

COUNTY OF HENRICO, VIRGINIA  
BOARD OF SUPERVISORS  
SPECIAL MEETING  
October 13, 2009

The Henrico County Board of Supervisors convened a special meeting on Tuesday, October 13, 2009 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.

**Members of the Board Present:**

David A. Kaechele, Chairman, Three Chopt District  
Patricia S. O'Bannon, Vice Chairman, Tuckahoe District  
James B. Donati, Jr., Varina District  
Richard W. Glover, Brookland District  
Frank J. Thornton, Fairfield District

**Other Officials Present:**

Virgil R. Hazelett, P.E., County Manager  
Joseph P. Rapisarda, Jr., County Attorney  
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board  
George T. Drumwright, Jr., Deputy County Manager for Community Services  
Angela N. Harper, Deputy County Manager for Special Services  
Leon T. Johnson, Deputy County Manager for Administration  
Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations  
Randall R. Silber, Deputy County Manager for Community Development  
Tamra McKinney, Director of Public Relations & Media Services  
C. Michael Schnurman, Jr., Legislative Liaison  
John A. Vithoukaskas, Director of Finance/Special Economic Adviser

Mr. Kaechele called the meeting to order at 4:44 p.m.

Mr. Hazelett briefly referred to the four items listed on the agenda.

**Proposed Ordinance Amendment Pertaining to Street Frontage Requirements**

Mr. Hazelett recognized Ben Blankinship, Principal Planner for Code Support, who narrated a Power Point presentation titled "Proposed Zoning Ordinance Amendment - Public Street Frontage Requirement." Mr. Blankinship reviewed the County Code's current street frontage requirement, public policy concerns, an exception to the requirement for family divisions, the need for the proposed amendment, family division criteria, problems and examples of three issues with private drives, provisions of the proposed amendment, and previous action by the Planning Commission on the proposed amendment. During his presentation, Mr. Blankinship responded to questions and comments from the Board regarding examples of issues the County

has experienced with private drives and the Department of Public Works' (DPW) requirements for public streets.

There was considerable discussion between Mr. Glover and Mr. Blankinship pertaining to previous decisions by the County's Board of Zoning Appeals (BZA) in cases where property owners requested variances from the public street frontage requirement and DPW's requirement that public streets have seven inches of approved base material. Mr. Rapisarda responded to questions from Mr. Donati relating to the BZA's legal obligation to follow the Cochran v. Board of Zoning Appeals of Fairfax County decision of the Virginia Supreme Court that made it very difficult for the BZA to grant variances for proposed lots. In response to Board concerns about certain provisions of the proposed ordinance, Mr. Hazelett emphasized the importance of maintaining access to residential properties for public safety purposes and the problems that private drives can pose for the County once lots are sold outside of the family originally requesting an exception to public street frontage requirements. Joe Emerson, Director of Planning, responded to concerns expressed by Mr. Glover regarding a new paragraph in the proposed amendment that would provide the BZA with the authority to approve special exceptions for family divisions. Mr. Rapisarda explained the distinction in legal authority between the Planning Commission and BZA. Mr. Hazelett acknowledged the Board's concerns with respect to the BZA's role in granting special exceptions and advised that the Department of Planning will bring the proposed amendment back to the Board after the first of the year with further revisions.

### **Residential Real Estate Tax Abatement**

Mr. Hazelett recognized John Vithoukas, Director of Finance, who narrated a Power Point presentation titled "Proposed Partial Tax Exemption Program for Residential Real Estate other than Multifamily Rental Units." Mr. Vithoukas thanked Mr. Johnson, Mr. Silber, Director of Community Revitalization Mark Strickler, Senior Assistant County Attorney Karen Adams, and Real Estate Assessment Director Sam Davis for their help with this proposed program. Mr. Vithoukas reviewed the proposed program's purpose; cautions; State enabling legislation and legislative conditions; suggested requirements, including the 20 percent structure value increase requirement; year 1 examples of qualifying areas; marketing; and implementation timeline. He also explained a color coded graphic highlighting areas of the County that will potentially be helped by the program.

