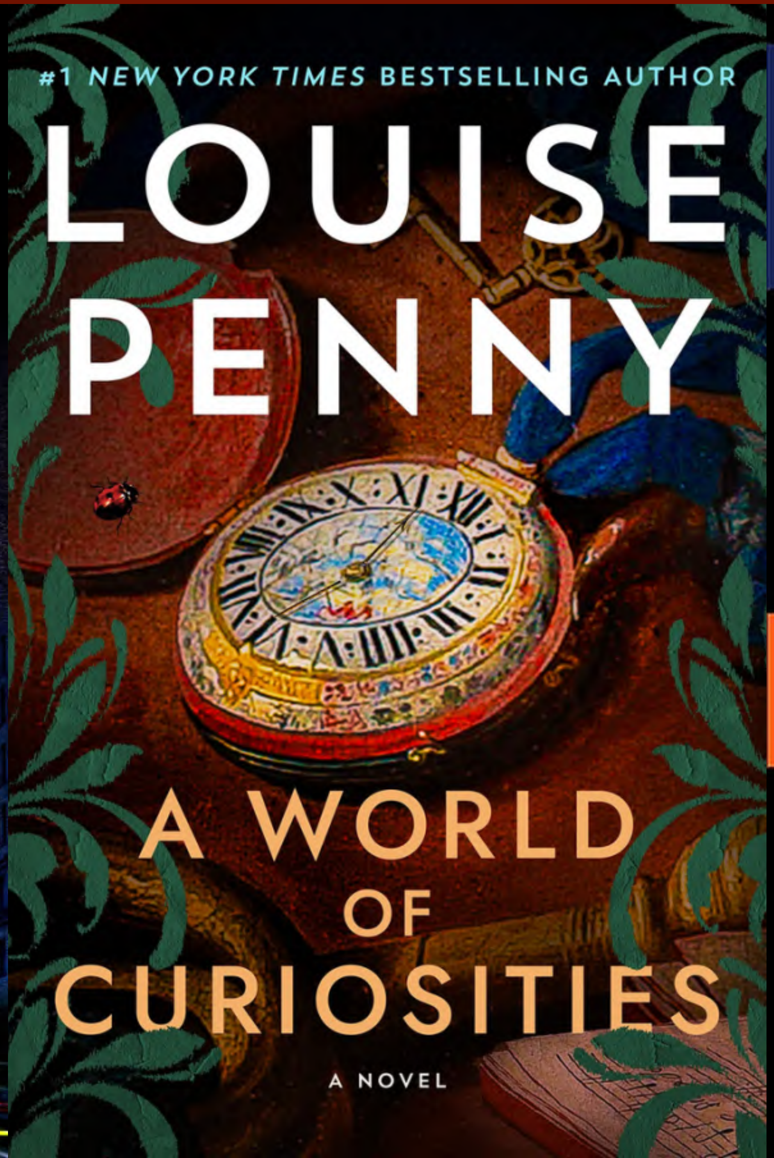
Top Circulating Physical Collections

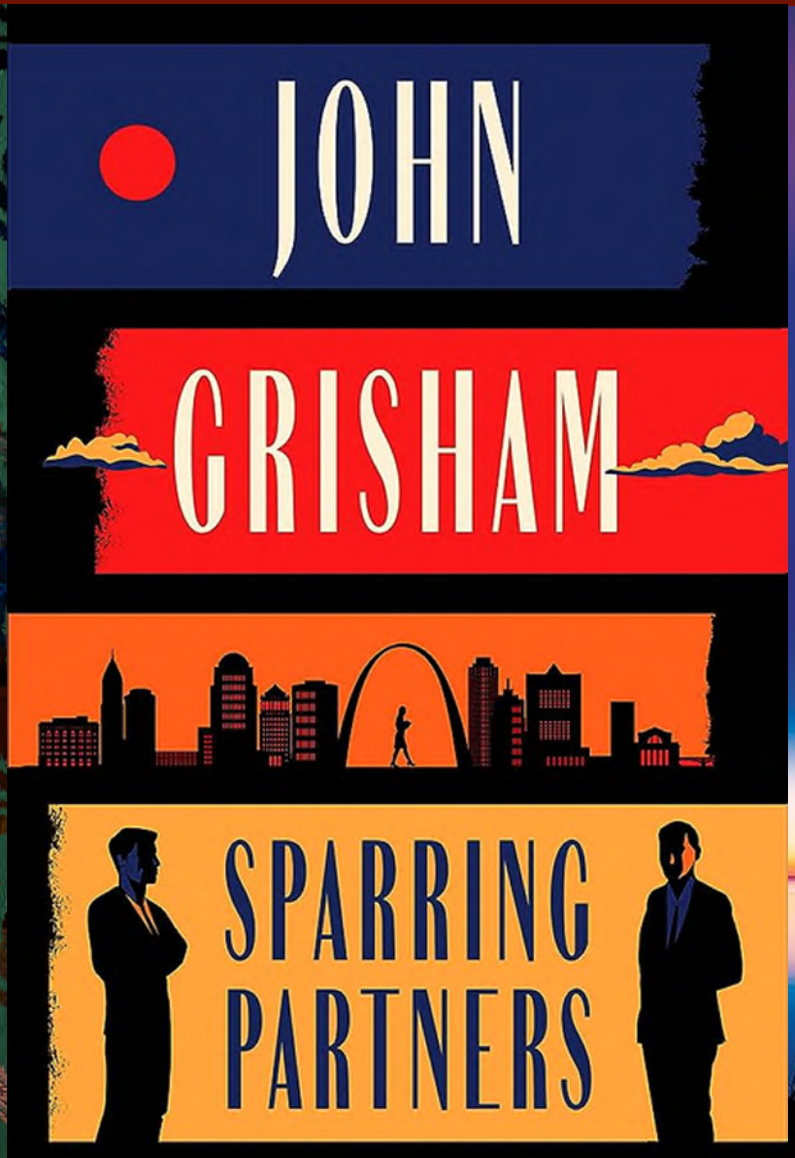


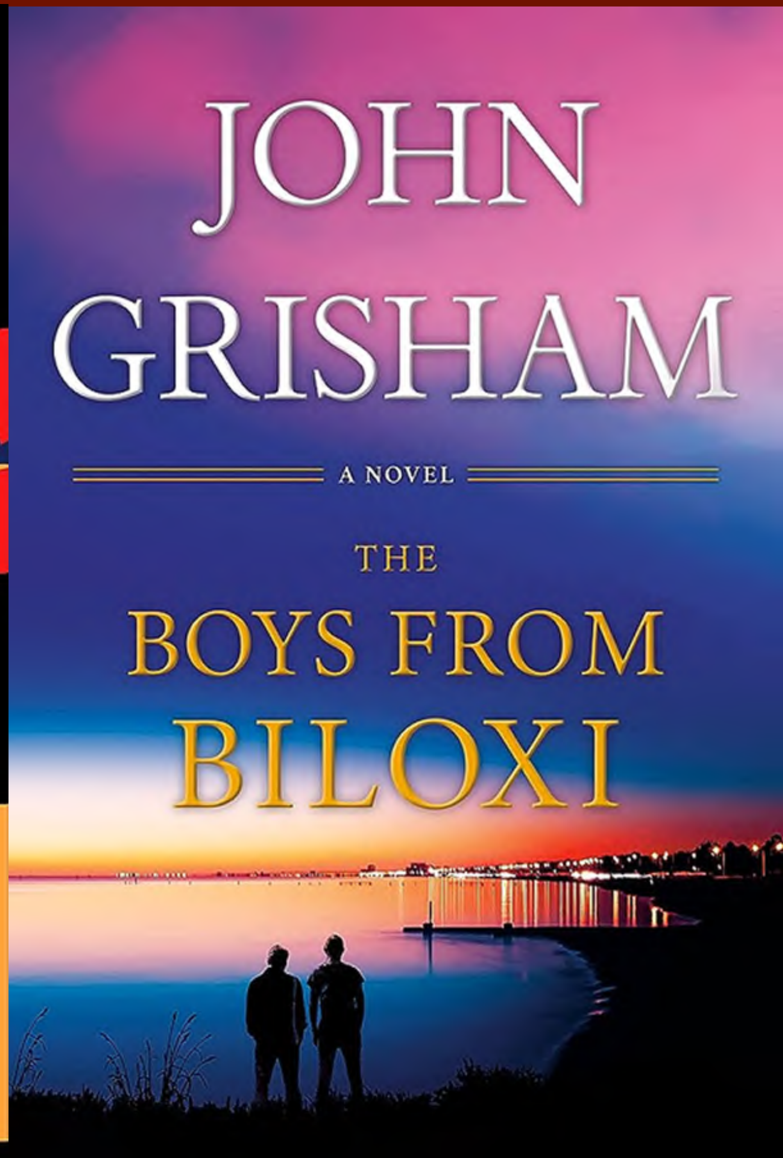
Top 5 of FY23


DEMON
COPPERHEAD
A NOVEL
BARBARA
KINGSOLVER
Oprah's Book Club 2022
WINNER of the PULITZER PRIZE


DAVID
BALDACCI
#1 NEW YORK TIMES BESTSELLING AUTHOR
THE
6:20
MAN


#1 NEW YORK TIMES BESTSELLING AUTHOR
LOUISE
PENNY
A WORLD
OF
CURIOSITIES
A NOVEL

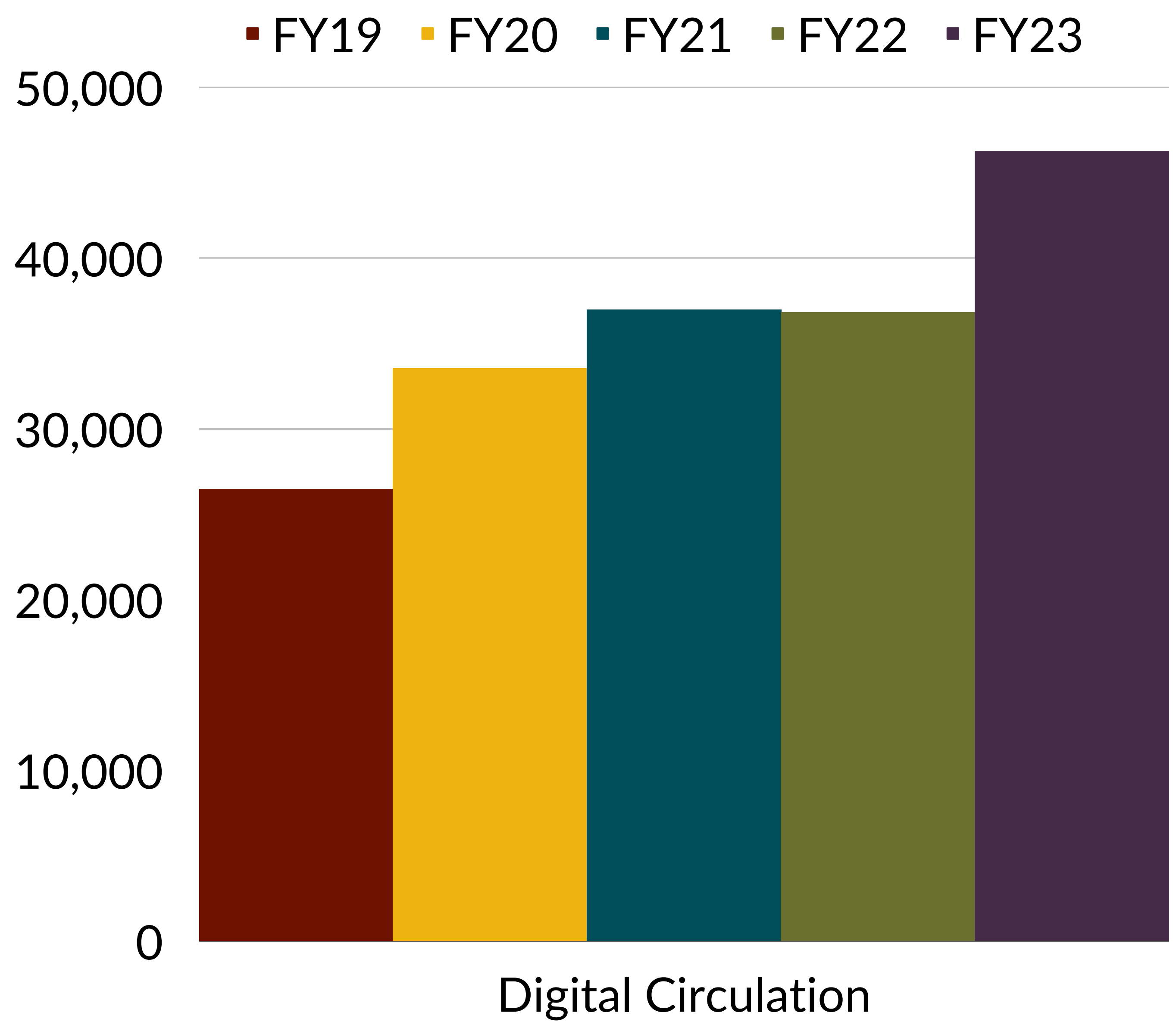

JOHN
GRISHAM
SPARRING
PARTNERS


JOHN
GRISHAM
A NOVEL
THE
BOYS FROM
BILOXI

Digital Collections

- Over 18% of FY23 circulation
- Digital audiobooks check out 6x the rate of books on CD

Digital circulation has increased 75% since 2019!



