

A regular meeting of the Board of Supervisors of Albemarle County, Virginia, was held on February 4, 2009, at 9:00 a.m., in the Lane Auditorium of the County Office Building on McIntire Road, Charlottesville, Virginia.

PRESENT: Mr. Ken C. Boyd, Mr. Lindsay G. Dorrier, Jr., Ms. Ann Mallek, Mr. Dennis S. Rooker and Ms. Sally H. Thomas.

ABSENT: Mr. David Slutzky.

OFFICERS PRESENT: County Executive, Robert W. Tucker, Jr., County Attorney, Larry W. Davis, Clerk, Ella W. Jordan, Deputy Clerk, Meagan Hoy, and Director of Planning, V. Wayne Cilimberg.

Agenda Item No. 1. The meeting was called to order at 9:03 a.m., by the Vice-Chairman, Ms. Mallek.

Agenda Item No. 2. Pledge of Allegiance.
Agenda Item No. 3. Moment of Silence.

Agenda Item No. 4. From the Public: Matters Not Listed on the Agenda.

Mr. Rooker congratulated the Albemarle High School women's volleyball team, who won the AAA State Championship; Kara Elder was named Central Virginia Player of the Year and Mark Ragland was named Coach of the Year.

Mr. Rooker also congratulated the Albemarle High School Boys who won the 4 x 800 Meter Relay (Zach Vrhovac, Luke Noble, Garrett Bradley and Anthony Kostelac) for their victory at the Melrose Meet at Madison Square Garden, New York, the most prestigious indoor track meet in the country.

Ms. Thomas mentioned that several Board members would be attending the VML/VACo Legislative Day in Richmond on February 5. She asked Board members to share with her particular bills that should be mentioned to the Legislators.

Ms. Mallek said she is presently taking a VACo-sponsored class on planning for new supervisors. She asked if the other Board members would like to consider organized visits to the sites of new requests coming before the Board for approval of special use permits and zoning text amendments. Board members could travel together to the sites but agree not to discuss the requests in transit.

Ms. Mallek asked if the Board would want to consider having new appointees to the Board of Zoning Appeals attend training classes which are available. The current chairman of the BZA attended such classes and said they were very helpful. Also, would the Board like to offer its assistance/input to the judge considering new appointees for the BZA?

Ms. Mallek said that on February 17 she will be touring Region Ten sites and she invited other Board members to attend.

Ms. Mallek asked for an update on ordinance amendments concerning grading and soil erosion improvements.

Agenda Item No. 5. From the Public: Matters Not Listed for Public Hearing on the Agenda.

Mr. Bill Sams addressed the Board to express his dismay with the most recent fiscal year newsletter, which states that there have been revenue reductions in the real estate tax. (He handed to the Board members a chart showing his own personal situation with this tax.) Not once in the last 20 years have his real estate taxes gone down; they have only gone up – with the actual tax increasing 210 percent. The proposal for 77 cents this year and supposed lowered reassessments, it is indicated that his taxes will be the same in 2009 as in 2008 but that is not true as his taxes will increase by six and one-half percent. He has talked to many people in the last 24 hours and everybody's taxes are going up anywhere from three to 10 percent, so he feels what was put in that newsletter is a falsehood. He pointed out that his percentage of income from 1988 to 2008 of real estate taxes has gone up from three percent to 10 percent, before paying his Federal and State income taxes.

Mr. Dorrier said the chart shows a 33 percent increase from 2003 to 2005. Mr. Sams responded that 33 percent is 2006 to 2007, and 25 percent from 2002 to 2003, and a 37 percent increase from 1998 to 1999.

Ms. Mallek said the chart shows that Mr. Sams put an addition on his home during this period. Mr. Sams confirmed that he added on in 1998-99, and also in 2003-04, but in 2006-07 there were no improvements.