Mr. Vithoukas, Mr. Hazelett, and Mr. Silber responded to questions and comments from the Board regarding program requirements, the types of improvements that would qualify for the tax abatement, the anticipated impact of the program on real estate revenues, and program goals. They clarified that only houses built in 1969 or earlier that are located on properties with a maximum total assessed value of \$200,000 would potentially qualify for the program. The rehabilitation would need to increase the base value structure by at least 20 percent without increasing the square footage by more than 100 percent. Mr. Glover commented that he felt the program would be beneficial to the County in the long haul. Mr. Thornton agreed with Mr. Vithoukas that effective marketing of the program would be critical to its success. Mr. Kaechele expressed concerns about the program's cost and value to the County. Mr. Thornton stated his view that the program is an excellent idea and that the Board should claim ownership of it as has

been the case with the Real Estate Advantage Program (REAP). Mr. Kaechele indicated that the Board was in agreement to proceed with the program. Mr. Vithoulkas concluded the discussions by advising that an ordinance to create this tax exemption will be introduced at the Board's October 27, 2009 meeting for public hearing on November 24, 2009. The effective date of the ordinance will be January 1, 2010.

The Board recessed for dinner at 6:09 p.m. and reconvened at 6:16 p.m.

### **Variable Rate Debt and Recovery Zone Bonds for Public Utilities**

Mr. Hazelett recognized Mr. Vithoulkas, who narrated a Power Point presentation titled "Variable Rate Debt and Recovery Zone Bonds for Public Utilities." Mr. Vithoulkas began by providing background information on a May 12, 2009 resolution of the Board authorizing the County to lock in fixed rate debt to replace floating rate debt of the County's Water and Sewer Fund. He explained slides that addressed the County's variable rate debt for water and sewer bonds, staff's proposal to refund variable rate debt in utilities and take advantage of an opportunity to issue interest subsidized bonds authorized by the American Recovery and Reinvestment Act (ARRA) of 2009, general information on Recovery Zone Economic Development Bonds (RZEDBs), local demand for RZEDBs, Executive Order 94, the process to issue RZEDBs, the definition of a recovery zone, the County's water and sewer project needs, capital improvement project (CIP) rehabilitation project requests in three areas of the County, sewer rehabilitation projects in relation to enterprise zones, the Broadwater II and Strawberry Hill basin sewer rehabilitation areas, a potential timeline for establishing recovery zones and issuing RZEDBs, and threats to the plan to issue RZEDBs. Mr. Vithoulkas noted that under Executive Order 94, Henrico County has a RZEDB allocation of \$9.8 million and a Recovery Zone Facility Bonds (RZFB) allocation of \$14.7 million. Jay Conrad of BB&T, the County's financial advisor, commented briefly on staff's proposal to refund variable rate debt in public utilities and issue interest subsidized bonds authorized by ARRA.

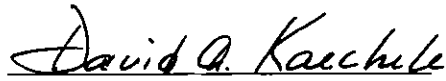
Mr. Vithoulkas and Mr. Hazelett responded to questions from the Board regarding a November 2, 2009 notification deadline cited in Executive Order 94, how proceeds from the RZEDBs will be allocated, the process for refunding variable rate debt and issuing interest subsidized bonds, and bond interest rates and terms. There was discussion among the Board, Mr. Hazelett, and Mr. Vithoulkas pertaining to the costs and potential savings to the County of permanently locking in fixed rate debt on water and sewer bonds as opposed to continuing with floating rate debt. Mr. Hazelett reiterated the suggested timeline for proceeding, which is as follows: October 27, 2009 – the Board establishes three "recovery zones" and authorizes \$9.8 million in new debt to be issue for the Water and Sewer System; November 2, 2009 – the County submits its intent that will utilize its RZEDB allocation to the Governor's Office; December 8, 2009 – the Board recognizes this bond sale as an appropriation on the next budget amendment; and early/mid-December 2009 – the County sells bonds to lock in permanent financing for Water and Sewer Fund debt and issues RZEDBs.

## **Draft 2010 Legislative Program**

Mr. Hazelett recognized Mr. Schnurman, who reviewed a slide listing the two proposed items for the County's 2010 Draft Legislative Program. These include a request for a joint resolution of the General Assembly recognizing the County's 400<sup>th</sup> anniversary in 2011 and for State legislation granting local animal control officers with authority over wild animals as well as domestic animals. In response to a question from Mr. Thornton, Mr. Hazelett advised that there may be additional issues of concern not listed in this draft that can be discussed with the County's State legislative delegation next month. He confirmed for Mr. Kaechele that the Board's annual dinner meeting with the delegation is scheduled for November 4, 2009.

Mr. Hazelett briefed the Board on one item listed on the general agenda for the evening meeting, a resolution authorizing the County Manager to execute a rental agreement with the owners of a house to be acquired by the County for the North Gayton Road Extension Project. The agreement will eliminate the need to displace a tenant and pay relocation benefits as part of the acquisition.

There being no further business, the meeting was adjourned at 6:56 p.m.

  
Chairman, Board of Supervisors  
Henrico County, Virginia