At a Glance: People

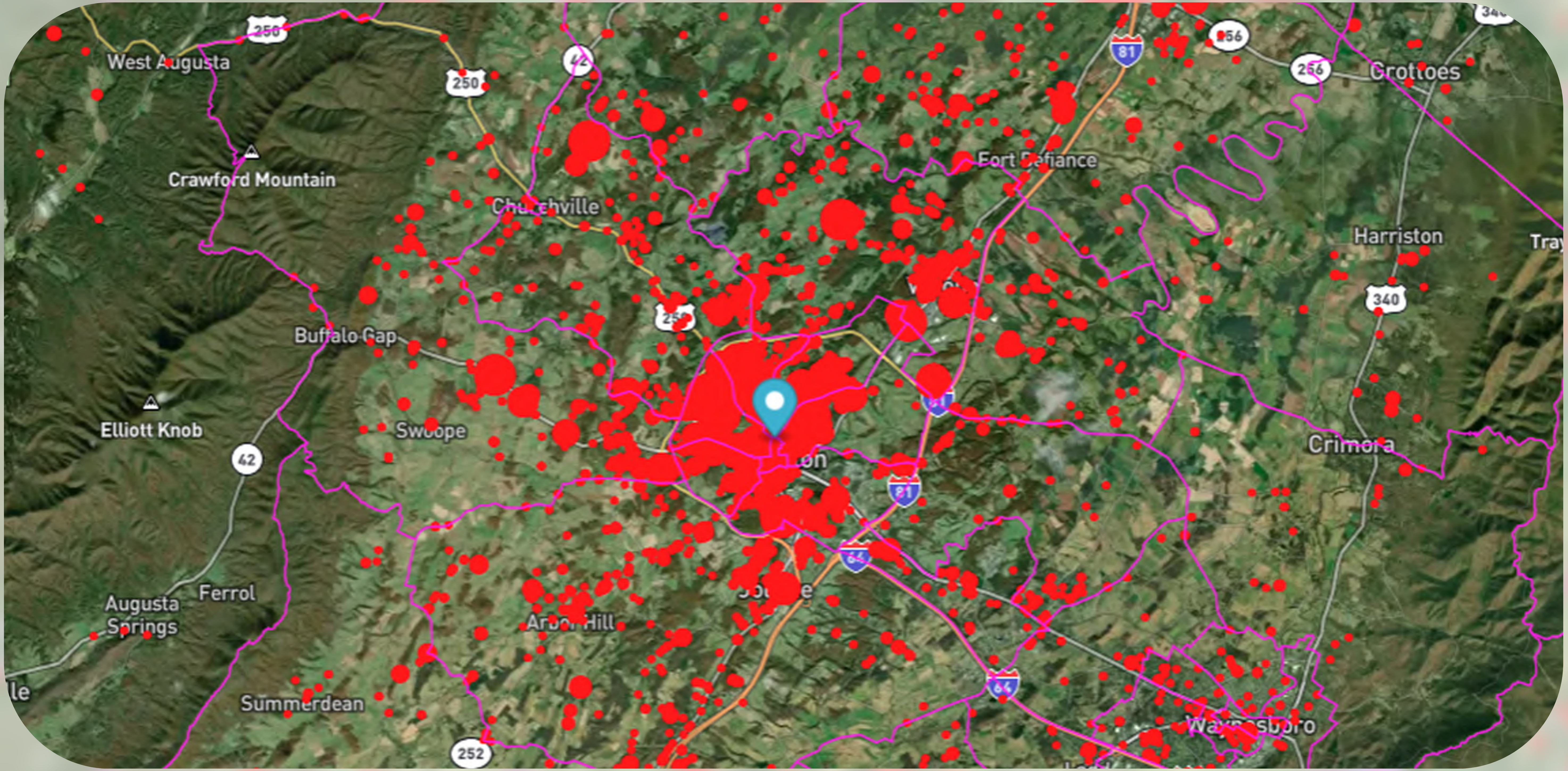
133,500
Estimated Visitors

7,879
Computer Users

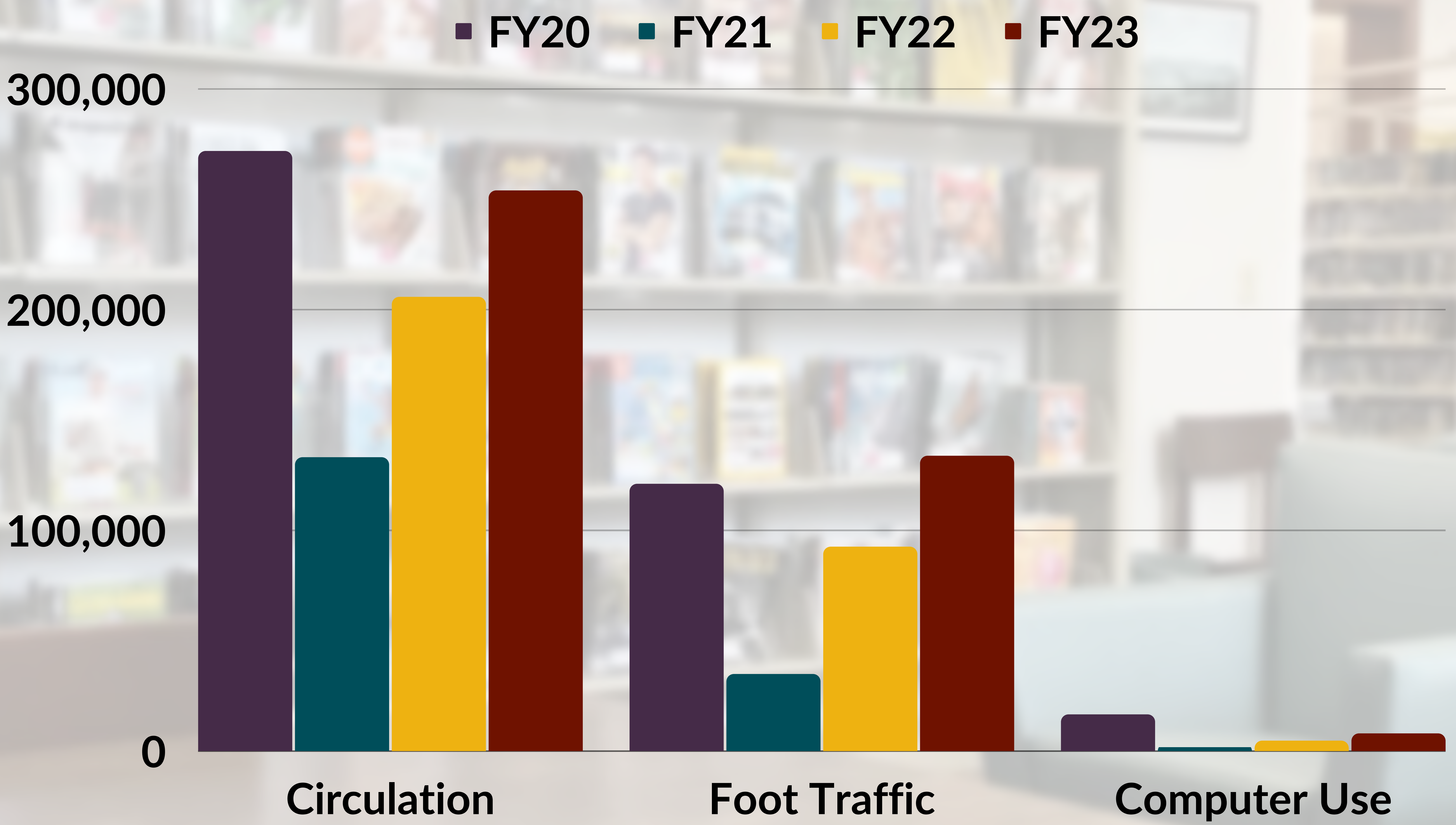
1,347
Friends of the Staunton Library
Volunteer Hours

19,879
Total Card Holders

22.8% increase in the number of new card registrations



Comparison to previous fiscal years:



Last Year:

- 653 Events
- 10,348 Attendees

Community & Outreach

648

Events

26,380

Attendees

155% increase in attendance!

Photo courtesy of Grow Explore Photography

PARTNERSHIPS

- Parks & Recreation
- Valley Libraries
- VDH
- HeadCount
- Virginia Festival of the Book
- Shenandoah LGBTQ Center
- Valley Conservation Council
- Redbeard Brewing

OUTREACH

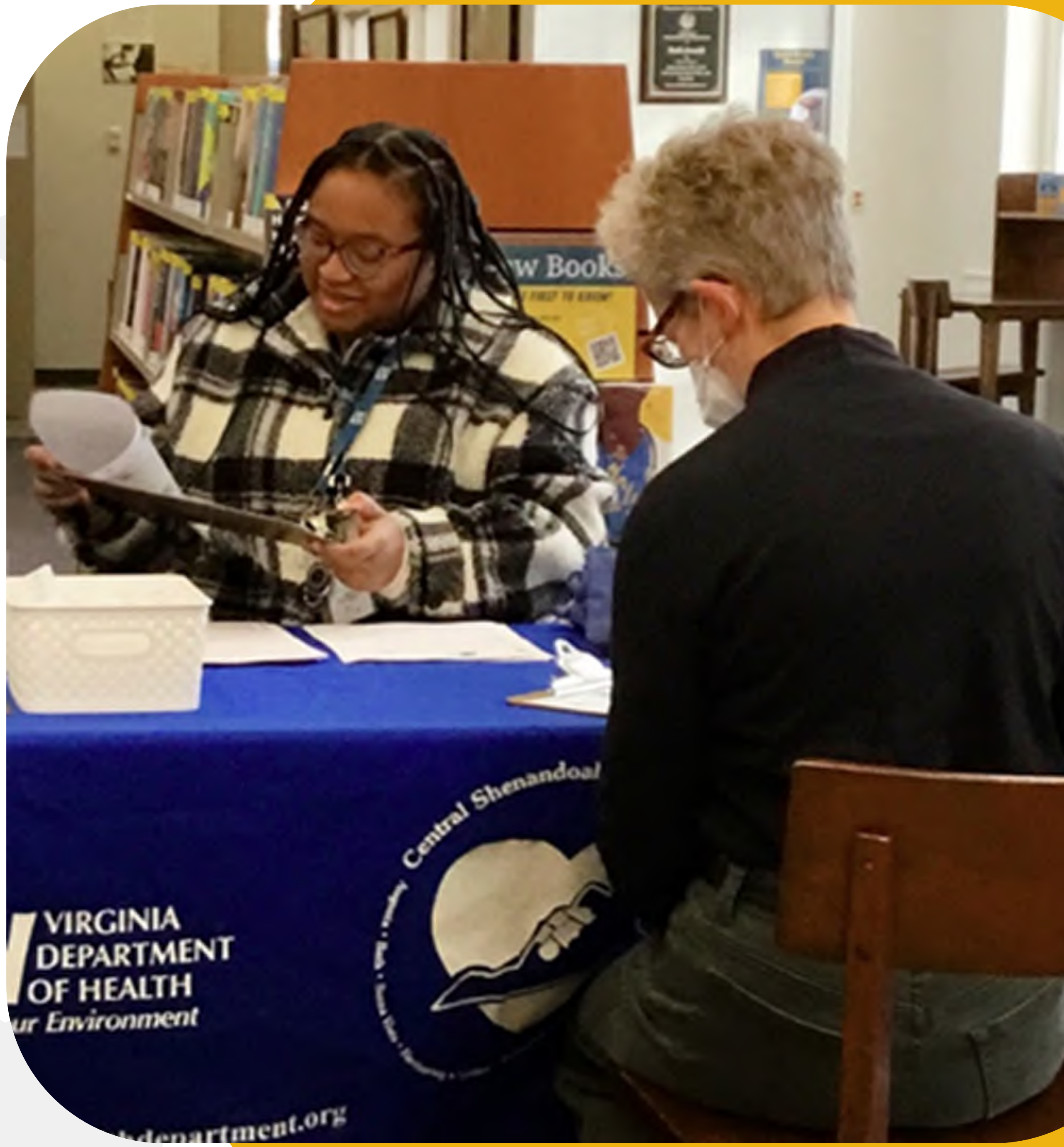
- Farmer's Market
- Pride
- Fall Foliage Festival
- Kids Matter Day
- Senior Health Fair
- Local daycare and early childhood learning centers

EVENTS

- Little Lunch Music
- Author Panels
- Conservation programs
- 1st Annual Tiny Art show
- Financial Literacy seminars
- Disinformation Escape Room

Noteworthy Community Engagement

- Relaunched quarterly print brochure
- 40 people certified as lay rescuers for opioid overdose emergencies through Revive! Training from VDH
- Hosted *What We Lost* exhibit in partnership with Building Bridges for the Greater Good
- Implemented new programming for homeschoolers
- Summer reading participation increased 36%
- Hosted voter registration events



Other Accomplishments

- Implemented use of collection analysis software
- Received two grants totaling $7,000 for fall initiatives
- Launched online chat reference
- Added new picnic tables

All with a 47% staff turnover rate

Talking Book Center

CELEBRATING 40 YEARS OF SERVICE

Accessible public library services for blind, low vision and print disabled residents

15,133 items checked out to **342** patrons

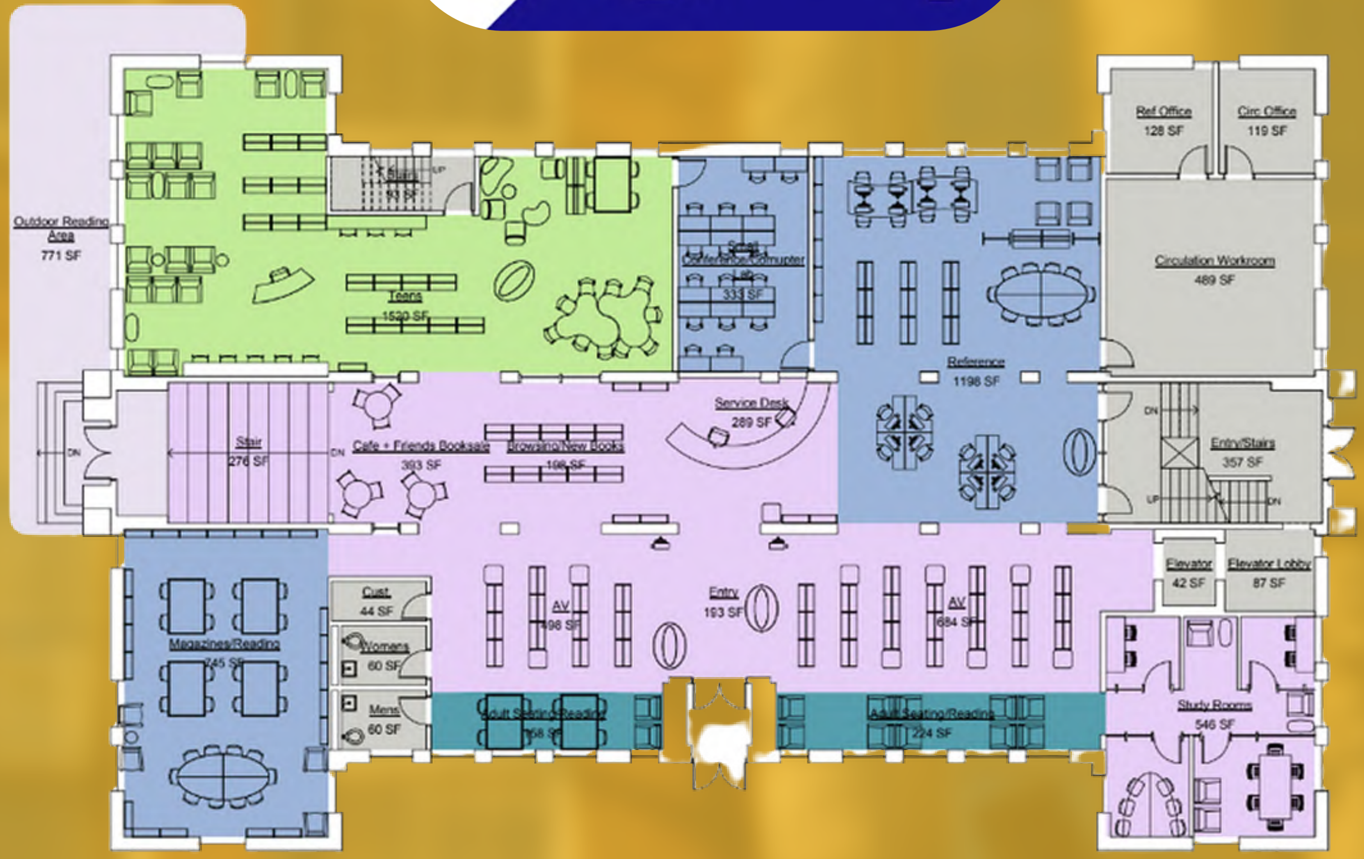
36 iBill readers distributed

- Audiobooks
- Braille books
- Braille eReaders
- Twin Vision books

" *Before [Talking Book Center], I had no access to reading material. My life completely changed because of this service. Due to my disability I never learned to read. My quality of life is forever better and I can't thank them enough.* Patron comment

What's Next?

- A new roof!
- Hearing loops
- Storywalk at Montgomery Hall Park
- Friends of the Library project
- Facility Study



STAUNTON™
PUBLIC LIBRARY

Thank you!

Photo courtesy of Grow Explore Photography

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**October 26, 2023**	**Michele Edwards** **City Councilmember**
Item #	**4**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Environmentally Conscience** **Strategic Area: Built Environment**	
Subject:	**Discussion of City of Staunton Alternative Energy Plan Proposal**	

Background: At the request of Councilmember Edwards, this item has been added to Council's October 26, 2023 work session agenda for discussion.

Attachments: Not applicable.

City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

<table>
<tr><td>Meeting Date:</td><td>October 26, 2023</td><td rowspan="3">Staff Member:

Rebecca Joyce</td></tr>
<tr><td>Item #</td><td>5</td></tr>
<tr><td>Department:</td><td>Community Development</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Strategic Area: Economic Development

Values: Inclusion & Equity; Engagement</td></tr>
<tr><td>Subject:</td><td colspan="2">Update on Staunton's Pathway to Affordable Housing and Housing for Working Families</td></tr>
</table>

Background: At the March 23, 2023 work session, at the request of Councilmember Brad Arrowood, there was a discussion about the establishment of a Staunton Housing Commission. In May 2023, Rebecca Joyce started as the City's Housing Planner. In addition to managing the City's HUD CDBG Program, her role is to advise and lead affordable housing activities, policies, and initiatives. At the August 24th City Council work session, Ms. Joyce gave an update to City Council about the City's housing program with its emphasis on affordable housing and housing for working families. Ms. Joyce presented a timeline for upcoming tasks for the following nine months.

During the October 26th work session, Ms. Joyce will update City Council on what has occurred with the housing program since August 24th. The presentation will focus on the City's partnership activities with local housing providers and human services organizations, the Central Shenandoah Regional Housing Study, and the Staunton-Augusta-Waynesboro Housing Summit held on October 11th and 12th.

Attachment: Presentation Slides

City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Attachment 1

Staunton's Pathway to Affordable Housing and Housing For Working Families Update #2

Presentation to City Council
October 26, 2023

Staunton Plan
Economic Development Strategic Area: Action 3

Enhance the economic well-being and quality of life for the City through attracting new industries in target areas and supporting the expansion and retention of existing businesses. **This area also addresses housing** and quality of life needs required to attract and retain a qualified workforce.

Actions:

1. Pursue targeted industries for development of Staunton Crossing.

2. Support the retention and expansion of existing businesses, attract new businesses and promote Staunton as a top tourist destination.

