

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
July 24, 2007

The Henrico County Board of Supervisors convened a Special Meeting on Tuesday, July 24, 2007 at 4:30 p.m. in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico County, Virginia. The Chairman called the meeting to order at 4:49 p.m. Those present at the meeting were:

PRESENT

The Honorable James B. Donati, Jr., Chairman
The Honorable David A. Kaechele, Vice-Chairman
The Honorable Richard W. Glover, Brookland District Supervisor
The Honorable Patricia S. O'Bannon, Tuckahoe District Supervisor
The Honorable Frank J. Thornton, Fairfield District Supervisor
Mr. Virgil R. Hazelett, P.E., County Manager
Mr. George T. Drumwright, Jr., Deputy County Manager for Community Services
Ms. Angela N. Harper, FAICP, Deputy County Manager for Special Services
Mr. Harvey L. Hinson, Deputy County Manager for Community Development
Mr. Leon T. Johnson, Deputy County Manager for Administration
Mr. Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations
Mr. Barry R. Lawrence, Assistant to the County Manager/Clerk to the Board
Mrs. Linda B. Jones, Deputy Clerk to the Board
Mr. Joseph P. Rapisarda, Jr., County Attorney
Mrs. Tamra R. McKinney, Director of Public Relations & Media Services
Mr. S. Mark Strickler, Director of Community Revitalization
Mr. John A. Young, Community Development Manager, Community Revitalization
Mr. Alfred Arzuaga, Commercial Revitalization Planner
Ms. Mary Reynolds, Community Revitalization Planner
Ms. Reta R. Busher, Director of Finance
Mr. Randall R. Silber, Director of Planning
Mr. David D. O'Kelly, Jr., Assistant Director of Plan Review and Code Support
Mr. Benjamin W. Blankinship, Principal Planner
Mr. Paul M. Gidley, County Planner
Mr. Tyler H. Craddock, Director of Public & Government Affairs, Home Building Association of Richmond
Mr. Will Jones, *Richmond Times-Dispatch*
Mr. Tom Lappas, *Henrico Citizen*

Proposed Enterprise Zone Amendment

Mr. Hazelett noted that the presentation of this item would not take as long as originally planned because the enterprise zone map boundaries were still under review by the

Commonwealth of Virginia and would be presented to the Board at a later date. Mr. Hazelett recognized Mr. Strickler, who narrated a Power Point presentation that outlined the new incentives for the proposed amendment (see enclosed copy of presentation and one-page summary of Commonwealth of Virginia and County of Henrico incentives). Mr. Strickler advised the Board that discussions with the State regarding flexibility in the map boundaries had so far been positive. He pointed out that although existing incentives for enterprise zones were working well, smaller businesses desired improvements that did not meet the criteria for federal funding. Mr. Strickler reviewed the limitations for using federal funds, potential incentives for new local funds, estimated annual costs to the County, and steps involved to move the proposed amendment forward. Mr. Hazelett advised the Board to be mindful that local incentives would involve a public investment in private property and have an impact on the County budget. He emphasized that what was proposed by staff was the starting point of a new program to enhance certain corridors of the County. He further advised that local grants would be provided each year on a first come, first served basis until the funds are exhausted.

Mr. Strickler, Mr. Hazelett, and Mr. Hinson responded to questions and comments during the presentation from members of the Board concerning whether there are any ongoing projects in the County's enterprise zones using federal funds, whether using locally funded incentives would represent a policy shift for the Board, how best to assist the small business sector revitalize properties that are not eligible for federal funds, the types of federal grants currently available for businesses within enterprise zones, whether architectural and landscape design projects are eligible for Community Development Block Grant (CDBG) funding, the types of businesses the proposed amendment would target, the investment criteria

for the various types of local grants being proposed, whether the proposed local incentives could be used in combination with state and federal funds, whether approval from the City of Richmond and Commonwealth of Virginia would be required to move forward with the proposed incentives, how the County would ensure a level playing field for businesses applying for local funding, and the marketing techniques that would be used by the Department of Community Revitalization staff to alert business owners to available incentives.

At the conclusion of his presentation, Mr. Strickler introduced the members of his staff who were in the audience. He, Mr. Hazelett, and Mr. Hinson responded to further questions and comments from Board members pertaining to the projected timeframe for implementing the new program if approved by the State, how staff arrived at the figures cited in the proposed grant funding formulas, whether the City of Richmond currently offers incentives similar to those proposed by County staff, the role of the County's Economic Development Authority in promoting enterprise zones, the status of the State's current review of the County's enterprise zone map boundaries, the potential number of acres within the County that can be added to the enterprise zone, and the timing for bringing the boundary change proposal to the Board for its review. Mr. Rapisarda commented on State Code requirements relating to enterprise zones.