Ms. Kim Wilkens addressed the Board, noting that she is a member of IMPACT's Housing Committee. Lately there have been many distressing statistics about the economy such as growing rates of unemployment, housing foreclosures and homelessness. She is grateful to represent IMPACT and be a voice for those who face the affordable housing crisis daily. IMPACT is encouraged with the progress made by the Joint Task Force on Affordable Housing over the last year. They believe all of their recommendations are important in resolving the current affordable housing crisis in the community. She said IMPACT supports one recommendation in particular – making amendments to the existing proffer policy so the policy more fairly addresses the various levels of need for affordable housing in Albemarle County. The Albemarle County 2007 Housing Report indicated how successful a proffer policy can be. It stated that since adoption of the affordable housing policy in 2004, 1,600 affordable housing units have been proffered along with \$1.5 million in cash.

Ms. Wilkins said because of the way the existing policy is written, proffered units are usually priced at points affordable to those at or about 80 percent AMI. Affordability is only guaranteed for five years and proffered for-sale units may be affordable past the first sale. IMPACT urges the Board to direct the Planning Commission to look at all the amendments the Joint Task Force put forth and to adopt a comprehensive proffer policy including a requirement that proffered units or cash offered include an equal share of affordable units at three different levels: for the extremely low-income – those earning less than 30 percent AMI; very low-income – 30 to 60 percent AMI; and low-income – 60 to 80 percent AMI. They also encourage a mechanism that caps the value of proffered units for sale and a requirement that the term of affordability for proffered rental units be a minimum of 15 years. Amending the proffer policy will help close the gap on unmet housing needs identified in the 2007 State of Housing Report. Careful consideration and implementation of all recommendations from the Joint Task Force will help the Board fulfill its mission to enhance the well-being and quality of life for all citizens.

Mr. Harry Kennan addressed the Board, stating that he is Pastor of First United Methodist Church across from Lee Park; the church has been active in the community for 175 years and was a founding member of PACEM and Loaves & Fishes, the largest distributor of free food in the City of Charlottesville. He expressed support on behalf of IMPACT for the creation of a regional fund into which both public and private monies could be placed to be used for affordable housing for those making \$20,000 a year or less. They know about the Workforce Housing Fund, but there are restrictions – it is used primarily for home ownership and is primarily targeted for teachers, police officers, nurses and firefighters – but there are others who are vitally important to the community who make less and also need the housing.

Mr. John Alexander addressed the Board, stating that for many years he was a market gardener in the County and sold at the City Market and directly to restaurants in the area. He came to voice support for the local food hub which seems to be something that will leverage and leaven a lot of effort in the County. He encouraged the Board to allocate funds to the food hub to help draw down matching funds which will bolster the effort of local artisans who want to make a living or supplement their income.

Ms. Lisa Reeder addressed the Board, stating that she forwarded a letter to the Board earlier this week in support of the local food hub. She is a small business owner and works with a variety of food producers and retailers focusing on this issue. A report from the Virginia Cooperative Extension Service in 2008 indicated that if \$10 weekly per household in Virginia were spent on local food, that would boost State agriculture to \$1.65 billion. That money already goes to food, so if it were spent locally that would go a long way toward making this area more self-sufficient and community-oriented. There is an opportunity to create a community-based food industry which would have positive by-products such as improved nutrition, food education, food access, and skill-building in terms of farming and food processing. She encouraged the Board to consider the volume of input they've received on this topic, noting that it is a time-sensitive issue and this is the time to make a local investment in community grown food products.