3. **Prioritize affordable housing and housing for working families.**

Activities August 24th – October 26th

- Partnership Activities:
  - Staunton Redevelopment and Housing Authority
  - CAPSAW Community Needs Assessment
  - Valley Homeless Connection
  - Regional Housing Planners Group
- Central Shenandoah Regional Housing Study
- Staunton-Augusta-Waynesboro Housing Summit

Housing Program Focus Area #1: People-centered Needs

1. Sheltering the Unhoused
2. Transitional Housing
3. Permanent Supportive Housing
4. Maintenance/Repairs for Low-Income Homeowners
5. Affordable Rental Units and Workforce Rental Units
6. Affordable/Workforce Homeownership Opportunities

Tight housing market and lack of services causing congestion. People unable to move beyond where they are in life.

Housing Program Focus Area #2: Housing Stock Needs

- Economic Development – Housing for Workforce to Fill Abundant Vacant Positions
- Need for Diversity of Housing Stock Types
- Need for Neighborhoods of Mixed-Use Housing Options
- Maintenance / Upkeep of Aging Large Apartment Complexes In The Future and Aging Single-Family Homes
- Incentives for Builders to Develop Housing that Allows People To Age In Place
- Lack of Knowledge About Vacant Developable Land and Buildings with Potential for Reuse in the City
- Developer-Friendly - Incentives/Fee Waivers/Zoning Changes

Next Steps: Fall / Winter 2023

- ✓ Provide City Council / Staff educational opportunities and relevant guest speakers to expand the knowledge base about the current housing situation and how it affects the City. **Developing a schedule**.
- Distribute a survey to the housing providers, developers, owners of rental properties, large employers, and other stakeholders to see what policies could be implemented and types of assistance provided by the City to increase the providers' capacity, effectiveness, and service provision. **CAPSAW Survey**
- ✓ Attend the Staunton-Augusta-Waynesboro Housing Summit being held on October 11-12, 2023.
- Create a task list of housing-related activities that the City is currently doing or could do without additional funding and minimal staff effort to further affordable and workforce housing.
- ✓ Explore potential available federal and state grant funding and technical assistance opportunities to conduct a housing and developable land inventory and housing strategic plan. **Virginia Housing Capacity Building**

Next Steps: Winter / Spring 2024

- Take advantage of the CDBG 5-year Consolidated Plan Update to gather citizen input about housing needs.
- Investigate ways to leverage the CDBG funds through the FY2025 city budgeting process in order to provide additional support to housing providers and city staff to increase the amount and quality of affordable housing that is available.
- Explore the potential of creating a Housing Committee or Commission, define its role, the requirements and responsibilities of its members, and a funding source to staff it.

Rebecca Joyce
Housing Planner & Grants Coordinator
joycerl@ci.staunton.va.us 540.213.6699

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**October 26, 2023**	**City Council** **Amanda Kaufman** **Assistant City Manager**
Item #	**6**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Discussion of Panhandling and Potential Signage in the City of Staunton**	

Background: During the September 14, 2023 work session, City Council discussed panhandling and potential signage within the City of Staunton, and directed staff to explore this issue. A working group was pulled together, with representatives from the City Manager's Office, Community Development, Public Works, Police Department, Valley Community Services Board, Valley Mission, and Shenandoah Valley Social Services. This group discussed potential signage, content, and locations, which will be outlined during this presentation.

Attachments: Draft sign options, designed by the Public Works Department

City Manager's Recommendation: Staff is requesting that City Council provide input on the proposal. If City Council desires to move forward, this will be placed on the November 9, 2023 Consent Agenda for consideration.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Attachment 1

STAUNTON
VIRGINIA

WANTS YOU TO GIVE SMART

Panhandling isn’t safe. Donate to social service organizations today.

Need Help?
Call 540-213-7347

Attachment 2

STAUNTON
VIRGINIA

PLEASE DO NOT DONATE TO PERSONS IN MEDIAN

Panhandling isn't safe. Donate to social service organizations today.

Need Help?
Call 540-213-7347

Attachment 3

STAUNTON™
VIRGINIA

FOR EVERYONE'S SAFETY

Don't give to panhandlers.
Donate to social service organizations today.

Need Help?
Call 540-213-7347

CITY COUNCIL

AGENDA BRIEFING

Staunton, Virginia

<table>
<tr><td>Meeting Date:</td><td>October 26, 2023</td><td rowspan="3">City Council

Leslie Beauregard
City Manager

John C. Blair, II
City Attorney</td></tr>
<tr><td>Item #</td><td>7</td></tr>
<tr><td>Department:</td><td>City Council</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Value: Excellence

Strategic Area: Responsive, Efficient Government</td></tr>
<tr><td>Subject:</td><td colspan="2">Closed Meeting for (i) Discussion of the Performance of the City Manager, and (ii) Discussion of the Acquisition of Real Property within the City of Staunton on Thornrose Avenue Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy of the Public Body</td></tr>
</table>

Suggested Motion: I move to enter a closed meeting for: (i) discussion of the performance of a Council-appointed employee, the City Manager, pursuant to Virginia Code § 2.2-3711(A)(1); and, (ii) discussion of the acquisition of real property located within the city limits of Staunton, Virginia on Thornrose Avenue where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A)(3).

Second. Discussion. Vote – Clerk of Council to poll members of Council.

After the closed meeting: I move that Council reconvene in an open meeting and certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed and that only public business matters as identified in the closed meeting motion were heard, discussed or considered in the meeting.

Second. Discussion. Vote –Clerk of Council to poll members of Council.

City Manager: Leslie Beauregard

CITY OF STAUNTON, VIRGINIA

Proclamation

Attendance Awareness Month

WHEREAS, the Nation is experiencing a school absenteeism crisis, brought on by the Covid-19 pandemic and other challenges that have eroded positive conditions for learning at school; and

WHEREAS, physical and emotional health, a sense of belonging and support, and engagement with adults and peers with social emotional competency are all vital in motivating students and families to show up and engage; and

WHEREAS, rather than responding with punitive action, reducing chronic absence requires a comprehensive approach starting with prevention and early intervention, and includes the development of routines and trusting relationships that create a sense of belonging; and

WHEREAS, taking daily attendance in a caring, consistent manner is essential to identifying when students begin to miss too much school, and for engaging students and families as early as possible with needed support and resources; and

WHEREAS, improving attendance and engagement takes schools, families, elected leaders, and other community partners working together to rebuild trusting communications and address barriers to being in school.

NOW, THEREFORE, BE IT PROCLAIMED by Staunton City Council, that the City stands with Staunton City Schools and the Nation in recognizing

Attendance Awareness Month

and commits to focusing on reducing absenteeism by addressing the factors that cause students to miss school, ensuring all children an equitable opportunity to thrive academically, emotionally, and socially, by working together to build an engaging school environment that motivates attendance and sends the message that learning can, and must, continue.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City to be affixed, adopted this 26th day of October, 2023.

____

STEPHEN W. CLAFFEY, MAYOR

ATTEST: ______________________

CLERK OF COUNCIL

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**City Council**
Item #:	**A**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Strategic Area: Responsive, Efficient Government**	
Subject:	**Consent Agenda**	

Background: As provided in Council Procedure Memorandum No. 14, it is the policy of City Council to have the City Manager place routine, noncontroversial items on a Consent Agenda. Briefings for each item included on the Consent Agenda have been prepared in the manner and format of regular business items on the agenda, with each item described in sufficient detail to provide the public with an appropriate understanding of such item. All matters listed on the Consent Agenda will be enacted by one motion and as a single item. There will be no separate discussion of an item. If discussion is desired, the item may be removed from the Consent Agenda at the request of a member of City Council and considered separately at the end of the regular meeting agenda.

The Mayor will inquire whether any member of City Council desires to remove any item from the Consent Agenda and to place such item on the regular meeting agenda for separate consideration.

Suggested Motion (if no items removed): I move to approve the Consent Agenda, as presented.

Suggestion Motion (if one or more items removed): I move to approve the Consent Agenda with the exception of item(s) _____, and that item(s)____ be moved to the end of the regular agenda for discussion and a separate vote.

City Manager: Leslie Beauregard

CITY COUNCIL AGENDA BRIEFING

Staunton, Virginia

<table>
<tr><td>Meeting Date:</td><td>October 26, 2023</td><td rowspan="3">City Council</td></tr>
<tr><td>Item #</td><td>A.1</td></tr>
<tr><td>Department:</td><td>City Council</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Values: Integrity
Engagement</td></tr>
<tr><td>Subject:</td><td colspan="2">Approval of Minutes</td></tr>
</table>

Background: Draft meeting minutes are attached for City Council's consideration and for approval as Council prefers.

Attachments:

Attachment 1 – Work Session and Regular Meeting Minutes of October 12, 2023

Suggested Motions: I move to approve the work session regular meeting minutes of October 12, 2023 [as presented] [with the following changes: ____________________________.]

City Manager: Leslie Beauregard

City Council
WORK SESSION
October 12, 2023
5:00 p.m.

Council Members present: Mayor Claffey, Vice Mayor Darby, and Councilors Arrowood, Edwards, Holmes, Robertson, and Woods.

Mayor Claffey called the meeting to order: Mayor Claffey called this meeting of Staunton City Council to order.

1. Consideration of Work Session and Regular Meeting Agendas

Consistent with Procedural Memorandum No. 3, the agendas were presented for Council consideration.

Vice Mayor Darby moved to approve the work session and regular meeting agendas as presented.

The motion was seconded by Ms. Woods and carried as follows:

Ms. Edwards	aye	Mr. Robertson	aye
Mr. Arrowood	aye	Vice Mayor Darby	aye
Ms. Woods	aye	Mayor Claffey	aye
Mr. Holmes	absent		

Mr. Holmes arrived at 5:03 p.m.

2. Discussion of Bicycle Infrastructure Design Plans for West Beverley Street

Senior Planner Rodney Rhodes stated that the city is working with the Timmons Group to design bicycle infrastructure along West Beverley Street in accordance with the Staunton Bicycle and Pedestrian Plan, to be implemented with a repaving of the street. The Timmons Group has received input on the plan from city staff, the Bicycle and Pedestrian Advisory Committee, and the public during a September 25th public forum.

Thomas Ruff from the Timmons Group gave a presentation on the revised plans.

Mayor Claffey asked if Councilmembers had any questions

Ms. Woods asked why buffered lanes are used instead of shared bike lane arrows, or "sharrows." Mr. Ruff explained that from a safety standpoint, having a buffered bike lane gives every type of bicycle rider more comfort in using the infrastructure, whereas the sharrow is intended to tell drivers and cyclists you can share the route.

Vice Mayor Darby stated that many people have never experienced driving on a roadway with bike lanes, and asked if there is some kind of public safety campaign other municipalities utilize to help citizens understand what all the markings are and what they mean. Mr. Rhodes replied that there is an educational component in the Bicycle and Pedestrian Plan, there should also be an educational component out there for cyclists and drivers to understand the changes.

Vice Mayor Darby stated that working with law enforcement and the West End Business Association would be a good way to get information out about the changes.

Councilmembers had no further questions.

3. <u>Review of the Existing Goals and Objectives for the Entrance Corridors in the City of Staunton, Virginia, Comprehensive Plan 2018-2040 and an Overview of Future Steps to Address the Entrance Corridor Overlay District</u>

Mr. Rhodes stated that Frazier Associates presented the final draft of the Entrance Corridor Overlay District Design Guidelines at City Council's July 27, 2023 meeting. The presentation included recommendations on future steps for the city to take to address the Entrance Corridor Overlay District. The first item that should be considered, before reviewing and updating the Zoning Ordinance, is to ensure that the city supports the goals and objectives for the Entrance Corridors as stated in the city's Comprehensive Plan.

The Entrance Corridor Overlay District Design Guidelines note that the following goals and objectives relate to various aspects of the city's corridors:

- Encourage appropriate new development that is well planned, compatible, incorporates mixed uses when appropriate, and contributes to the resource base of the city.

- Coordinate planning on corridors to promote quality of life and architectural character.

- Encourage appropriate landscaping, architectural design, signage, viewshed considerations, and buffers along major thoroughfares.

- Enhance the physical attractiveness of the city through signage, landscaping and tree plantings, controlling litter, and reducing light pollution through "Dark Sky" techniques.

- Encourage commercial and retail structures that adjoin residential neighborhoods to utilize consistent or complimentary facades and site features to the surrounding neighborhoods when they are developed, redeveloped, or renovated.

- Expand the streetscape planning to include entry corridors immediately adjacent to and leading into the downtown historic districts.

Mr. Rhodes continued, stating that upon confirmation that City Council continues to support these goals and objectives, staff will undertake a review and update to the Zoning Ordinance, specifically the Entrance Corridor Overlay District Chapter, to ensure that the ordinance reflects the goals and objectives of the Comprehensive Plan. He added the review and update may be done in conjunction with a paid consultant.

Items that would need to be addressed in the update include the following:

- Combine and update existing and proposed entrance corridor standards.

- Incorporate those standards that support the goals and objectives.

- Investigate the potential removal of arterial streets and highways from the Entrance Corridor Zoning Chapter that do not appear to meet the state code requirement that says that entrance corridors shall lead into a historic district. There are three entrance corridors right now in the city that do not lead directly into an entrance corridor.

- Develop more consistent boundaries for the entrance corridors.

- Consider adopting a new review process for development proposals in the entrance corridors (potentially appointing a review board or commission).

- Adopt revised Zoning Ordinance Chapter(s) and the new design guidelines (prepared by Frazier Associates).

Mayor Claffey asked if Councilmembers had any questions.

Mayor Claffey stated that overlays can sometimes block visibility to business with the shrubs and used to define borders, and he would like things to be balanced and kept simple.

Discussion ensued regarding property boundaries, consistency, shrubs, and the appointment of a review board for proposals in the entrance corridors.

Mr. Rhodes stated that the Planning Commission was generally supportive of the existing goals, objectives, review, and update to the zoning ordinance, which should not be delayed. Councilmembers agreed in their support of the Planning Commission's recommendations.

4. <u>Update on Juvenile & Domestic Relations Court Facility West End Project</u>

City Manager Leslie Beauregard and Director of Public Works Jeff Johnston provided an update on the Juvenile & Domestic Relations Court Facility West End Project.

Mr. Johnston's presentation outlined project milestones, schedule, schematic design, and next steps.

Mayor Claffey asked if Councilmembers had any questions.

Mr. Holmes asked if the building will have solar panels. Mr. Johnston stated that it will be equipped for solar. The conduits and wires will be present, but the actual cells will be a bid option to the contract as it is not a requirement of the court order. It will be built with solar if the opportunity arises and if not, they can do it later.

Mayor Claffey asked what the square footage of the building will be. Mr. Johnston answered 22,000 square feet.

Councilmembers had no further questions.

5. <u>Discussion of Proposed Council Procedure Memorandum 21—Natural Disaster Fund</u>

City Attorney John Blair stated that on September 14, 2023, Council requested that he develop a potential Procedure Memorandum concerning donations to natural disaster recovery efforts. The proposed Memorandum would establish a process for a line item in each fiscal year's budget dedicated to donations for natural disaster recovery efforts.

Mr. Blair noted that Council could, by a majority vote, allocate a portion or the entire amount of the line item during the year that the appropriation is active.

A brief discussion took place and a majority of Councilmembers were not in favor of pursuing the proposed procedure memorandum, and instructed Mr. Blair not to proceed.

6. <u>Closed Meeting for Discussion of the Performance of the City Manager</u>

Ms. Edwards moved to enter a closed meeting for discussion of the performance of a Council-appointed employee, the City Manager, pursuant to Virginia Code § 2.2-3711(A)(3).

The motion was seconded by Mr. Holmes and carried as follows:

Mr. Holmes	aye	Mr. Arrowood	aye
Mr. Robertson	aye	Vice Mayor Darby	aye
Ms. Edwards	aye	Mayor Claffey	aye
Ms. Woods	aye		

Vice Mayor Darby moved that Council reconvene in an open meeting and certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed, and that only public business matters as identified in the closed meeting motion were heard, discussed, or considered in the meeting.

The motion was seconded by Mr. Robertson and carried as follows:

Mr. Robertson	aye	Ms. Edwards	aye
Mr. Holmes	aye	Vice Mayor Darby	aye
Ms. Woods	aye	Mayor Claffey	aye
Mr. Arrowood	aye		

The work session adjourned at 7:00 p.m.

____

Kiley A. Kesecker
Clerk of Council

REGULAR MEETING OF STAUNTON CITY COUNCIL
Thursday, October 12, 2023
7:00 p.m.
Rita S. Wilson Council Chambers

PRESENT: **Mayor Stephen W. Claffey**
Vice Mayor Amy G. Darby
Brad D. Arrowood
Michele D. Edwards
R. Terry Holmes
Mark A. Robertson
Alice L. Woods

ALSO PRESENT: **Leslie Beauregard, City Manager**
Amanda Kaufman, Assistant City Manager
John Blair, City Attorney
Kiley Kesecker, Clerk of Council

Mayor Claffey called the meeting to order: Mayor Claffey called this meeting of Staunton City Council to order.