Proposed Zoning Ordinance Amendments
to Increase the Permitted Heights of
Residential Dwellings and Accessory
Buildings

Mr. O'Kelly reminded the Board that this item had previously been discussed at the Board's May 22, 2007 Special Meeting. He noted that the consensus of the Board as expressed at that meeting was to allow 40-foot building heights by right for dwellings approved after 1960 in the One-Family Residence Districts and the Agricultural District, but to require a Provisional Use Permit (PUP) for dwellings of this height approved prior to 1960. He narrated a brief

Power Point presentation that summarized the proposed amendments to increase the permitted heights of residential dwellings and that also provided examples of the impacts of taller buildings in residential subdivisions. Mr. O'Kelly pointed out that the ordinance considered by the Board at the June 12, 2007 meeting had been deferred and that a substitute ordinance would be brought forward at the Board's August 14, 2007 Regular Meeting.

Mr. O'Kelly continued his Power Point presentation by briefly reviewing the proposed ordinance amendments to allow accessory structures taller than 15 feet in residential and agricultural zoning districts. He noted that after reviewing accessory building height limits in neighboring jurisdictions ranging from 18 to 24 feet, staff was recommending that the County's height limit be increased from 15 feet to 20 feet. Mr. O'Kelly advised that concerns such as accessory apartments and other uses for the space would be reviewed by staff on a case-by-case basis. He informed the Board that the proposed amendments relating to accessory building heights are expected to be advertised for a public hearing at the Board's first meeting in October, following the Planning Commission's public hearing in September. Mr. O'Kelly and Mr. Hinson responded to a couple of questions from Board members during the presentations concerning the heights of residential dwellings depicted in the slides, the zoning classifications included in One-Family Residential Districts, and how the proposed amendments would affect roof designs.

Mr. Hazelett advised that he would brief the Board over dinner on the status of the independent real estate commission that he had appointed to study the County's land acquisition procedures.

The Board recessed for dinner at 5:35 p.m. and reconvened at 5:59 p.m.

Mr. Hazelett briefly explained the public hearing items on the evening's regular meeting agenda and also several of the items on the general agenda. At Mr. Kaechele's request, he spoke to a resolution on the general agenda that would award contracts for the County's self-funded health insurance program for County and School employees. Mr. Hazelett summarized the benefits and

costs associated with the new program and the services that would be provided under the proposed contracts with Southern Health, Inc. and Coventry Health and Life Insurance Company. He responded to additional questions from Board members regarding the number of bids received by the County for the services that would be contracted, the current number of County employees, and the number of health insurance claims processed annually by the County. Mr. Kaechele and Mr. Hazelett discussed the logistics and costs of processing claims. Mr. Hazelett responded to additional questions from Board members concerning the alternatives to the proposed contracts and the timeframe when the County previously self-insured for employee medical coverage. He finished reviewing the items on the general agenda and responded to questions from Board members pertaining to the anticipated use of grant funding from the Virginia Department of Emergency Management's Radiological Preparedness and Response Program and the Division of Recreation and Park's renovation plans for Dabbs House.

Mr. Hazelett offered an overview of the first two meetings held by the independent real estate commission that he appointed. He noted that the commission had asked to see documentation on general government and schools property transactions as well as the County's files on the Kain Road property. Mr. Hazelett responded to questions from Mr. Kaechele regarding the specific type of information contained in the County's property acquisition files and whether these files included documents from Henrico County Public Schools. Mr. Rapisarda advised that Mr. Jones from the *Richmond-Times Dispatch* had made a request under the Virginia Freedom of Information Act for materials relating to the Kain Road property.

Mr. Hazelett reviewed the schedule of upcoming meetings of the commission and noted that the commission had extended an invitation to members of the Board of Supervisors and School Board to attend. He pointed out that although these meetings are not required to be public meetings, they are open to any citizens who wish to come and observe. Mr. Hazelett advised that he and Mr. Rapisarda are the direct staff to the commission and John Vithoulkas and Gene Walter from the Department of Finance's Management and Budget Division are responsible for keeping detailed public minutes of the commission. He, Mr. Rapisarda, and Mrs. O'Bannon responded to questions from Mr. Kaechele regarding the commission's meeting agendas and how the commission is processing background information provided by staff.

There was also discussion among Mr. Hazelett, Mr. Rapisarda, and Board members concerning the commission's interest in eminent domain as a land acquisition tool and the Board's longstanding preference for negotiation versus eminent domain. Mr. Hazelett and Mr. Rapisarda responded to further questions from Board members pertaining to how the eminent domain process works in Virginia and how purchase processes are determined in condemnation cases. At Mr. Thornton's request, Mr. Hazelett and Mr. Rapisarda explained the procedural variations among localities in the Richmond region in developing and adopting ordinances.

Mr. Hazelett returned to an earlier discussion on another matter and asked Mr. Proto to elaborate on the costs and services associated with the group health insurance contracts that the Board would be considering at the evening meeting. Mr. Proto responded to questions from Board members relating to the number of employees currently in the County's health insurance plan, the cost to the County per employee to process claims under the proposed contracts, how staff would evaluate the

cost effectiveness of the new self-insurance program, the County's experience with a previous medical self-insurance program, the level and type of cost savings staff expects the County to achieve under the new self-insurance program, the number of medical claims processed annually under the County's existing health insurance program and the average cost to process each claim, and how the insurance companies would earn profits under the proposed contracts.

There being no further business, the meeting was adjourned at 6:57 p.m.


Chairman, Henrico County Board of Supervisors