Mr. Gary Scott, owner of Twin Springs Farm in Nelson County, addressed the Board, stating that he serves on several farm market boards. His farm provides strawberries, blueberries and produce directly to consumers and to wholesale buyers in the area. One of the greatest challenges affecting small growers is their inability to get fresh produce to market. A food hub would help them transport, store and process their products. He said that currently 90 percent of all broccoli consumed in the United States comes from California; that's not a sustainable food system. There has been a lot of talk about the local food movement, and the only way it can be continued is by giving assistance to local growers. He thinks it would be good policy to provide funding assistance for a cooperative effort for the food hub which would provide nutritional food to the elderly and others in the community. He said that eighty-six percent of farm income currently comes off of farm, and only a cooperative effort like the food hub will help farmers increase their income. If national, local and regional distributors wanted to help local growers through this process, they would already be at the table and they are not currently. The keynote speaker at the Virginia Association of Biological Farms meeting will be Mr. Will Allen of Growing Power, one of the most successful community-based food systems in the nation.

Ms. Kay Jenkins addressed the Board on behalf of JABA, stating that she was present to support the local food hub, which will make it possible for institutions like JABA and Darden to begin having their high-volume produce orders filled by local farmers instead of farmers thousands of miles away. With the hub's concept of creating one large inventory for local produce, there would no farmer too small to participate in this new market for farmers in the area. With the hub's ability to fill orders for institutions, Albemarle will increase the accessibility of healthier, more nutritious local produce to all socio-economic

levels of the population. With the infrastructure the hub provides, Albemarle would make it possible for money that once left the area to purchase local produce to stay in the County. The Board's support would help the hub's plans to provide educational opportunities and business assistance to enhance existing farmer businesses, to incubate new farmers, and to create new entrepreneurial opportunities with value-added products from local produce. By approving this proposal, the Board would be creating an avenue for a bright future for the County. The Board can help reduce the carbon footprint as the distance food has to travel from farm to table can be reduced. The Board can improve the health of the County, its environment, its economy, its land, its farmers and its residents.

Ms. Elizabeth Birdsall addressed the Board, stating that as a taxpayer the local food hub is just the kind of project she wants to see funded. It would improve the physical and fiscal health of the community. It would assist local farmers in processing and distributing produce and meat, as well as help to get local food into local schools and senior centers. It would also help conserve fossil fuels, farmland, and health, while stimulating the local economy.

Ms. Mary Scott Birdsall addressed the Board, stating that it's very exciting that this young generation has conceived an idea, solicited significant matching funds, along with funds from private sources and other counties to support an effort to make food from the local area. She said it is difficult to make personal efforts amount to something that can sustain oneself, let alone an entire community. Right now is a critical time since there is the promise of matching funds and since other counties have supported this project. It would be disappointing if Albemarle did not do likewise. She hopes the County will offer its support.

Ms. Rex Linville addressed the Board on behalf of the Piedmont Environmental Council, stating that an additional 3,000 acres of land in the rural area have been protected in the last year through conservation easements – largely due to landowners who care about their properties and want to ensure clean water, clean air, natural areas, wildlife habitat, scenic views and productive agricultural land and timber land. The Nature Conservancy, the Virginia Outdoors Foundation, PEC, and Albemarle County have been instrumental in making the conservation easement initiative successful. He emphasized that the County's contributions made it possible to leverage other support; there are now a total of 76,000 acres of protected land in Albemarle. In order to continue this success, it is necessary to have consistent and reliable funding for ACE, to have the County staff necessary to monitor and steward conservation easements, Federal and State tax incentives for conservation and continued outreach and education efforts with landowners throughout the County to encourage them to take the steps to permanently preservation their land.

Mr. David Wayland addressed the Board, stating that he is a member of the Crozet Community Advisory Council and vice-president of the Crozet Community Association. He came to support building the new Crozet Library. He said the citizens in the Crozet area recognize the current economic plight and the Board's struggle to serve the people. However, construction and use of the new library will bring jobs and business to Crozet and the Western Albemarle area. He said the library is needed as a magnet to bring people into the downtown to support the library and community businesses, and delay will only encourage new businesses to crop up along the Route 250 corridor and compete with the downtown area of Crozet. This library has been needed since 1999. It is the second busiest of all the JMRL branch libraries after the Northside branch in a tiny space with no available parking. He emphasized that construction costs are low now so it's a great time to build and construction jobs are needed. He said the Virginia Library Association recently looked at all of the library construction needed in the Commonwealth, and the Crozet project was ranked as the No. 1 needed project in the State. He asked that the Board make this its No. 1 project as it is critical to the community.