The Pledge of Allegiance was recited in unison.

A moment of silence was observed in honor of the late Mark Viglione at the request of Mr. Holmes.

MAYOR'S REPORT

Mayor Claffey stated that he attended the Virginia Municipal League Conference and received certification from the Mayor's Institute. He also provided an update on the activities of the Tourism Advisory Board and shared some information about the American Shakespeare Center and the Virginia Scenic Railroad's Shenandoah Valley Limited steam locomotive excursion.

ADDITIONAL ITEMS BY MEMBERS OF COUNCIL

Mr. Arrowood shared information about the Staunton Augusta Waynesboro Housing Summit he recently attended.

Ms. Edwards stated she attended the SAW Housing Summit, the Virginia Municipal League Conference, the Augusta Health Fall Social, toured several Staunton City Schools, and participated in the Kindness Matters Walkathon.

Vice Mayor Darby stated that she also attended the Virginia Municipal League Conference and the Augusta Health Fall Social.

Ms. Woods stated that she attended the Virginia Municipal League Conference as well as the SAW Housing Summit.

REGULAR MEETING

A. Consent Agenda

Mayor Claffey made the following statement:

"Per Procedure Memorandum No. 14, it is the policy of City Council to have routine, non-controversial items placed on a Consent Agenda. All items on the Consent Agenda will be voted on in one motion. If separate discussion of an item is requested by any member of Council, that item shall be removed and considered separately at the end of the regular meeting agenda."

A.1. Approval of Meeting Minutes
Work Session and Regular Meeting of September 28, 2023

A.2. Consideration of Revised City Council Procedure Memorandum No. 13: Naming of Public Facilities

A.3 Consideration of Proclamation to be Presented in Council Chambers at the October 26, 2023 City Council Meeting—Staunton City Schools Attendance Awareness Month

Mayor Claffey asked if any Councilmembers desired to remove any item from the Consent Agenda to be placed on the regular meeting agenda for separate consideration.

Councilmembers had no comments.

Vice Mayor Darby moved to approve the Consent Agenda as presented.

The motion was seconded by Ms. Woods and carried as follows:

Ms. Woods	aye	Ms. Edwards	aye
Mr. Robertson	aye	Vice Mayor Darby	aye
Mr. Holmes	aye	Mayor Claffey	aye
Mr. Arrowood	aye		

B. Public Hearing and Consideration of a Request by John Schoeb, 709 N Augusta Street, LLC, to Rezone 709 North Augusta Street from B-1, Local Business District, to B-2, General Business District Conditional

Senior Planner Rodney Rhodes stated that John Schoeb has requested a rezoning of 709 North Augusta Street from B-1, Local Business District, to B-2, General Business District Conditional, and proposes to use the building for a 15 to 20-barrel microbrewery and tasting room. The requested rezoning would allow the project to develop in phases, with a restaurant potentially being added a later date. Under the current zoning, eating and drinking establishments and restaurants are permitted by right, and could be developed with the issuance of a building permit. The brewing of beer would also be permitted as an accessory use to the restaurant. However, with the proposed rezoning, the restaurant would not need to be established in order for beer production to commence.

The site is the former location of the Coca-Cola Bottling Works, and the building appears to have been constructed in three phases: the original building first appears on the 1929 Sanborn maps, a rear addition is evident in the 1953 aerials, and sometime later a third addition completed the present building footprint. City records indicate the lot to be approximately 30,000 square feet and the building is approximately 26,000 square feet. It stretches nearly the full length and width of the lot, leaving service areas on the northern and southern sides. Coca-Cola ceased operations at the location in the 1970s and moved to its current location in Jolivue. The property is located within the North Augusta Entrance Corridor Overlay District.

Mr. Rhodes continued, stating the current B-1, Local Business District zoning allows for "eating and drinking establishments," meaning the tasting room component of the proposed use is permitted by right. A restaurant could also be added by right with no rezoning or special approvals necessary. A restaurant would be a more intense use, generating the need for more employees, deliveries, and attracting more customers. The reason for the rezoning request is to manufacture and produce beer. The B-2, General Business District allows for:

"Processing and manufacturing establishments that are not objectionable because of smoke, odor, dust, or noise, but only when such processing and manufacturing is incidental to a retail business conducted on the premises and where not more than 10 persons are employed on the premises in the processing or manufacturing activities."

For beer to be produced onsite, without being in conjunction with a restaurant, the zoning must be changed to B-2, General Business District. The applicant has submitted proffers that would further restrict the utilization of the property by limiting the uses permitted by right and on review

Staff has considered the request and has concerns with traffic and parking; however, all potential uses of this property are exempt from providing off-street parking. After the final addition was added to the building, there was no longer any room on the lot for onsite parking. In 1969, when the current Zoning Code was adopted, the property became legally nonconforming to the city's parking requirements. In 2009, Staunton City Code section 18.125, Minimum Off-Street Parking Requirements was amended to add exceptions to the off-street parking requirements to exempt commercial buildings with little or no front, side, or rear setbacks to encourage the redevelopment of commercial properties. At that time, the property became exempt from providing off-street parking, including this project or any other commercial project at the site. Staff acknowledges that the use of the property as proposed will create more traffic in the area; however, the production of beer should not have a significant impact on the area, as it does not create smoke, odor, dust, noise, or any noticeable increase in traffic. Consideration should be given to the fact that the current zoning already allows the tasting room and restaurant. The production component is what requires the B-2 zoning and the additional parking demand for that component is minimal, as the B-2 regulations limit those involved in manufacturing and production to 10 people. The applicant noted that only two employees will be involved in the production of beer, and deliveries and pickups will be by small box trucks about twice a week. The architectural renderings include the potential for 11 indoor parking spaces, and the applicant has noted that they are actively looking to purchase or lease additional properties in the area to create off-street parking. While the B-2, General Business District permits a wider range of uses, they generally do not create more traffic and parking demands than the uses permitted in the B-1, Local Business District. With the proffers as described, the proposed rezoning is more restrictive than the existing zoning. The applicant anticipates that the tasting room will have similar hours to their operation in Crozet—closing at either 9:00 p.m. or 10:00 p.m. Any activity on the property after 10:00 p.m. would be subject to the city’s noise ordinance, limiting the sound level to 65 decibels at the property line of all adjoining residential properties.

Surrounding zoning to the north is B-1, Local Business District, and R-2, Low Density Residential District. To the east is R-2, Low Density Residential District, south is R-4, High Density Residential District, and to the west across North Augusta Street is B-2, General Business District and R-4, High Density Residential District.

The City of Staunton Comprehensive Plan, 2018-2040, Future Land Use map designates approximately three fourths of the property as Business, with the remainder backing up to Baptist Street designated as Neighborhood Residential. The proposed rezoning is consistent with this Business designation and is consistent with the historic use of the property as a bottling plant. It would permit the restoration and reuse of a large commercial property that has been underutilized for decades, with a ‘clean’ historically appropriate business. The property has been zoned for business use since the city adopted its first Zoning Ordinance in 1938. The proposed rezoning would also permit the phasing of the development, with the more intense restaurant use added later, providing the applicant more time to explore off-street parking options.

Mr. Rhodes concluded by stating that at its August 17, 2023 meeting, the Planning Commission conducted a public hearing during which eight people spoke in opposition to the request. Concerns were raised regarding parking, traffic, noise, odors, issues with the former Coca-Cola bottling operation, currently permitted uses, and the general lack of compatibility with the surrounding neighborhood. On a 4-0-1 vote, the Planning Commission tabled the request to give the applicant time to respond to the concerns that were raised. At its September 21, 2023 meeting, the Planning Commission considered the request and took additional public comments, during which six people spoke in opposition to the request, with 10 speaking in support of the application. On a 4-0-1 vote, the Commission recommend approval of the conditional rezoning.

Mayor Claffey asked if Councilmembers had any questions for staff.

Councilmembers had no questions for staff.

Applicant John Schoeb and partner Chip Clarke presented a brief overview of the proposed project.

Ms. Woods asked how they plan to accommodate parking with no off-street requirements. Mr. Schoeb stated that they are speaking with neighboring property owners and working with a realtor to purchase some property to be used for parking.

Mr. Robertson asked what the timeline for completion is. Mr. Schoeb stated that once all permits are issued, they anticipate one year for construction.

Mr. Arrowood asked if there would be live music in any outdoor areas. Mr. Schoeb replied that they would only allow unamplified acoustic guitars outside.

Mayor Claffey stated the following:

"In a moment, I will open the Public Hearing. It is a time that Council sets aside to hear from citizens and others about a specific topic.

We ask that you please give your name, your address, and then keep your remarks at five minutes or less. When you reach the five-minute time limit, I will let you know that your time limit has expired.

For our Zoom participants, please raise your hand now if you wish to speak on this particular Public Hearing. If you raise your hand during this Public Hearing, you will also be able to raise your hand during this Council meeting for other Public Hearings and Matters of the Public. Please keep your comments to five minutes as well. Once everyone who wishes to speak has had an opportunity, I will then close the Public Hearing.

I will now open the Public Hearing, so if you wish to speak, please approach the podium. We will alternate between individuals physically present and those that have their hands raised via the Zoom platform."

The public hearing was opened.

Clinton Davis, 219 Sunnyside Street, spoke in opposition to the proposed rezoning and project, stating that Sunnyside residents are not happy with the plans for a brewery.

Brenda Mead, 342 Sherwood Avenue, spoke in support of the proposed rezoning, stating that the project will add value the neighborhood.

Renee Clark, 309 Sunnyside Street, spoke in support of the proposed rezoning and the applicant's plans to honor Sunnyside.

With there being no one else wishing to speak, the public hearing was closed.

Mr. Holmes moved that Council adopt the ordinance and approve the conditional rezoning, as recommended by the Planning Commission.

The motion was seconded by Mr. Arrowood and carried as follows:

Mr. Arrowood	aye	Mr. Holmes	aye
Ms. Edwards	aye	Vice Mayor Darby	aye
Ms. Woods	aye	Mayor Claffey	aye
Mr. Robertson	aye		

Ordinance No. 2023-34

AN ORDINANCE REZONING
FROM B-1, LOCAL BUSINESS DISTRICT,
TO B-2, GENERAL BUSINESS DISTRICT CONDITIONAL,
THAT CERTAIN TRACT OR PARCEL OF LAND
LOCATED AT 709 NORTH AUGUSTA STREET
(PARCEL IDENTIFICATION NUMBER 7586),
STAUNTON, VIRGINIA

Recitals

A. It appears by deed dated June 2, 2023, recorded in the Clerk's Office of the Circuit Court of the City of Staunton, Virginia, as Instrument Number 230001281, that 709 N Augusta, LLC, acquired from Ghiyasuden Sadr, what is known by present address numbering as 709 North Augusta Street with further description provided in the deed, a copy of which is annexed and incorporated herein by reference (**Exhibit A**);

B. John Schoeb, acting as 709 N Augusta, LLC, has applied to the City of Staunton for a zoning classification change, under the provisions of the Staunton City Code ("SCC"), from B-1, Local Business District, to B-2, General Business District Conditional;

C. The proposed conditional rezoning is consistent with the provisions of SCC 18.215.060(1) and 18.215.070 and is necessary so that the applicant may use the property for the production and manufacturing of beer, tasting room, and eventual restaurant;

D. The Planning Commission of the City of Staunton, after study and review, has properly heard the matter and recommended approval;

E. This matter has been properly advertised, heard, and considered; and

F. These recitals are an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that the property known as 709 North Augusta Street (Parcel Identification Number 7586), in the City of Staunton, Virginia, is **HEREBY REZONED** from B-1, Local Business District, to B-2, General Business District Conditional, on the basis that the rezoning would serve the interests of public necessity, convenience, general welfare, and good zoning practice subject to the following onsite proffers as proposed by the applicant:

Permitted Uses
The uses of the property shall be limited to the following:

1. Living and/or sleeping quarters shall be a permitted use when constructed above the ground and basement floors. No living and/or sleeping quarters shall be permitted in any detached accessory building or structure on the same lot to the rear of any other building.

2. Bakeries employing not more than five persons and when products are sold only at retail on the premises.

3. Catering and delicatessen business.

4. Eating and drinking establishments.

5. Food stores, fruit or vegetable stands.

6. Offices, business or professional only.

7. Personal or business service establishments.

8. Restaurants, tea rooms.

9. Accessory buildings and uses customarily incidental to permitted uses not otherwise prohibited in this district which comply with Chapter 18.110 SCC.

10. No wholesale or jobbing shall be carried on, and no merchandise shall be stored other than that to be sold at retail on the premises; provided, further, that not more than 30 percent of the floor area of any building shall be devoted to reserve stock storage purposes incidental to such primary use.

11. Stores or shops for the conduct of retail business which do not maintain gasoline dispensing services.

12. Name plate and sign, as regulated in Chapter 18.140 SCC.

13. Amusement and recreation establishments except open-air drive-in theaters.

14. Stores for the conduct of retail business which are not gasoline service stations but which do maintain gasoline dispensing services incidental to their primary business provided they meet the requirements of Chapter 18.145 SCC.

15. Bakeries employing not more than 10 persons and where products are sold at retail on the premises.

16. Wholesaling from sample stocks only; provided, that no manufacturing or storage for distribution shall be permitted on the premises.

17. Processing and manufacturing establishments that are not objectionable because of smoke, odor, dust, or noise, but only when such processing and manufacturing is incidental to a retail business conducted on the premises and where not more than 10 persons are employed on the premises in the processing or manufacturing activities.

18. Accessory buildings and uses customarily incidental to the above uses.

Uses Permitted on Review

The uses of the property permitted on review shall be limited to the following:

1. Processing and manufacturing establishments that are not objectionable because of smoke, odor, dust, or noise when the processing and manufacturing activity is conducted entirely within a completely enclosed building and where there is no storage or supplies or equipment on the premises outside the building.

In all other respects the provision of SCC 18.60, B-2, General Business District shall apply.

Introduced: October 12, 2023
Adopted: October 12, 2023
Effective Date: October 12, 2023

Signed: STEPHEN W. CLAFFEY, MAYOR

Attest: KILEY A. KESECKER
Clerk of Council

C. Update on Modernizing City Refuse Collection

Director of Public Works Jeff Johnston stated that in January 2023, City Council allocated $850,000 of American Rescue Plan Act (ARPA) funds to modernize the city’s refuse collection system. The proposed modernization includes standardized, city-owned trash receptacles in two sizes, mechanical tippers on the refuse trucks, and new management and enforcement systems. A survey will be launched the following Monday to gather citizen input, and Mr. Johnston urged residents to describe every “nightmare” refuse collection scenario they can think of. Data gathered from the surveys will be instrumental in ensuring the revised solid waste policy is comprehensive and exhaustive. Mr. Johnston gave a presentation on the implementation plan for these modernized procedures as follows:

1. Revised Solid Waste Policy
2. Equipment Modernization
3. Implementation Schedule

Mayor Claffey asked if Councilmembers had any questions or comments.

Mr. Holmes asked how residents with steep driveways will manage getting receptacles to the curb. Mr. Johnston stated that each can will be registered to an address and not a customer, so they can make accommodations for how the cans are handled for that address or that certain area. That information would then be logged into the refuse management system so the driver is notified when the truck drives into that area.

Ms. Beauregard stated that another piece of the implementation plan is educating folks on how they can produce less trash, and how to utilize their old trash cans instead of sending them to the landfill. She encouraged residents to submit their ideas via the survey.

Councilmembers had no further comments or questions.

MATTERS FROM THE CITY MANAGER

Ms. Beauregard presented updates and information on the following items:

- A closure of a portion of Augusta Street October 23 through 27 due to construction.
- Paving in Montgomery Hall Park is to begin October 16.
- Several publications recently ran press about the city and the Virginia Scenic Railway.
- Staunton, Waynesboro, and Augusta County are among the beneficiaries of an $884,500 GO2 Work in Manufacturing and Transportation in the Valley Grant.
- Current voluntary water conservation efforts will need to continue.

MATTERS FROM THE PUBLIC

Mayor Claffey read the following statement:

"This part of City Council's agenda is entitled matters from the public. It is a time that Council sets aside to hear from citizens and others about a wide variety of subjects. A copy of the Staunton City Council's 'Matters from the Public' rules are available in paper form at the Clerk's desk and online at the City of Staunton webpage. You are asked to familiarize yourself with those rules before commenting. Please come to the podium or begin your call, identify yourself and complete your remarks within five minutes."

There was no one present wishing to speak.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 8:14 p.m.

