City Council
WORK SESSION
September 8, 2016
6:15 p.m.

Council Members Present: Mayor Dull, Vice Mayor Kier, Council Members Curren, Harrington, Holmes.

Council Members Absent: Oakes, and Obenschain.

The Mayor called the work session of City Council to order. The invocation/moment of silence was given by Dr. Curren.

1. Consideration of Work Session and Regular Meeting Agendas

Consistent with Procedural Memorandum No. 3, amended by Council at its organization meeting on July 1, 2016, the agendas were presented for Council consideration.

Dr. Harrington moved to approve the Work Session agenda and the Regular Meeting agenda with the deletion from the Work Session agenda of discussion of Atlantic Coast Pipeline.

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

Dr. Harrington	aye	Dr. Curren	aye
Vice Mayor Kier	aye	Mr. Holmes	aye
Mayor Dull	aye		

Mayor Dull stated that the discussion of the Atlantic Coast Pipeline was being postponed because Ms. Oakes and Mr. Obenschain were not present, and they wanted everyone present to participate in the discussion.

2. Discussion of Lottery for Localities

Mr. Steve Owen, City Manager, stated that Mayor Dull and other members of Council received an email from Greg Eanes, Mayor of the Town of Crew, communicating a proposal to allocate five percent of total lottery sales in each locality to that locality. Virginia Lottery representatives have informed staff that lottery sales in the City of Staunton in FY 2015 totaled $6,965,913. Five percent of that figure—the amount to be transferred to the city were the proposed changes to the lottery implemented—would be $348,296. If Council is inclined to support the proposal, it can be included in Council's legislative program, to be considered later this calendar year.

Mayor Dull stated that with the information provided this looked like a potential good thing for localities because the money is being spent locally, yet it wouldn't affect the educational funds.

Vice Mayor Kier stated that at the recent VML Legislative Committee meeting Lottery representatives appeared and spoke about this issue. He stated that some of the concerns were:

- This proposal would require a reduction in the percentage allocated for prize money
- The consequences could lead to lower lottery sales
- The proposal is based on similar proposal adopted and later changed in Texas
- If adopted, the General Assembly would have to approve by 80%, in both houses, the expenditure of lottery funds for purposes other than education
- This proposal could not apply to any multi-state programs (e.g., Powerball and Mega Millions) because Virginia does not control the percentages from those lotteries.

Mr. Owen reviewed Virginia Department of Education lottery funded programs with Council.

After discussion, it was the consensus of Council to support this concept in order for it to be discussed at the upcoming VML conference.

3. Economic Development Update

Mr. Steve Owen called on Mr. Billy Vaughn, Director of Economic Development. Mr. Vaughn updated Council on recent activities at Staunton Crossing and Frontier Center.

Staunton Crossing:

- city has closed on the sale of 25 acres to developers for the amount of $1.25 million
- CHIRP Building has been demolished
- new entrance has been completed
- sewer line extension has been completed
- state police operations have been relocated, and the old building and tower removed
- developer plans to construct two hotels, a convenience store with gas, a full-service restaurant, a fast food restaurant and, potentially, a grocery store
- plans are to hold a special event tentatively scheduled for October 13

Frontier Center:

- staff has met and discussed completing the contractual matters to start construction of phase 1 which is five outparcels
- 99% there, a few things the city engineer needs to put together and a few things the developer needs to sign off on
- hoping both Staunton Crossing and Frontier Center break ground about the same time

4. Shenandoah Valley Partnership's Familiarization Tour

Mr. Owen called on Mr. Courtland Robinson, Assistant Director of Economic Development. He stated that the Shenandoah Valley Partnership (SVP) is the region's premier economic development marketing agency focusing on business attraction, business expansion and workforce opportunities. To promote new investment in the Shenandoah Valley, SVP is teaming up with its member jurisdictions to host seven site location consultants for a familiarization tour of the Valley, September 14-16, 2016.

Site consultants assist companies with both analytical and qualitative techniques to determine favorable locations for a particular business operation. On behalf of their clients—who are the region's economic development prospects—site location consultants also navigate issues such as workforce demands, supply chain systems and incentives. SVP has been visiting directly with site location consultants since 2012, bringing the Valley's opportunities to major metro areas all over the United States. Now SVP will conduct a two-day tour of the Valley in order to enhance the consultants' awareness of the region's assets.

The event will begin with SVP's biannual Connect Event on Wednesday, September 14, at CrossKeys Vineyards, and continue with CEO Roundtable discussions, industry tours and more. Elected officials are encouraged to attend SVP's Connect Event, get to know the site location consultants, and join us as a region to market our communities to these decision makers.

5. Discussion of a Resolution Establishing the Percentage of Relief at 41% for Purposes of the Personal Property Tax Relief Act (PPTRA)

Mr. Steve Owen called on Maggie Ragon, Commissioner of Revenue. She stated the Personal Property Tax Relief Act of 1998 (PPTRA) was modified by legislative action taken during the 2004 and 2005 General Assembly sessions. The legislative enactments required the City to take affirmative steps to implement changes and to provide for computation and allocation of relief. The legislative enactments also provided for an appropriation to the City, commencing in 2006, for a fixed sum to be used exclusively for the provision of tax relief to owners of vehicles subject to the City's personal property tax, and to provide the opportunity for the City to fashion a program of tax relief that best serves the citizens.

On April 13, 2006, Council adopted an ordinance that defined procedures and responsibilities for implementing the changes to the PPTRA, including the method of computing the tax relief and allocation of tax relief, plus transitional provisions. The ordinance requires that Council shall set the percentage of tax relief at such a level that is anticipated to fully exhaust PPTRA relief funds provided to the City by the Commonwealth. The Commissioner of Revenue recommends the rate of 41 percent for calendar year 2016. The Commissioner of Revenue, the City Treasurer, and the Chief Financial Officer have worked as a team to bring this matter to Council so as to implement Council's April 13, 2006 ordinance.

This will be item C on the regular agenda.

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

Linda L. Little

Linda L. Little, Clerk of Council