Mr. Chad Zakaib addressed the Board, noting that the winery at which he works is part of the Virginia wine industry and it allows him to be competitive in sustaining a 600-acre property outside of town. Unfortunately, the purely agricultural side of that property suffers a tremendous loss based on an inability to successfully and *en masse* bring cattle to market. With the food hub there would be an opportunity to address that need and significantly improve their financial picture in order to expand that operation and bring food to local people as they have with wine. He commented that Virginia's wine industry is the fifth-largest in the country; most of the wine is sold in Virginia, although it is a very small percentage of those sales. He added that 50 percent of farm-gate revenue in the United States comes from program crops such as corn, soybeans and cotton; the other 50 percent comes from grapes and grape-related projects – because of value-added agriculture. He said that most of their wine sold through wholesalers is sold in Charlottesville and Albemarle. Many people have spoken this morning about that localized economy and he thinks it is worth pointing out that the community has indicated interest in seeing the food hub happen. He thinks it is important to look at it from an environmentally responsible position. This would be a step forward, not only for the food community, but for the tourism community also since Charlottesville and Albemarle have a reputation for having fine food and wine.

Mr. John Chavan addressed the Board saying he lives in Keswick. His house was struck by lightning. He bought another home and they moved in three or four weeks ago. The water smelled of petroleum/kerosene. He called the Health Department and other water testing facilities, and was advised to go to Culpeper to ESS Company which is the official water company for Loudoun County; they told him a lot of testing was needed. Some would be done in their lab with the rest going to a lab in Michigan. He

got the results Friday and it shows that his well is severely contaminated; he was told to not even wash his hands with that water. He has three children and was told the contamination could shut down their kidneys.

Mr. Chavan said Mr. David Benish has been helpful. He explained the process for advertising a request for the Board of Supervisors and was able to get him on the Board's agenda for March 4. In the meantime there are five people in the house and they cannot use the water for laundry or anything. He has been buying water at Sam's Club. He asked if there is any emergency program so he does not have to wait eight weeks to get on the agenda to get on County water. He has a water hydrant in his driveway and the people who live behind him are connected to County water because of the same problem. He hopes there is an emergency program that can help him.

Mr. Boyd said he understands there are filters available through DEQ or the Health Department that can be provided to Mr. Chavan. Mr. Chavan said he spoke to various people and learned that no filter would filter out these substances. (**Note:** The recording system failed at this point, so the remainder of the conversation is inaudible.)

Ms. Kathy Rash addressed the Board, noting that she sent an e-mail to the Board members last week on behalf of Forever Albemarle. She is a farmer and usually takes her vegetables to the local farmers' market. Forever Albemarle is not against the concept of the local food hub, but feels it should be a private enterprise and not paid for by taxpayers' dollars. She said the County has a lot of things to think about when it comes to spending those taxpayer dollars. This is a nonprofit organization that the taxpayers would be subsidizing. Farmers are already having a hard time with the urbanites understanding land use taxation. There is actually one more layer which is subsidizing farmers. She said that sometimes there is a disconnect between the urbanites and the farmers. The economy is tough now, but she does not want the Board to think Forever Albemarle thinks this is a bad idea; they think it is a bad idea to use taxpayer's money.