____
Kiley A. Kesecker
Clerk of Council

CITY COUNCIL

AGENDA BRIEFING

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**City Council**
Item #	**A.2**	
Department:	**City Council**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Consideration of Proclamations to be Presented in Council Chambers at the November 9, 2023 City Council Meeting—Veterans Day and Small Business Saturday**	

Background: Per City Council Procedure Memorandum No. 19, all proclamations presented in Council Chambers must be approved by City Council at the preceding regular meeting.

The item before City Council is the approval of two requests for proclamations to be presented in Council Chambers at the November 9, 2023 Council meeting. The proclamations are in recognition of **Veterans Day** and **Small Business Saturday.** Should City Council approve these proclamations, they will be prepared for presentation at the beginning of the Regular Meeting on November 9.

Attachment: Not applicable

City Manager's Recommendation: Not applicable

Suggested Motion: I move to approve the requested proclamations in recognition of Veterans Day and Small Business Saturday for presentation at the November 9, 2023 City Council meeting.

City Manager: Leslie Beauregard

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**Leslie Beauregard** **City Manager** **Charley Haney** **City Assessor**
Item #	**B**	
Department:	**City Manager** **City Assessor**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Public Hearing and Consideration of Application for Exemption from Real Estate Property Taxes by Valley Area Community Support Inc., dba Valley Supportive Housing**	

Background: In April 2023, Mr. Lou Siegel, Executive Director of Valley Supportive Housing (VSH), sent a letter to the City Assessor's Office requesting a real estate tax exemption for six properties purchased by Valley St. Clair Properties LLC, which is owned by VSH. He also requested that a real estate tax exemption be granted for a portion of 111 Pump Street that had been occupied by a commercial business and treated as taxable. VSH is remodeling the commercial portion of the Pump Street property in order to provide additional below market-rate housing units.

In 2006, Valley Area Community Support Inc., a federally tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code, was granted real property tax exempt status by the Staunton City Assessor's Office without proper authorization from Virginia state code or a local ordinance. It should be noted that VSH is a component of Valley Area Community Support Inc. This organization currently has six properties being treated as exempt for real property taxes. In 2023, VSH acquired the above-described six properties for $1,300,000. These properties have been treated as taxable to this point pending further action. Upon further investigation, City Staff still has not been able to find any justification in State code or local ordinance to allow for the real estate tax exemption that had been granted to Valley Supportive Housing.

At City Council's August 24, 2023 Work Session, there was discussion about this tax exemption request. At the conclusion of that discussion, City Council directed staff to return with some possible solutions between the City and Valley Supportive Housing concerning the tax exemption request as well as VSH's potential tax liability for previously due real estate taxes. There was not support at that time by City Council to address or consider the request by VSH to become officially tax exempt. The briefing memo and all attachments from this work session are attached (**Attachment 1**).

City Council continued the discussion at the September 28, 2023 work session. The materials from that work session are attached as well (**Attachment 2**).

Update and Additional Information Provided at and Since the September 28th Work Session:

While this information was shared during the September 28th work session, it is being provided again as part of this packet of information. Several questions regarding tax exemptions arose at the meeting that occurred on September 21st between the City Manager, Leslie Beauregard; Rebecca Joyce, the City's Housing Planner; Mr. Siegel, and several VSH Board Members. Charley Haney, City Assessor, was asked to provide some additional clarification on these issues:

It was made clear during the meeting that Valley Supportive Housing believes they qualify for the requested exemption. Valley Supportive Housing (VSH) has not been designated under Virginia Code Section 58.1-3607 as exempt. VSH does not qualify per Virginia Code Section 58.1-3606 under any of the eight classes of properties listed in this section of the code. They must affirmatively fit in one of these classes and the code sections are to be strictly construed. John Blair, City Attorney, has supported Mr. Haney's opinion concerning Virginia Code Section 58.1-3606 as well. VSH has also not been granted an exemption under Virginia Code 58.1-3651, exemption by ordinance adopted by local governing body. Mr. Haney's determination of VSH's tax exempt status is also supported by other jurisdictions' practices. Other localities do not exempt properties owned by organizations with similar mission statements from real estate taxes.

Mr. Haney also checked the tax exempt status of a sample of properties owned by **Virginia Supportive Housing**. Virginia Supportive Housing has the same or a very similar mission statement as Valley Supportive Housing, and in no case can Mr. Haney find a jurisdiction which has treated similar properties as tax exempt. While these are a sampling, we have no reason to believe that any of their properties are treated in any different manner:

- Cloverleaf Apartments LLC at 964 South Military Hwy in Virginia Beach is **taxable**
- Crescent Square LLC at 1333 Diamond Springs Rd in Virginia Beach is **taxable**
- South Bay Apartments at 1600 South St**.** in Portsmouth is **taxable**
- Studios II LLC and Studios at South Richmond LLC at 5409 Hull St in Richmond is **taxable**
- Crossings At Fourth and Preston LLC at 401 4th St NW in Charlottesville is **taxable (see attached page out of their tax book)**

Below are the weblinks to Virginia Supportive Housing and Valley Supportive Housing to compare the two organizations focus and mission statements.

https://www.virginiasupportivehousing.org/about/

https://valleysupportivehousing.org/

Also, during the September 28th work session, City Council was presented by Valley Supportive Housing a list of properties they stated are tax exempt. That list, and their tax-exempt status as provided by Mr. Haney, is **Attachment 3**. What this shows is that each tax exempt property is designated via a State Code section, either by classification or designation, and that several on the list are actually taxable. None of these tax exemptions were designated by City Council action. Staff also reiterated during that work session that the only tax exemption by designation request in recent history to have been before City Council was denied in 2013.

Attachments:

Attachment 1—Briefing Memo and Attachments from August 24, 2023 Work Session

Attachment 2—Briefing Memo and Attachments from September 28, 2023 Work Session

Attachment 3—List of properties presented by Valley Supportive Housing at the September 28, 2023 work session and their tax exempt status (as confirmed by the City Assessor).

Attachment 4—Draft Ordinance

City Manager's Recommendation: Conduct the public hearing. After the public hearing, the City Manager recommends City Council deny the application for the following reasons:

1. VACSI properties and their use do not qualify under Code of Virginia 58.1-3606, exemption by classification.
2. The Constitution of Virginia and the Code of Virginia do not favor exemption of real estate taxes, outside of Virginia Code exemptions by classification.
3. A survey of jurisdictions around the state indicates that similar properties with similar uses are treated as taxable.

Suggested Motion: After consideration of the questions specified in Virginia Code § 58.1-3651 and other pertinent criteria, facts, and circumstances as reflected in the information presented, I move that Council deny the application for the exemption by designation from real and personal property taxes, for the reasons included in the City Manager's and City Assessor's recommendation.

City Manager: Leslie Beauregard

Attachment 1

CITY COUNCIL AGENDA BRIEFING

Staunton, Virginia

Meeting Date:	**August 24, 2023**	**Charley Haney** **City Assessor** **Leslie Beauregard** **City Manager**
Item #	**2**	
Department:	**Assessor** **City Manager**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Application for Exemption from Real Property Taxes by Valley Area Community Support Inc., dba Valley Supportive Housing, per State Code 58.1-3651**	

Background: In April 2023 Mr. Lou Siegel, Executive Director of Valley Supportive Housing (VSH), sent a letter to the City Assessor's Office requesting an exemption for six properties purchased by Valley St. Clair Properties LLC, which is owned by VSH. He also requested that an exemption be granted for a portion of 111 Pump Street that had been occupied by a commercial business and treated as taxable. VSH is remodeling the commercial portion of the Pump Street property in order to provide additional below market-rate housing units.

In 2006 Valley Area Community Support Inc., a federally tax-exempt organization pursuant to section 501(c)3 of the Internal Revenue Code, was granted real property tax exempt status by the Staunton City Assessor's Office without proper authorization from Virginia state code or local ordinance. It should be noted that VSH is a component of Valley Area Community Support Inc. This organization currently has six properties being treated as exempt for real property taxes. In 2023 VSH acquired the above-described six properties for $1,300,000. These properties have been treated as taxable to this point pending further action. Upon further investigation City Staff still has not been able to find any justification in State code or local ordinance to allow for the exemption that had been granted to Valley Supportive Housing.

Since January 1, 2003, as a result of an amendment to the state code, the decision whether to grant exemptions from real property taxes has been vested in the Staunton City Council, rather than the General Assembly (which previously considered such exemptions). The last time a request was made of City Council to grant tax exempt status to real property was in 2013. That request was made by The Legacy at North Augusta, Inc. And at that time, City Council denied the request, and based its decision on "…consideration of the questions specified in Virginia Code § 58.1-3651 and other pertinent criteria, facts and circumstances, as reflected in the information presented…" The 2013 Resolution continued, "Council deny the application for the exemption by designation from real and personal property taxes, for the reasons included in the City Manager's recommendations and on the further basis that the City was assured that the applicant was not going to seek a tax exemption."

Under the applicable state code provision, a public hearing on each application for tax exemption by designation is required. Council has not previously granted a request of this nature. The earliest a public hearing could be scheduled to formally consider this request is September 14, 2023, at which time City Council would also consider whether to approve or deny the request.

Attachments:

Attachment 1—Request from Valley Area Community Support, dba Valley Supportive Housing dated April 28, 2023 requesting tax exemption on the properties in question
Attachment 2—Response from City Assessor dated May 5, 2023
Attachment 3—Additional Petition for real estate tax relief from Valley Area Community Support, dba Valley Supportive Housing
Attachment 4—Questions and the applicants answers for consideration for Tax Exemption by Designation under Virginia Code 58.1-3651
Attachment 5—State Code 58.1-3606, Property exempt from taxation by Classification
Attachment 6—State Code 58.1-3603, Exemptions not applicable when building a source of revenue

City Manager's Recommendation: Staff recognizes that this is an unusual and difficult situation in that Valley Supportive Housing has operated under the assumption that their properties are tax exempt since 2006. Unfortunately, though, this was an erroneous decision made by City staff at that time and it must be corrected in some form. And for those reasons, this item is simply for discussion so that City Council can hear from staff and the applicant and ask questions for follow up.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Valley Supportive Housing
Housing with a Heart

P. O. Box 1907, Staunton, Virginia 24402 vsh@valleysupportivehousing.org 540-414-2028

To: Charley Haney, City Assessor
Date: April 28, 2023
Subject: Real estate taxes for certain properties

Good morning.

We talked some time ago about the tax status of certain properties.

We are charged no real estate tax on the following: 1314 W. Johnson St., 1115 W. Johnson St., 1111 West Johnson St., 240 Kalorama St., and 233 N. Madison St.

Also – our Pump St. Property – there was no tax charged in the past against the part of the building that was residential, six apartments on the upper floor. There was a real estate tax charged against the commercial area. This lower area is no longer a commercial area. We are about 1/2 of the way to converting them to an additional six apartments. These will be completed in approximately three months. We would like for these to be considered – currently - as part of our mission statement, and not subject to real estate taxes, as this is certainly not a commercial area anymore.

In addition, and I think we have talked about this, on January 1, 2023 we purchased six properties on St. Clair St. - #'s 207, 211, 213, 217, 216 and 220. Please consider these as a part of our mission. With no RE taxes.

We are getting close to assessment time and I hope we can get this settled.

Thank you for your consideration.

Lou Siegel

Lou Siegel
Executive Director

From: **Charley Haney** haneyce@ci.staunton.va.us
Subject: RE: Mission
Date: May 5, 2023 at 12:09 PM
To: valleysupportivehousing.org vsh@valleysupportivehousing.org
Cc: Charley Haney haneyce@ci.staunton.va.us, Robin S. Wallace WallaceRS@ci.staunton.va.us

Dear Mr. Siegel,

Per our earlier conversations I have done some research on the exempt status of real estate owned by Valley Area Community Support and the new properties purchased by Valley St. Clair Properties, LLC. I have also enlisted the assistance of the City Attorney's office. We could not find anything in Virginia Code section 58.1-3606 that would afford your organizations an exempt status. These are the Code sections where I normally find exemptions for real estate. The other option allowed by the State Code is 58.1-3651. This section gives localities the ability to exempt property from local real estate taxes. We have tried to find evidence where your organization was given exempt status by this process, but were not able to. I am sorry but it seems that your organization was erroneously granted this exemption without going through this process in the past. The City Attorney recommends you try this option. He also advises me that your exemption, if passed, can be made retroactive.

I have attached the above referenced State Code sections and an example of a previously submitted request for exemption under 58.1-3651 for your convenience. Please make careful note of the eight questions that must be answered with details and documentation in 58.1-3651, and presented to City Council at a public hearing. Please also note that your organization will be responsible, to the City, for the cost incurred for advertising the public meeting where this ordinance will be considered.

We will need your responses by May 19th 2023 to be able to have this request heard during the June 6th council meeting. If you cannot make this deadline then we could try to have this heard at the June 22nd meeting if we receive your paper-work by June 2, 2023.

If I can be of any further assistance with this matter let me know.

Sincerely,

Charles Haney
Staunton Assessor

Valley Supportive Housing
Housing with a Heart

P. O. Box 1907, Staunton, Virginia 24402 vsh@valleysupportivehousing.org 540-414-2028

To: City Assessor's Office
Date: May 19, 2023
Subject: Petition for real estate tax relief

Valley Area Community Support, dba Valley Supportive Housing (VACSI/VSH), requests relief from the city real estate tax for the following properties, all in Staunton, VA:

1314 W. Johnson St.
1115 W. Johnson St.
1111 W. Johnson St.
233 N. Madison St.
111 Pump St.
240 Kalorama St.
207 St. Clair St.
211 St. Clair St.
213 St. Clair St.
216 St. Clair St.
217 St. Clair St.
220 St. Clair St.

It is entirely possible that VACSI/VSH cannot continue to operate if the real estate taxes are imposed. Since its inception in 2005 and the leasing of apartments starting in 2007, VACSI/VSH has not been invoiced for real estate taxes. As such, the request is also that they be made retroactive. Covered in the eight questions of the Virginia Code that we are required to answer, but pre-stated here: rents cover 75% of the VACSI/VSH budget. Rents are established at the $500 per month level (including all utilities) given tenant typical monthly incomes of $829.00. The remaining 25% is supplied by local grants (United Way, CAPSAW, Community Foundation for the Central Blue Ridge and an annual fund drive). This is an organization that truly provides measurable general and financial support to the Staunton community.

Considerable backup information is provided, including: a) annual budget of VACSI/VSH for fiscal year 2022/2023; b) three studies showing the cost of homelessness and cost of individuals to municipalities; c) assessments of properties and taxes using $.92/$100 of assessment; d) 501(c)3 approval document; e) articles of incorporation.

Thank you for this consideration.

David Rissmeyer
Board Chairman

Lou Siegel
Executive Director

Code of Virginia
Title 58.1. Taxation
Subtitle III. Local Taxes
Chapter 36. Tax Exempt Property
Article 4.1. Property Exempted by Local Classification or Designation on or After January 1, 2003

§ 58.1-3651. Property exempt from taxation by classification or designation by ordinance adopted by local governing body on or after January 1, 2003

A. Pursuant to subsection 6 (a)(6) of Article X of the Constitution of Virginia, on and after January 1, 2003, any county, city, or town may by designation or classification exempt from real or personal property taxes, or both, by ordinance adopted by the local governing body, the real or personal property, or both, owned by a nonprofit organization, including a single member limited liability company whose sole member is a nonprofit organization, that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes. The ordinance shall state the specific use on which the exemption is based, and continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated. No exemption shall be provided to any organization that has any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, sexual orientation, gender identity, or national origin.

B. Any ordinance exempting property by designation pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town where the real property is located. The notice shall include the assessed value of the real and tangible personal property for which an exemption is requested as well as the property taxes assessed against such property. The public hearing shall not be held until at least five days after the notice is published in the newspaper. The local governing body shall collect the cost of publication from the organization requesting the property tax exemption. Before adopting any such ordinance the governing body shall consider the following questions:

1. Whether the organization is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954; ***Valley Area Community Support (VACSI) dba Valley Supportive Housing (VSH) was approved by the IRS as a public charity under***

Section 501(c)3 of the Federal Tax Code on October 26, 2005. Approval document included with this petition.