Mr. Kevin McKenna addressed the Board stating that he raises livestock and grows vegetables on his farm in Albemarle County. He said the food hub project looks lovely, but if there were this type of demand why is it not being done commercially. This has already been attempted. For him to sell wholesale vegetables to a hub, his profit margin drops dramatically, so that does not make sense to him. He sells at the farmers' market at retail. To use taxpayers' money to get this project going is a violation of what has already been tried. People are saying they will buy the vegetables, but if the price isn't right and farmers can't make a profit, it doesn't make sense. There are already markets in Charlottesville; the farmers have approached them and there has not been a sufficient profit margin for them. It needs to be talked about further. As far as being subsidized by the government, it should be a private enterprise. If the farmers cannot put together their own private enterprise, then something is wrong. They have already tried to do to and they have not able to get a consortium together. He is all for the food hub, but tax dollars can be better spent elsewhere at this time, so he is not in favor of using tax dollars for this endeavor.

Mr. Dorrier asked if Mr. McKenna farms with others in a co-op type of arrangement, and what percentage of his products are organic foods. Mr. McKenna said all of his produce is organic, but he doesn't sell it as organic because in order to do so the State has to certify that his products are organic and that is a cost also. Everything he sells is farm fresh and he only uses manure to fertilize. He sells everything the same day it is picked; nothing is stored. Producing organic products is hard because insects eat vegetables; a lot of the crop is lost which means you have to charge more for your products. In a food hub a head of lettuce could cost \$4.00. During tough financial times people are not going to pay that price. He wants to see farmers go ahead with this, but why do they have to be subsidized? Why would he want to go to a food hub and get wholesale prices for his vegetables when he can do it for himself? In order to operate a big time vegetable farm, people must be hired and it would likely be transient labor – and that creates its own set of issues. He does not want to see tax dollars spent for this project.

Agenda Item No. 6. Consent Agenda. Mr. Rooker **moved** for approval of Consent Agenda Items 6.1 (part) through 6.5 and received the remaining items as information. Mr. Dorrier **seconded** the motion, which passed by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Item 6.1. Approval of Minutes: November 12, 2008.

Ms. Thomas had read the minutes of November 12, 2008, pages 1 through 21 ending at Item #13, and found them to be in order as presented.

By the recorded vote set out above the Board approved the minutes which had been read. The remaining minutes will be moved to the next available agenda for approval.

Item 6.2. ACE; Virginia Department of Agriculture and Consumer Services grant for easement acquisition.

It was noted in the Executive Summary that the County has been awarded a grant of \$49,900 in State matching funds from the Virginia Department of Agriculture and Consumer Services' (VDACS) Office of Farmland Preservation under a program established by the General Assembly in 2007 to provide funds for the preservation of working farms and forest lands. The County was awarded a similar grant of \$403,219.75 last year. However, the 2008 General Assembly reduced the total pool of funding for this grant program in FY '09 from \$4.25 million to \$500,000 statewide. Albemarle County was one of only 11 localities in the State to receive such a grant this year.

VDACS has requested that the County enter into the Intergovernmental Agreement (the Agreement) as a condition of receiving the grant funding. While the County has yet to identify the specific easement(s) to which it would apply this grant, it intends to apply the grant to the next qualifying easement. The grant will remain available to (partially) reimburse any qualifying purchase for up to two years from the date of the Agreement. The key provisions of the Agreement are summarized below.

The Agreement would obligate VDACS to set aside the grant amount in a restricted account, and reimburse the County for its reimbursable costs in the purchase of conservation easement(s). The County's funds would be restricted exclusively for the County's qualifying costs for a period of up to two years.

The Agreement also would restrict conversion or diversion of a subject property from open-space use, unless the conversion or diversion satisfied the requirements of the Open Space Land Act. Conversion or diversion of land is permitted under the Open-Space Land Act in limited circumstances upon the concurrence of the County and its Public Recreational Facilities Authority and upon the placement of substitute land of equal or greater value and quality under an open-space easement. The Agreement would entitle VDACS to reimbursement of its pro rata share of the purchase price if conversion or diversion ever occurred.