2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Board of Directors of the Virginia Alcoholic Beverage Control Authority to such organization, for use on such property; ***no such document has ever been requested. Subsequently, none has been issued.***

3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders; ***no director receives any salary for or other compensation for services. The executive director is paid $54,000.00 per year. The maintenance director is budgeted at $35,000 per year. The Tenant Sustainability Counselor is paid via a grant from the Community Foundation of the Central Blue Ridge at $37,800.00 per year.***

4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services; ***the articles of incorporation (included as an attachment) state that*** *"no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its officers, directors, or other private persons (except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above). NOTE: net earnings have always been kept to further the mission of VACSI/VSH.*

In answering the section: "whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants," *some explanation is necessary to understand the operations of VACSI/VSH relative to the donations section of this #4. VACSI/VSH leases apartments only for single occupancy for those individuals with a diagnosed serious mental illness. The typical monthly income of the typical tenant ranges between $794 and $836 per month. This is generated by Supplemental Social Security (SSI), or, in some cases by social security disability payments which might be slightly higher. The board of directors set this business up to allow for this income, classified as "very low income" against the median in Staunton of $52,000. The rent reflects the income restraints of the tenant and the typical rent is $500 per month including all utilities. As such rents for 42 apartments cover approximately 75% of the annual expense budget of $348,269. The remainder of the budget is covered by grants from: a) United Way ($15,000), b) CAPSAW ($25,000); c) Community Foundation of the Central Blue Ridge ($6,000); and d) an annual fund drive to citizens and some businesses of the SAW area ($27,500 is the goal for the year ending June 30, 2023. To date donations are $23,237.00).*

5. Whether the organization provides services for the common good of the public. ***VACSI/VSH provides housing only for those with a diagnosed serious mental illness. Most of the tenants have come directly out of homelessness. These are tenants that may have been living on the streets or in camps in the SAW area, were in temporary housing such as the Valley Mission or may have been housed overnight during cold weather periods by other civic sources. Estimated costs of homelessness per person in a region vary, but $35,000 per person is a typical estimate (see the studies included with this petition). Costs on average are reduced 49.5% when an individual is placed in supportive housing. Supportive housing costs on average are $12,800 per year making the net savings roughly $4,800 per year per individual. With the 62 individuals that VACSI/VSH supports (soon to be 68 with the Pump Street buildout), this number is $297,600. Now, if one has a problem with that number, take some percentage of it – it is still a big number. This, is what VACSI/VSH does.***

6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office; ***the VACSI/VSH articles of incorporation state that:*** *no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as provided in § 501(h) of the IRC), and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation operated exclusively for charitable, scientific, and educational purposes within the meaning of, and exempt from federal income tax under, § 501(c)(3) of the IRC, or by a corporation, contributions to which are deductible under § 107(c)(2) of the IRC. VACSI/VSH is not involved in such activity.*

7. The revenue impact to the locality and its taxpayers of exempting the property: ***given current assessed value and taxed at $.89 per $100, and working with current data (included) the tax revenue for the original six properties is $19,823.95. Except for the commercial section of Pump St. (now being rebuilt to accommodate another six apartments) real estate tax has never been invoiced or paid on these. The new section at St. Clair St., bought on January 1, 2023, calculates to be $13,696.30.***

8. Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance. ***a) the current number of occupied units is 62. With the buildout at Pump St., this will increase to 68 units. Note: VACSI/VSH is always fully occupied. b) The 2022-2023 budget is included with this petition.***

Income is budgeted at $341,643; expenses are budgeted at $348,269. c) typical rent per month is $500.00 including all utilities. There are no additional fees to the tenant. NOTE: adding the additional cost of real estate taxes can possibly eliminate the further existence of VACSI/VSH. The board has no knowledge of where the additional cost can be obtained.

C. Any ordinance exempting property by classification pursuant to subsection A shall be adopted only after holding a public hearing with respect thereto, at which citizens shall have an opportunity to be heard. The local governing body shall publish notice of the hearing once in a newspaper of general circulation in the county, city, or town. The public hearing shall not be held until at least five days after the notice is published in the newspaper.

D. Exemptions of property from taxation under this article shall be strictly construed in accordance with Article X, Section 6 (f) of the Constitution of Virginia.

E. Nothing in this section or in any ordinance adopted pursuant to this section shall affect the validity of either a classification exemption or a designation exemption granted by the General Assembly prior to January 1, 2003, pursuant to Article 2 (§ et seq.), 3 (§ et seq.) or 4 (§ et seq.) of this chapter. An exemption granted pursuant to Article 4 (§ et seq.) of this chapter may be revoked in accordance with the provisions of § .

2003, c. ;2004, c. ;2015, cc. , ;2018, c. ;2020, c. .

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

	A	B	C	D	E	F
1	**Staunton Real Estate Tax Schedule**					
2	**VACSI/VSH**					
3	Address	Assessed Value	Tax \$.89 per \$100 assessed value			
4				Notes		
5	1314 W Johnson St.	\$ 1,082,530.00	\$ 9,634.52	VACSI/VSH has not ever paid taxes on these properties except: Pump St. Note: the six apartments at Pump St. were treated as tax-free. The lower commercial section was taxed and taxes paid. At this time this commercial section is being rebuilt with six new apartments. We feel these should be treated at this time as tax free.		
6	1115 W Johnson St.	\$ 164,300.00	\$ 1,462.27			
7	1111 W johnsopn St.	\$ 176,530.00	\$ 1,571.12			
8	233 N Madison St.	\$ 211,950.00	\$ 1,886.36			
9	111 Pump St.	\$ 201,900.00	\$ 1,796.91			
10	240 Kalorama St.	\$ 390,200.00	\$ 3,472.78			
11		Total	\$ 19,823.95			
12						
13	207 S. St. Clair St.	\$ 271,460.00	\$ 2,415.99	VACSI/VSH feels that these properties should be treated as tax free.		
14	211 S. St. Clair St.	\$ 234,760.00	\$ 2,089.36			
15	213 S. St. Clair St.	\$ 234,760.00	\$ 2,089.36			
16	217 S. St. Clair St.	\$ 440,180.00	\$ 3,917.60			
17	216 S. St. Clair St.	\$ 191,160.00	\$ 1,701.32			
18	220 S. St. Clair St.	\$ 166,590.00	\$ 1,482.65			
19						
20		Total	\$ 13,696.30			
21						
22		Sum both totals	\$ 33,520.25			

Code of Virginia
Title 58.1. Taxation
Subtitle III. Local Taxes
Chapter 36. Tax Exempt Property
Article 2. Property Exempted by Classification or Designation

§ 58.1-3606. Property exempt from taxation by classification

A. Pursuant to the authority granted in Article X, Section 6 (a)(6) of the Constitution of Virginia to exempt property from taxation by classification, the following classes of real and personal property shall be exempt from taxation:

1. Property owned directly or indirectly by the Commonwealth, or any political subdivision thereof.

2. Real property and personal property owned by churches or religious bodies, including (i) an incorporated church or religious body and (ii) a corporation mentioned in § 57-16.1, and exclusively occupied or used for religious worship or for the residence of the minister of any church or religious body, and such additional adjacent land reasonably necessary for the convenient use of any such property. Real property exclusively used for religious worship shall also include the following: (a) property used for outdoor worship activities; (b) property used for ancillary and accessory purposes as allowed under the local zoning ordinance, the dominant purpose of which is to support or augment the principal religious worship use; and (c) property used as required by federal, state, or local law.

3. Nonprofit private or public burying grounds or cemeteries.

4. Property owned by public libraries, law libraries of local bar associations when the same are used or available for use by a state court or courts or the judge or judges thereof, medical libraries of local medical associations when the same are used or available for use by state health officials, incorporated colleges or other institutions of learning not conducted for profit. This paragraph shall apply only to property primarily used for literary, scientific or educational purposes or purposes incidental thereto and shall not apply to industrial schools which sell their products to other than their own employees or students.

5. Property belonging to and actually and exclusively occupied and used by the Young Men's Christian Associations and similar religious associations, including religious mission boards and associations, orphan or other asylums, reformatories, hospitals and nunneries, conducted not for profit but exclusively as charities (which shall include hospitals operated by nonstock corporations not organized or conducted for profit but which may charge persons able to pay in whole or in part for their care and treatment).

6. Parks or playgrounds held by trustees for the perpetual use of the general public.

7. Buildings with the land they actually occupy, and the furniture and furnishings therein belonging to any benevolent or charitable organization and used by it exclusively for lodge purposes or meeting rooms, together with such additional adjacent land as may be necessary for the convenient use of the buildings for such purposes.

8. Property of any nonprofit corporation organized to establish and maintain a museum.

B. Property, belonging in one of the classes listed in subsection A of this section, which was exempt from taxation on July 1, 1971, shall continue to be exempt from taxation under the rules of statutory construction applicable to exempt property prior to such date.

Code 1950, § 58-12; 1950, p. 61; 1952, c. 50; 1954, c. 65; 1956, c. 478; 1956, Ex. Sess., c. 16; 1958, c. 361; 1960, c. 396; 1962, c. 129; 1964, c. 198; 1966, c. 582; 1968, cc. 37, 807; 1969, Ex. Sess., c. 9; 1970, cc. 83, 562; 1972, c. 667; 1973, c. 438; 1974, c. 469; 1984, c. 675; 1985, c. 495; 2004, c. 492; 2005, c. 928;2014, cc. 555, 615.

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Code of Virginia
Title 58.1. Taxation
Subtitle III. Local Taxes
Chapter 36. Tax Exempt Property
Article 1. Exemptions Generally

§ 58.1-3603. Exemptions not applicable when building is source of revenue

A. Whenever any building or land, or part thereof, exempt from taxation pursuant to this chapter and not belonging to the Commonwealth is a source of revenue or profit, whether by lease or otherwise, all of such buildings and land shall be liable to taxation as other land and buildings in the same county, city or town. When a part but not all of any such building or land, however, is a source of revenue or profit, and the remainder of such building or land is used by any organization exempted from taxation pursuant to this chapter for its purposes, only such portion as is a source of profit or revenue shall be liable for taxation.

B. In assessing any building and the land it occupies pursuant to subsection A, the assessing officer shall only assess for taxation that portion of the property as is a source of profit or revenue and the tax shall be computed on the basis of the ratio of the space as is a source of profit or revenue to the entire property. When any such property is leased for portions of a year the tax shall be computed on the basis of the average use of such property for the preceding year.

C. In determining whether any building or land, or part thereof, is a source of revenue or profit, rent from the lease of the property applied to reduce indebtedness against the property by payment of the principal of an outstanding bond or note held by a political subdivision of the Commonwealth shall not constitute revenue or profit, provided that the property is leased to a lessee who is exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code and is used by such lessee exclusively for charitable purposes.

Code 1950, §§ 58-14, 58-16; 1950, p. 659; 1984, c. 675; 1996, c. 534.

The chapters of the acts of assembly referenced in the historical citation at the end of this section(s) may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

Attachment 2

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**September 28, 2023**	**Leslie Beauregard** **City Manager** **Charley Haney** **City Assessor** **Rebecca Joyce** **Housing Planner**
Item #	**2**	
Department:	**Assessor** **City Manager** **Community Development**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Engagement** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Discussion of Valley Area Community Support Inc., dba Valley Supportive Housing**	

Background: At City Council's August 24, 2023 Work Session, there was discussion about a tax exemption request by Valley Area Community Support, Inc., known as Valley Supportive Housing (VSH). At the conclusion of that discussion, City Council directed staff to return with some possible solutions between the City and Valley Supportive Housing concerning the tax exemption request as well as VSH's potential tax liability for previously due real estate taxes. There was not support at that time by City Council to address or consider the request by VSH to become officially tax exempt. Therefore, the item in front of Council tonight is only for discussion and feedback, and there is no public hearing scheduled to consider the tax-exemption request.

To revisit the background, the briefing memo and all attachments from the August 24, 2023 work session are included as Attachment 1.

Update and Additional Information Since August 24th Meeting:

On September 21, 2023 Leslie Beauregard, City Manager, and Rebecca Joyce, Housing Planner met with Mr. Lou Siegel, VSH Executive Director, Elizabeth Cianciolo, VSH Board Vice Chair, and Martha Johnson, VSH Board Member. Various options and recommendations (Attachment 2) that Ms. Joyce had explored were discussed and questions answered.

Charley Haney, City Assessor, has confirmed the amount of taxes that would be owed by VSH. The City Assessor can only legally go back three years as far as collection of taxes owed. The following amounts reflect outstanding real estate tax liabilities on VSH properties:

- Three years of taxes owed on VSH properties and to correct the current year = $69,783.42
- The current amount owed on the recently purchased St. Clair St. properties and the lower portion of Pump St. = $15,597.24
- **Total = $85,380.66**

There were also questions raised about other housing nonprofits in the City of Staunton and their tax status. Here are the three relevant ones and the authority, specified in State Code, behind their tax-exempt status:

- Habitat for Humanity - https://law.lis.virginia.gov/vacode/title58.1/chapter36/section58.1-3622/ - the properties are only exempt while they are still owned by Habitat; once the home is in the name of the homeowner, that property and the house are fully taxable.

- Valley Mission - https://law.lis.virginia.gov/vacode/title58.1/chapter36/section58.1-3606/

- Staunton Redevelopment and Housing Authority - https://law.lis.virginia.gov/vacode/title58.1/chapter36/section58.1-3606/

Mr. Haney also provided information on other properties that serve specific populations, such as the elderly, and they are taxable. Examples include 512 Houston formally Ruxton Health, Legacy, Brookdale, Royal Care at Birch Ridge, The Hilltop and Bright View Baldwin Park.

Another example is in the City of Charlottesville where Piedmont Housing Alliance controls 13 properties serving the elderly and disabled and all of their properties are taxable.

Attachments:

Attachment 1—Briefing Memo and Attachments from August 24, 2023 Work Session
Attachment 2—Options and Recommendations Discussed with VSH

City Manager's Recommendation: Staff recognizes that this is an unusual and difficult situation in that Valley Supportive Housing has operated under the assumption that their properties are tax exempt since 2006. Unfortunately, though, this was an erroneous decision made by City staff at that time and it must be corrected in some form. Staff is now looking for City Council to provide some direction as far as correcting this situation and will walk through the options during the work session.

City Council has several options they can consider or a combination of such:

1. If City Council wishes to formally consider the request by Valley Supportive Housing for tax exempt status, this would require a public hearing and a vote at a future Council meeting.

2. Council does not need to take any formal action if there is no desire to grant VSH tax exempt status. However, if Council desires to financially assist Valley Supportive Housing in any combination of ways to help address the taxes owed and the current taxes that are due, this would require a future budget appropriation.

3. In addition, City Council can direct that VSH apply for City funds as part of the regular budget cycle. And in our research, staff found that this is the process most jurisdictions utilize rather than granting a request for tax exemption. The next cycle for the FY 2025 Budget will start on December 8, 2023 when a budget submission request will be sent to all outside and nonprofit agencies that wish to apply for funds. Applications are due on January 25, 2024.

Suggested Motion: Not applicable.

City Manager: Leslie Beauregard

Valley Supportive Housing (VSH)
Financial/Human Capital Resources

Please note: *Information in red italics was shared during a meeting between VSH's executive director and board members and the Staunton City Manager and Housing Planner at their 09.21.2023 meeting.*

- City's annual grant request process during the annual budget cycle.
  The City Manager will add VSH to the list of organizations that receive applications in December 2023. Completed applications are due in January 2024.

- City's Community Development Block Grant (CDBG) annual request in Spring of 2024.
  The CDBG grant process will happen in the Spring of 2024. VSH is already on the list to receive notification of this funding opportunity.

- **Community Foundation of the Central Blue Ridge (CFCBR)** - Community Grants Program. Applications for 2024 will be available December 1st and due in early 2024. Looking for applications that address identified community needs and/or opportunities, and are well-conceived with a realistic schedule of activities and thoughtful use of resources. ($518,022 awarded to 143 nonprofit organizations in 2023).
  VSH received a three-year grant (currently in year two) from the CFCBR that provides a staff person who works with tenants to connect them with community support services.

- **Augusta Health** - Strategic Grant Funding Application. 2023 deadline is 09.15.2023. Programs with the following priority outcomes will be considered: mental health and substance use, access to healthcare, nutrition and physical activity. Organizations must have demonstrated core competency in a priority area of focus mentioned above. A program ready for implementation in January 2024, and includes an evaluation method for measurable outcomes that demonstrates the effectiveness of an evidence-based program. Funds awarded must be spent in Calendar Year 2024. High priority will be given to collaborative programs involving multiple organizations and intended to make a significant impact on the area of identified need. *VSH has applied for funds to, in partnership with New Directions, assist families in need of housing and services in order to become fully self-sufficient – this will provide extra support for those families in need.*

- Explore **Virginia Housing** grants to see if any options fit with VSH activities.

- Hire a fundraiser to raise funds for a capital campaign to help fund the houses purchased in January 2023. i.e., Friendship Industries capital campaign for their new building.
  The VSH's Executive Director recently attended a training provided by the Center for Nonprofit Excellence and the CFCBR on fund raising and capital campaigns.

- Contact **local faith-based organizations and civic groups** (Lions Club, Rotary Club, Ruritans) to provide funds or donated items to "adopt" residents or particular buildings to support daily needs.
  VSH currently has churches, a food pantry, and other organizations donating food, hygiene necessities, and cleaning supplies for use by the tenants on a regular basis.