In exchange for the State's grant commitment, the Agreement would obligate the County:

- to appropriate matching funds equal to the grant amount for the purchase of a subject easement,
- to apply the grant funds to the purchase of the easement,
- to provide VDACS with annual progress reports (while the grant Agreement is in force) describing the County's efforts to obtain easements on other working farms, and its programs for public outreach, stewardship and monitoring, and measuring the effectiveness of the County's efforts to bring working farms under easement,
- to maintain sufficient title insurance for the subject easement(s), which is already a standard County practice,
- to allow VDACS the opportunity to review easement instruments and the title insurance policy prior to closing,
- to receive copies of the recorded easement instrument after closing,
- to provide notice to VDACS if the County receives an application to convert or divert a subject easement from its permitted easement uses, and
- to enforce the terms and conditions of the deed of easement.

Staff reviewed the terms of this year's proposed Intergovernmental Agreement between VDACS and the County, and finds its terms acceptable. Staff recommends that the Board authorize the County Executive to execute the Agreement on behalf of the County, provided it is first approved as to form and content by the County Attorney.

By the recorded vote set out above, the Board authorized the County Executive to execute the Agreement on behalf of the County provided it is first approved as to form and content by the County Attorney.

Item 6.3. Kenridge Phase I - Site Plan Bond Extension Request.

It was noted in the Executive Summary that when property which is subject to a site plan is ready to be occupied and all safety improvements are complete, the developer may bond non-safety items for up to one year. These incomplete items typically involve landscaping or the final coat of surface treatment. The Zoning Ordinance allows the Board to grant an extension of that one-year bond limit ... *because of adverse weather conditions or other unusual circumstances beyond the applicant's control, rather than the applicant's failure to diligently pursue completion or other reasons.*

Kenridge is located on the north side of Route 250 West adjacent to and west of the White Gables development. It is a mixed use development consisting primarily of townhouses with a limited number of single-family detached units and commercial buildings. It is currently in the first phase of development with about 10 units built and additional units under construction.

Mr. Hunter Craig, Manager of Kenridge, LLC, originally submitted a request for a 12-month extension for the completion of the site work identified in the related Site Development Performance Bond for the Kenridge Phase I Development. After discussion with staff, the applicant wishes to amend his request to an 18-month extension. The additional time will include two spring planting and construction periods rather than one. Mr. Craig notes in his request that the weakness in the residential market beyond

his control as a developer is the basis for the request. He further notes: As such improvements are most prudently made after the substantial construction of homes which they serve so as to mitigate their disturbance (and consequent need for reinstallation or repair), given the heavy traffic and machinery brought on-site during such construction, postponement of completion of such items in accordance with postponement of such housing construction is not only more economically viable but also thought to be in the best interest of the community with respect to the final product.

The incomplete bonded items in Phase I are landscaping, internal walkways and cobblestone crosswalks. Although landscaping has been installed on the east and west perimeter of the property, most of the required landscaping has not yet been installed. One area in which landscaping has not yet been installed is the location of a planned bio-filter that will be installed in a later phase. The Phase I landscaping in this area would have to be removed when the bio-filter was installed.

Staff believes the current economic conditions are unusual circumstances beyond the applicant's control and provide cause for granting the requested extension. Delaying the installation of bonded improvements should not adversely affect either the public in general or the neighbors to this development. The delay in installing the bonded improvements will, of course, affect the small number of current residents of Kenridge. However, staff believes the grounds for the extension request outweigh the temporary delay in those improvements being installed.

This is the first request for a site performance bond extension to come to the Board. Staff anticipates that additional requests will follow because of the current economic conditions. Staff recommends approval of Mr. Hunter Craig's request for an 18-month site plan bond extension to May 29, 2010.

(Discussion: Ms. Thomas asked about the Kenridge item, noting that the height of the buildings has exceeded the expectations of the neighbors. She asked if this might be a time for the Board members to ask questions or take some action pertaining to the buildings which are 15 feet taller than anticipated.

Mr. Davis said that issue is not related to this request. At this time, he does not think any action the Board might take would have an effect one way or the other because they have already constructed buildings that are taller than what people may have expected. He added there would be a substantial cost for the developer to deconstruct those buildings at this time. This would probably not be an incentive for them.