- Have building maintenance/landscaping projects completed by corporate and other volunteers through **SAW United Way's Day/Week of Caring**.

- Research **U.S. Substance Abuse and Mental Health Administration** and **Virginia Department of Behavioral Health and Development Services** grant programs that may assist with supportive services for residents. Work with partners such as Valley Community Services Board to provide grant funded services.

- Connect with **Mary Baldwin University (MBU)'s Samuel and Ava Spencer Center for Civic and Global Engagement** to work with students who may be interested in working on supportive services with residents.
  MBU students have assisted VSH tenants in filling out annual customer satisfaction surveys in the past and will be doing that again soon.

- Connect with Blue Ridge Community College to see about potential student service-learning/ internship opportunities to provide supportive services to residents, particularly residents in the Human Services Program. Contact: Carmel D. Murphy-Norris, Career Services Coordinator, murphynorrisc@brcc.edu 540.453.2237

Useful Contact Links

Augusta Health Strategic Grants:
Strategic Funding - Augusta Health

Blue Ridge Community College:
BRCC

Community Foundation of the Central Blue Ridge Community Grants Program:
Grants | Community Foundation of Central Blue Ridge (cfcbr.org)

Mary Baldwin University's Samuel and Ava Spencer Center for Civic and Global Engagement:
Samuel and Ava Spencer Center for Civic and Global Engagement (marybaldwin.edu)

Staunton-Augusta-Waynesboro United Way Day/Week of Caring:
Day of Caring | United Way of Staunton, Augusta County & Waynesboro, Inc. (unitedwaysaw.org)

U.S. Substance Abuse and Mental Health Services Administration:
Grants | SAMHSA

Virginia Department of Behavioral Health and Developmental Services:
Virginia Department of Behavioral Health and Developmental Services

Virginia Housing Grants:
Grant Application Details – Virginia Housing

Attachment 3

List of Properties Presented by Valley Supportive Housing During City Council's September 28, 2023 Work Session

(the tax exempt status has been confirmed by the City Assessor)

• Woodrow Wilson Museum/Library	Exempt by State Classification 58.1-3606(A)8
• YMCA	Exempt by State Classification 58.1-3606(A)5
• American Shakespeare Center	Exempt by State Classification 58.1-3606(A)8
• Valley Supportive Housing	These properties are **Taxable**
• RR Smith Center	Exempt by State Classification 58.1-3606(A)8
• SAW First Aid	Exempt per 58.1-3610 (State Code)
• Salvation Army	Exempt per 58.1-3607 State Designation and 3606(A)2
• SAW Habitat	Exempt per 58.1-3622 (State Code)
• Valley Mission	Exempt by State Classification 58.1-3606(A)7
• Verona Moose Lodge	Exempt by State Classification 58.1-3606(A)7
• VFW	Exempt by State Classification 58.1-3606(A)7
• Wonderhouse	This property is **Taxable**
• Mt. Zion Lodge	Exempt by State Classification 58.1-3606(A)7
• Central Shenandoah Emergency	Exempt per 58.1-3610 (State Code)
• Community Childcare	Exempt per 58.1-3606(A)4 pre1971 (State Code)
• CASA for Children	This property is **Taxable**
• Access Foundation	Exempt by State Classification 58.1-3606(A)7

Attachment 4

DRAFT 10.17.2023

Ordinance No. 2023-_______

AN ORDINANCE
GRANTING VALLEY AREA COMMUNITY SUPPORT, INC. AN EXEMPTION FROM REAL ESTATE TAXES IN THE CITY OF STAUNTON, VIRGINIA

Recitals

A. Louis Siegel, Executive Director for Valley Area Community Support, Inc. (VACSI), submitted a request for an exemption from real property taxes in the City of Staunton, Virginia; and

B. Pursuant to Section 6(a)(6) of Article X of the Constitution of Virginia and Section 58.1-3651 of the Code of Virginia, 1950, as amended, Staunton City Council may by designation or classification exempt from real or personal property taxes, or both, property owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historic, benevolent, cultural, or public park and playground purposes; and

C. VACSI owns properties located at:

1314 W. Johnson St.

1115 W. Johnson St.

1111 W. Johnson St.

233 N. Madison St.

111 Pump St.

240 Kalorama St.

303 N. Lewis St.

207 S. St. Clair St.

211 S. St. Clair St.

213 S. St. Clair St.

217 S. St. Clair St.

216 S. St. Clair St.

220 S. St. Clair St.

D. VACSI states that it provides affordable, safe housing and supportive services for those with mental illness, intellectual disabilities or substance use issues, who struggle with homelessness and with very low income.

E. Pursuant to Section 6(a)(6) of Article X of the Constitution of Virginia and Section 58.1-3651 of the Code of Virginia, 1950, as amended, the City Assessor requested information from VACSI in order to analyze the following criteria:

NOTE: Below in this section are the questions from 58.1-3651 of the Code of Virginia and the answers provided by the applicant.

1. Whether the organization is exempt from taxation pursuant to *§ 501(c) of the Internal Revenue Code of 1954*; ***Valley Area Community Support (VACSI) dba Valley Supportive Housing (VSH) was approved by the IRS as a public charity under Section 501(c)3 of the Federal Tax Code on October 26, 2005. Approval document included with this petition.***

2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property; ***no such document has ever been requested. Subsequently, none has been issued.***

3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders; ***no director receives any salary for or other compensation for services. The executive director is paid $54,000 per year. The maintenance director is budgeted at $35,000 per year. The Tenant Sustainability Counselor is paid via a grant from the Community Foundation of the Central Blue Ridge at $37,800 per year.***

4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services; ***the articles of incorporation (included as an attachment) state that "no part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its officers, directors, or other private persons (except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in reasonable compensation for services rendered and to make payment and distributions in furtherance of the purposes set forth above). NOTE: net earnings have always been kept to further the mission of VACSI/VSH.***

In answering the section: "whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants, "sone [*sic*] explanation is necessary to understand the operations of VACSI/VSH leases apartments only for single occupancy for those individuals with a diagnosed serious mental illness. The typical monthly income of the typical tenant ranges between$794 and $836 per month. This is generated by Supplemental Social Security (SSI), or in some cases by social security disability payments which might be slightly higher. The board of directors set this business up to

allow for this income, classified as "very low income" against the median in Staunton of $52,000. The rent reflects the income restraints of the tenant and the typical rent is $500 per month including all utilities. As such rents of 42 apartments cover approximately 75% of the annual expense budge of $348,269. The remainder of the budget is covered by grants from: a) United Way ($15,000), b) an annual fund drive to citizens and some businesses of the SAW area ($27,500 is the goal for the year ending June 30, 2023. To date donations are $23,237.00).

5. Whether the organization provides services for the common good of the public; **VACSI/VSH provides housing only for those with a diagnosed serious mental** ***Illness. Most of the tenants have come directly out of homelessness. These are tenants that may have been living on the streets or in camps in the SAW area, were in temporary housing such as the Valley Mission or may have been housed overnight during cold weather periods by other civic sources. Estimated cost of homelessness per person in a region vary, but $35,000 per person is a typical estimate (see the studies included with this petition). Cost on average are reduced 49.5% when an individual is placed in supportive housing. Supportive housing costs on average are $12,800 per year making the net savings roughly $4,800 per year per individual. With the 62 individuals that VACS/VSH supports (soon to be 68 with the Pump Street buildout), this number is $297,600. Now, if one has a problem with that number, take some percentage of it-it is still a big number. This, is what VACSI/VSH does.***

6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office; ***the VACSI/VSH articles of incorporation state that: no substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation (except as provided in 501(h) of the IRC), and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation operated exclusively for charitable, scientific, and educational purposes within the meaning of, and exempt from federal income tax under, 501(c)(3) of the IRC, or by a corporation, contributions to which are deductible under 107(c)(2) of the IRC. VACSI/VSH is not involved in such activity.***

7. The revenue impact to the locality and its taxpayers of exempting the property; ***given current assessed value and taxed at $0.89per $100, and working with current data(included) the tax revenue oor[sic] the original six properties is $19,823.95. Except for the commercial section of Pump St. (now being rebuilt to accommodate another six apartments) real estate tax has never been invoiced or***

paid on these. The new section at St. Clair St., bought on January 1, 2023, calculates to be $13,696.30.

8. Any other criteria, facts and circumstances that is pertinent to the adoption of such ordinance. ***a) the current number of occupied units is 62. With the buildout at Pump St., this will increase to 68 units. Note: VACSI/VSH is always fully occupied. b) Income is budgeted at $341,643; expenses are budgeted at $348,269. c) typical rent per month is$500.00 including all utilities. There are no additional fees to the tenant. NOTE: adding the additional cost of real estate taxes can possibly eliminate the further existence of VACSI/VSH. The board has no knowledge of where the additional cost can be obtained.***

F. Based on the information provided by VACSI and further research by the City Assessor, the City Assessor does not support the exemption of VACSI properties (or its subsidiaries) from real estate taxes for the following reasons:

1. VACSI properties and their use do not qualify under Code of Virginia 58.1-3606, exemption by classification.
2. The Constitution of Virginia and the Code of Virginia does not favor exemption of real estate taxes, outside of Virginia Code exemptions by classification.
3. A survey of jurisdictions around the state indicates that similar properties with similar uses are treated as taxable.

G. The City Council finds that it is in the interest of the City and its citizens to exempt from real estate taxes the aforementioned properties owned by VACSI;

H. This matter has been properly advertised, heard, and considered; and

I. These recitals are deemed an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that the real properties located at: 1314 W. Johnson St., 1115 W. Johnson St., 1111 W. Johnson St., 233 N. Madison St., 111 Pump St., 240 Kalorama St., 303 N. Lewis St., 207 S. St. Clair St., 211 S. St. Clair St., 213 S. St. Clair St., 217 S. St. Clair St., 216 S. St. Clair St., and 220 S. St. Clair St. are hereby exempt from real estate property taxes based on VACSI's use of the properties as rentals to low-income individuals who have a recognized mental health issue.

AND BE IT FURTHER ORDAINED that the exemption from real estate taxes is contingent on VACSI's continued use as housing for low-income individuals who have a recognized mental health issue.

AND BE IT FURTHER ORDAINED that any additional real estate parcels within the City of Staunton obtained by Valley Area Community Support, Inc. (or its subsidiaries) and used as rentals to low-income individuals who have a recognized mental health issue are hereby exempt from real estate taxes.

Introduced:
Adopted:
Effective:

____
Stephen W. Claffey, Mayor

ATTEST: _________________________
Kiley A. Kesecker,
Clerk of Council

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**October 26, 2023**	**Staff Members:** **Billy Vaughn** **Amanda DiMeo**
Item #	**C**	
Department:	**Economic Development**	
Alignment with Staunton Plan (Value/Strategic Area):	**Strategic Area: Economic Development** **Values: Environmentally Conscious**	
Subject:	**Consideration of Resolution Endorsing an Application by City of Staunton to the Virginia Department of Housing and Community Development for a Virginia Industrial Revitalization Fund Loan for the WSH Boiler/Steam Plant Project**	

Background: The Virginia Department of Housing and Community Development (DHCD) operates the Industrial Revitalization Fund from which grants and loans can be made to localities for the purpose of rehabilitating vacant or distressed properties, or for demolishing such buildings to make way for new development.

BCS Holdings, LLC, project developers of the WSH Boiler/Steam Plant Project, is requesting the City of Staunton apply for a FY2023-2024 Industrial Revitalization Fund (IRF)/American Rescue Plan Act (ARPA) Loan in the amount of $2,255,301. The funds will be used by BCS Holdings, LLC to redevelop the downtown property as a restaurant and brewery at a total cost of $4,510,602. The project will retain and enhance this historic structure, while taking advantage of state and federal historic rehabilitation tax credits.

The project will include complete upgrades of utilities, including electrical, mechanical, and plumbing on the property and in the boiler plant, to accommodate the new use. The grant will also assist with extensive site work to provide an expanded, safer vehicular entrance, adequate parking, new site lighting, and landscaping. The iconic smokestack will be retained and repaired, as will a c.1914 brick storage building and the c. 1921 ash silo. The coal trestle running between the boiler plant building and the railroad tracks will be retained with necessary structural repairs made to the concrete bents. The upper platform on the trestle will be rebuilt with a new wood and metal decking and railing, accessed by a new staircase and walkway on either end, to create a new pedestrian walkway and overlook on the site.

The building envelope of the c.1949 boiler plant will be secured with a new roof, gutters and downspouts repaired or replaced as needed, and repairs made to brick, mortar, and concrete. New low-profile solar panels will be installed on the roof to aid in energy efficiency. The impressive bays of steel frame awning windows will be retained and repaired in-kind with new glazing installed in the many missing panes to preserve this character defining feature of the building.

The building's interior will be adapted to house a new bar, restaurant, and small brewing facility. New electrical and plumbing lines, rest rooms and a HVAC system will be installed to accommodate the new use. A new metal frame mezzanine will provide additional seating while retaining and complimenting the existing industrial character and materials of exposed brick, concrete, and metal as well as the open volume of space.

The IRF program requires a 1:1 match of loan funds requested. The local match requirement will be provided by BCS Holdings, LLC. A funding commitment from the City is not required nor requested for the loan application or project.

The IRF program guidelines require the local governing body to approve a resolution of endorsement for the application. The required resolution is attached.

Chip Clarke, Managing Partner, BCS Holdings, LLC, and project manager for the WSH Boiler/Steam Plant Project will be in attendance to provide a brief overview of the project and loan application.

Attachments:

Attachment 1—WSH Boiler/Steam Plant Project letter requesting resolution of support for the project

Attachment 2—City Council resolution approving an application by the City of Staunton to the Virginia Department of Housing and Community Development for an Industrial Revitalization Fund Loan to fund the WSH Boiler/Steam Plant Project

Attachment 3—City Manager Local Certification Letter

City Manager's Recommendation: Recommend that City Council adopt the resolution as presented and authorize the City Manager to sign the Local Certification letter.

Suggested Motion: I move that City Council adopt the resolution endorsing an application to the Virginia Department of Housing and Community Development as presented and authorize the City Manager to sign the Local Certification letter.

City Manager: Leslie M. Beauregard

Attachment 1

16 October 2023

Chip Clarke
Managing Partner, BCS Holdings, LLC
1 E Beverley St.
Staunton, VA 24401

Billy Vaughn
Director of Community and Economic Development
City of Staunton
116 West Beverley St.
Staunton, VA 24401

RE: Request for Support for IRF Loan Application: 420 Richmond Ave. Staunton WSH Boiler/Steam Plant

Dear Mr. Vaughn:

I would like to start off by saying thank you for the City of Staunton's support of our 2023 Industrial Revitalization Fund (IRF) Planning Grant to complete the first round of engineering and environmental assessment at 420 Richmond Ave., the WSH Boiler/Steam Plant Project. This project has been one of the most visible and blighted buildings in Staunton directly at the entrance of downtown. Despite its condition, many have seen the potential for adapted reuse in ways that would benefit both our local-residents and many visiting tourists. Rehabilitation of the property's building, site, and trestle into a unique restaurant, brewery, and event space, anchored by a nearly 1000ft walkway creating a notable and memorable space with its three-story glass windows and 123ft smokestack. 420 Richmond Rd will become a great place to grab a drink, have something to eat or simply walk along the top of the trestle experiencing a whole new set of views of Downtown Staunton.

Over the past few months, we have been able to establish a strong business relationship with Pro Re Nata Brewing (PRN) in Crozet, VA. This has led to a joint effort to redevelop not only this property, but the Coke Building at 709 North Augusta St. resulting in nearly $6,000,000 of investment into properties and future business for our Downtown. While the "Coke" building will serve as a production facility, 420 Richmond Ave., will become a high-quality event and restaurant/brewery space. PRN will bring substantial experience, expertise, and success with their well-established model in Crozet building upon Staunton's already well-known restaurant scene and adding new live music options to our already strong art and culture activities.

The IRF Planning Grant we received in March 2023 was completed in September of this year allowing us to begin the activities necessary to position the 420 Richmond Rd project for successful completion. To date we have been able to complete the following:

1. Structural design and planning for new interior space and renovation of the trestle.
2. Mechanical, electrical, and Plumbing planning for the building
3. Architectural and design sketches and planning for the building and trestle.
4. Intensive study of the 123ft smokestack.
5. Site engineering and study to locate and plan for new utilities, parking, and grading.

6. Full submission of our Part I and Part II Historic Tax Credit application which both have been approved with only minor adjustments required.
7. Completion of Phase 1 environmental study
8. Completion of Phase 2 environmental study which resulted in successful removal of the 2 – 15,000-gallon oil tanks on site.
9. Obtained a full working project planning budget for completion of all work at the 420 Richmond Rd. site.
10. Obtained financing and matching investment totaling approximately $2,500.000 allowing us to obtain the necessary IRF loan for project completion.

The IRF Loan presents a unique opportunity to develop this $4,500,000 project. The combination of the Historic Tax Credits, owner capital, a commitment by Virginia Credit Union would allow us to take advantage of exceptional interest rates allowing project like this to move forward without jeopardizing or unduly stressing the operating business at the location. The project is set to begin upon approval of the IRF Loan with hopes of starting construction at or around January 2024.

Both BCS Holdings and PRN Brewing kindly request that the City of Stanton make application to the IRF on our behalf for this project with the attached Resolution and Support for Local Certification. The deadline for his submission is 27 October 2023.

If you have any questions or need any additional information, please let us know.

Respectfully,

Chip Clarke
Managing Partner
BCS Holdings, LLC

Attachment 2

RESOLUTION APPROVING AN APPLICATION BY THE CITY OF STAUNTON TO THE VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN INDUSTRIAL REVITALIZATION FUND LOAN FOR THE WSH BOILER/STEAM PLANT PROJECT

WHEREAS, the Virginia Department of Housing and Community Development (DHCD) operates the Industrial Revitalization Fund (IRF) from which grants and loans can be made to localities for the purpose of rehabilitating vacant or distressed properties or demolishing buildings to make way for new development; and

WHEREAS, BCS Holdings, LLC, project developers of the WSH Boiler/Steam Plant Project, is requesting the City of Staunton apply for a FY2023-2024 Industrial Revitalization Fund (IRF)/American Rescue Plan Act (ARPA) Loan in the amount of $2,255,301. The funds will be used by BCS Holdings, LLC to redevelop the downtown property as a restaurant and brewery; and

WHEREAS, in addition to the IRF Loan, an additional $2,205,301 will be expended on this project, $669,523 from a bridge loan, and $1,535,778 in the cash value of Historic Tax Credits, for a total project cost of $4,510,602.

WHEREAS, the goal of the WSH Boiler/Steam Plant Project is to preserve this historic building, and convert this visible blight on the community into a desirable, thriving new business. This project will create a catalyst for long-term employment opportunities and on-going physical and economic revitalization; and

WHEREAS, it is projected by BCS Holdings, LLC that the redevelopment of the entire property will improve the appearance of a major downtown entry point and improve the impression to passersby as well as potential business developers and investors. The rehabilitation will support the adjacent hotel complex at The Villages at Staunton, and will have a positive impact on the continued revitalization of the downtown area; and

WHEREAS, City Council has made the revitalization of the downtown area a high priority in the community's economic development efforts.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Staunton, Virginia, that:

1. The submittal of an application to the Virginia Department of Housing and Community Development for an IRF Loan, in the amount of $2,255,301, to be used by BCS Holdings, LLC to redevelop the WSH Boiler/Steam Plant property, located at 420 Richmond Avenue, as a restaurant and brewery, is hereby authorized.

2. The City confirms that the local match requirement will be satisfied by BCS Holding, LLC, and their other private funding sources.

3. The City understands that a funding commitment from the City is neither required nor requested for the loan application or the project, and Council's authorization of submittal of an application to the Virginia Department of Housing and Community Development is conditioned upon the same.

4. Since the City is unable to manage the loan, it is condition of this approval that the Virginia Department of Housing and Community Development authorize Virginia Community Capital to underwrite the loan.

5. The City Manager or her designee is hereby authorized to sign and submit appropriate documents, as approved by the City Attorney, for the submittal of this Industrial Revitalization Fund Loan application.

Adopted this 26th day of October, 2023.

____
Stephen W. Claffey, Mayor

Attest: ________________________________
Kiley Kesecker, Clerk of Council

Attachment 3

City of Staunton Certification for
FY2024 WSH Boiler/Steam Plant Project IRF Loan Application

The City of Staunton hereby assures and certifies that:

a. It possesses legal authority to apply for the IRF program and to execute the proposed program.

b. The property for which the application is made meets the definition of “blighted property” according to the Code of Virginia § 36-3.

c. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the application including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

d. That the information contained in the IRF application is true and correct.

Signed: ________________________________ Date: October 26, 2023

Leslie M. Beauregard, City Manager

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

<table>
<tr><td>Meeting Date:</td><td>October 26, 2023</td><td rowspan="3">City Council

John C. Blair, II
City Attorney</td></tr>
<tr><td>Item #</td><td>D</td></tr>
<tr><td>Department:</td><td>City Council

City Attorney</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Value: Engagement

Strategic Area: Responsive, Efficient Government</td></tr>
<tr><td>Subject:</td><td colspan="2">Resolution Establishing the City of Staunton's 2024 Legislative Program</td></tr>
</table>

Background:
The proposed 2024 Legislative Program before you consists of four items. The first is the Virginia Municipal League's Legislative Positions for 2024. This program was adopted at the Virginia Municipal League's Annual Conference this month. It contains four legislative priorities and nine legislative position statements.

Additionally, the Legislative Program consists of two proposed bills that City Council discussed at its July 27, 2023 meeting. The first proposed bill would allow Staunton and other localities to conduct special elections on primary election days. This would allow a locality to save costs because a primary election results in the expenditure of funds for the election process. The locality could conduct its special election at the same time as the primary election, thus avoiding the need for the costs of a special election on a separate date. The Staunton General Registrar and Director of Elections estimates that the cost to administer a special election on a separate date is $19,000.

The second proposed bill would permit the City of Staunton to establish policies and adopt an ordinance either reducing or waiving the utility connection fee for residents of Uniontown.

Finally, there is a Resolution requesting that Virginia's Line of Duty Act be amended to permit private police departments to participate in the Line of Duty Act. This proposed Resolution is in response to the tragic death of a Wintergreen Police Department officer earlier this year. Augusta, Nelson, and Montgomery Counties have adopted similar Resolutions, and Albemarle County also adopted a statement in support of this proposed amendment.

An additional note about the 2024 General Assembly: The City of Staunton will have two new representatives in the General Assembly for its 2024 Session. Delegate John Avoli and Senator Emmett Hanger announced their retirements earlier this year. The two elected representatives will be invited to attend the December 14, 2023 City Council work session to discuss the adopted legislative agenda with City Council, as has been the practice in previous years.

Staunton will be represented by the electoral victors in Senate District Three and House of Delegates District thirty-six.

City Manager's Recommendation: Adopt the proposed resolution establishing the City of Staunton's 2024 Legislative Program.

Suggested Motion: I move that City Council adopt the resolution establishing the City of Staunton's 2024 Legislative Program.

Attachments:

Attachment 1—VML 2024 Legislative Positions
Attachment 2—Primary Election/Special Election Proposed Legislation
Attachment 3—Uniontown Proposed Legislation
Attachment 4—Resolution Supporting Line of Duty Act Amendment
Attachment 5—Resolution Adopting Legislative Program

City Manager: Leslie Beauregard

Proposed 2024 Legislative Program Items

As approved by the VML Legislative Committee Oct. 8, 2023

I. LEGISLATIVE PRIORITIES *(listed alphabetically)*

Funding of Community Services Boards and Behavioral Health Authorities

VML supports sufficient and sustained state funding and technical assistance for community services boards/behavioral health authorities to implement STEP-VA requirements and to support the planning and implementation of Marcus Alert protocols. This funding should not come at the expense of other community-based service initiatives and requirements; nor should the burden of funding these state initiatives be shifted to local governments.

Robust state revenues offer an opportunity for the state to make new investments in the community and in the state hospitals.

Investments must go to both build the network of community-based services and to assist state hospitals with their vital mission. This cannot be a zero-sum funding situation where one part of the system benefits at the expense of the other part of the system.

Marijuana: Clarification of Local Referendum and State Support

VML urges the General Assembly to clarify the city and town referendum opt-out process by specifying that:

- Towns may hold concurrent referenda with their counties with the outcome of the town referendum binding within the town, and
- Only in the case of a town not holding a referendum would a county's referendum outcome affect a town's legal sales of recreational marijuana.

VML further requests dedicated and near-term financial state support to assist communities with the upfront, pre-implementation administrative, health, and public safety costs incurred prior to the start of legal sales in localities. This includes training for local law enforcement, and other applicable local government personnel (taxation, code enforcement, zoning, etc.) on the new law and regulations.

VML urges the Cannabis Control Authority to begin its work as soon as possible to fill the regulatory vacuum. This work must include participation by local governments to clarify state and local roles and responsibilities pertaining to marijuana rules and regulations, including but not limited to, establishing enforcement guidance and training standards, guidance for marijuana equivalents, and eliminating ambiguity from local authority. VML supports the equitable implementation of this law.

VML supports transparency but also a balance in financial reporting requirements on citizen volunteers to ensure that economic development authorities and industrial development authorities continue to operate with interested and knowledgeable volunteers.

Land Use Control

Localities must maintain control of local land use decisions. Neither the state nor the federal government should usurp or pre-empt a locality's authority to make such decisions; nor should they impose requirements that weaken planning and land use functions. This includes all types of housing to include, but not limited to short-term rentals.

VML also supports local government authority to promote affordable and mixed income housing as well as the required infrastructure to facilitate in-fill development, redevelopment and mixing of uses. Any mandate from the state should include full funding for the locality.

Local Excise Taxes

VML supports the statewide authority for local governments to establish an excise tax on the sale of vaping products. VML also supports the statewide authority for local governments to establish an excise tax on the sale of cannabis products.

Privacy Protection in Government Data Collection

VML supports ensuring that localities can meet the intent of the Government Data Collection and Dissemination Practices Act by protecting the privacy and personal information acquired through the provision of services to local government clients.

Remote Meetings for Persons with Disabilities

VML supports remote meeting participation for persons with disabilities as defined in Virginia State Code and that the participant count towards a quorum for the meeting.

Sovereign Immunity

Expanding liability and eroding immunities at state levels across the nation have had a chilling effect on the actions of local government officials contributing to local government insurance problems, creating immense financial risks (particularly for legal costs), and posing a substantial obstacle to the provision of needed public services. The Virginia General Assembly should strengthen and must maintain the principles of sovereign immunity for local governments and their officials.

State Assistance to Local Police Departments (HB 599)

Almost 70 percent of Virginians live in communities served by police departments. The State created a program of financial assistance to local police departments (HB 599) when it imposed an annexation moratorium on cities more than 30 years ago. It has increasingly de-emphasized this funding obligation as a priority but has never compromised on the annexation moratorium. VML calls for the state to honor its commitment to local governments and public safety by funding the program as stipulated in the Code of Virginia or lift the moratorium on annexation.

Attachment 2

Be it enacted by the General Assembly of Virginia:

1. That §24.2-682 of the Code of Virginia is amended and reenacted as follows:

A. Notwithstanding any charter or special act to the contrary, the following provisions govern the times for holding special elections. Every special election shall be held on a Tuesday. No special election shall be held within the 55 days prior to a general or primary election. ~~No special election shall be held on the same day as a primary election.~~ A special election may be held on the same day as a general election.

B. A referendum election shall be ordered at least 81 days prior to the date for which the referendum election is called.

C. A special election to fill a vacancy in any constitutional office shall be held promptly and in accordance with the requirements of subsection A.

Attachment 3

Be it enacted by the General Assembly of Virginia:

1. The City of Staunton, Virginia may establish criteria to reduce or waive utility connection fees in the following described area located within the City of Staunton, Virginia:

Beginning at the intersection of Statler Boulevard and CSX Railroad (near the intersection of Statler Boulevard and Richmond Avenue), those lots immediately adjacent to the northern side of the railroad with frontage on Summerson Row and Anthony Street, to also include four lots located on the northern side of Anthony Street, situated between the parcels currently operating as Allied Concrete and Staunton Wrecking; and continuing to those lots which adjoin the southern side of undeveloped Anthony Street, to include the lot at the intersection of National Avenue and Anthony Street; and continuing southwest, all of lots to the south of CSX Railroad on the eastern side of National Avenue, then moving westerly to include the lots on the northern side of Richmond Avenue to the eastern corner of Young Street; including all of those lots on the eastern side of Young Street, inclusive of all of those lots situated between Young Street and National Avenue and Richmond Avenue and CSX Railroad.
The parcels being further identified as City Parcel Identification Numbers:
4798; 1093; 7508; 7509; 2915; 4178; 7968; 954; 99; 1851; 1847; 8136; 1095; 1864; 8138; 1096; 1867; 8860; 1863; 1097; 1879; 1284; 8134; 1880; 1865; 100722; 1098; 1848; 1876; 7507; 98; 1811; 8496; 10320; 7712; 1845; 1842; 1840; 1843; 9013; 4994; 4993; 1; 4995; 7613; 7610; 7609; 7607; 7611; 3928; 3929; 5395; 101541; 101542 7196; 1846; 6243; 8458; 1877; 3074; 7612; 100; 2914; 8839; 7608; 8843; 8678; 2913; 626; 8582; 3576; 3578; 3577; 1883; 1884; 5481; 2916; 11556; 2318; 8581; 786; 1376; 2912; 1882; 5599; 5151; 809; 2319; 3104; 5149; 1094

2. After the establishment of criteria for the reduction or waiving of utility connection fees for the aforementioned area, the Staunton City Council is authorized to adopt an ordinance to reduce or waive utility connection fees for the area.

Attachment 4

RESOLUTION OF THE STAUNTON CITY COUNCIL HONORING OFFICER MARK CHRISTOPHER WAGNER, II AND REQUESTING A LINE OF DUTY ACT AMENDMENT

WHEREAS, Mark Christopher Wagner II served for seven years with the Massanutten Police Department, beginning his law enforcement career as a Gate Attendant and in May of 2019, earned Police Officer status following his graduation from Central Shenandoah Police Academy; and

WHEREAS, Officer Wagner joined the Wintergreen Police Department in August of 2020 and diligently served the Wintergreen Community with unwavering honor and commitment; and

WHEREAS, Officer Mark Christopher Wagner II was killed in the line of duty on June 16, 2023, in his capacity as a law enforcement officer employed by the Wintergreen Police Department, a private police department; and

WHEREAS, the Line of Duty Act, Virginia Code § 9.1-400 *et seq.*, excludes private Police Officers from the benefits of that Act; and

WHEREAS, by definition under the Code of Virginia private Police Officers are law enforcement officers; and

WHEREAS, private Police Officers, just as their counterparts employed by a police department or sheriff's office, are responsible for the prevention and detection of crime and the enforcement of the penal laws and are exposed to the same risks of injury or death; and,

WHEREAS, it is the desire of the Staunton City Council that the Line of Duty Act should be amended to afford private Police Officers the benefits available under the Act by permitting private Police Departments to join and pay premiums pursuant to the Line of Duty Act's provisions.

NOW, THEREFORE, BE IT RESOLVED, the Staunton City Council hereby honors Officer Mark Christopher Wagner II of the Wintergreen Police Department for his heroism and honorable service to the residents of Wintergreen, for whom he made the ultimate sacrifice, and

BE IT FURTHER RESOLVED, the Staunton City Council hereby requests the General Assembly to amend the Code of Virginia to afford private Police Departments the ability to participate in, pursuant to Virginia Code § 9.1-400 *et seq*., the Line of Duty Act, and

BE IT FINALLY RESOLVED, the Staunton City Council hereby directs that a copy of this Resolution requesting these State Code amendments be delivered forthwith to the City's representatives in the 2024 Session of the Virginia General Assembly.

Adopted this_______ day of ___________, 2023.

____

Stephen W. Claffey, Mayor

ATTEST: ____________________________

Kiley A. Kesecker, Clerk of Council

Attachment 5

RESOLUTION
OF THE
COUNCIL OF THE CITY OF STAUNTON
APPROVING THE 2024 LEGISLATIVE PROGRAM

WHEREAS, the Staunton City Council has determined that it needs two specific pieces of legislation enacted by the Virginia General Assembly; and

WHEREAS, as a member of the Virginia Municipal League, the City of Staunton endorses VML's Legislative Program; and

WHEREAS, the City of Staunton joins with other localities within the Commonwealth to request an amendment to the Line of Duty Act to permit private police departments to participate in the Line of Duty Act program.

NOW, THEREFORE, BE IT RESOLVED that the Staunton City Council adopts the 2024 Legislative Program presented to it at its October 26, 2023 meeting.

BE IT FURTHER RESOLVED that the 2024 Legislative Program shall be presented to the City of Staunton's representatives in the 2024 Session of the Virginia General Assembly.

Adopted this_______ day of ___________, 2023.

____
Stephen W. Claffey, Mayor

ATTEST: _____________________________
Kiley A. Kesecker, Clerk of Council