Ms. Thomas said she understood at the last discussion, that it was not written on the site plan. Ms. Amelia McCulley, Zoning Administrator, said it was not written as a condition on the special use permit. There is an area that is subject to certain design requirements, but height requirements were not made a part of the special use permit conditions.)

By the recorded vote set out above, the Board approved Mr. Hunter Craig's request for an 18-month site plan bond extension to May 29, 2010.

Item 6.4. FY 2009 Appropriations.

It was noted in the Executive Summary that the Code of Virginia §15.2-2507 stipulates that any locality may amend its budget to adjust the aggregate amount to be appropriated during the fiscal year as shown in the currently adopted budget. However, any such amendment which exceeds one percent of the total expenditures shown in the currently adopted budget must be accomplished by first publishing a notice of a meeting and holding a public hearing. The total of this requested FY 2009 appropriation is \$62,209.71. A budget amendment public hearing is not required because the cumulative appropriation will not exceed one percent of the currently adopted budget. This request involves the approval of one new FY 2009 appropriation, No. 2009-049 totaling \$62,209.71 for various education and capital programs and projects as set out below.

Appropriation No. 2009-049, \$ 62,209.71. Revenue Sources: Local Revenue \$26,958.64; Other - Fund Balance \$35,251.07. At its meeting on January 8, 2009, the School Board approved the following appropriations:

The Academic Resource Center (ARC) will be taking over the administration of the following programs that were once managed in Human Resources. This appropriation request will transfer \$25,268.00 from the Human Resources budget to the Academic Resource Center's budget.

- Grow Your Own Program for classified staff pursuing teacher licensure. This program was developed to offer financial assistance to classified employees pursuing a career in teaching. Candidates are eligible to receive up to \$1,000 in course reimbursements per fiscal year for completed classes which are taken for initial licensure or licensure renewal.
 - National Board Certification. This program was developed to support and encourage professional development for accomplished teachers by providing financial assistance for them to pursue the National Board Certification. A one-time \$1,000 reimbursement is given to each candidate upon completion of the National Board Certification process.
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- Albemarle High School received a donation from AHS Athletics in the amount of \$1,766.66. The Athletic department would like their contribution to be used for the synthetic field project at Albemarle High School.
- Stone Robinson Elementary School received a donation in the amount of \$5,000.00 from the Stone Robinson PTO. This contribution will be used to help fund the cost of the volunteer coordinator's position.
- Monticello High School received a donation in the amount of \$1,766.66 from the Monticello High School Athletic Boosters Club. The donor requested that their contribution be used for the synthetic field project at Monticello High School.
- Brownsville Elementary School received a donation in the amount of \$7,250.00 from the Brownsville PTO. The donor requested that their contribution be used in several areas at Brownsville: Book Room, Publishing, Grade Level Funds, Guidance, Special Ed, Gifted, Art, Music, PE and CTIP.
- Western Albemarle High School received a donation from WAHS Athletics in the amount of \$1,766.66. The Athletic department would like their contribution to be used for the synthetic field project at Western Albemarle High School.
- Broadus Wood Elementary School received a donation in the amount of \$100.00 from Mary Page. The donor made her contribution in honor of Mrs. Webber, a teacher at Broadus Wood who eventually became principal in the 1960s and 1970s.
- Hollymead Elementary School received a donation in the amount of \$500.04 from the Microsoft Giving Campaign. The donor requested that the contribution be used toward purchasing any educational supplies needed at Hollymead Elementary School.
- The Knights of Virginia Assistance for the Retarded grant (KOVAR) was not fully expended in FY '07-08 and has a fund balance in the amount \$1,616.26, which may be used in FY '08-09. This grant will facilitate a training program for students with mental retardation to increase the knowledge capacity of these students to use public transportation in order to access employment opportunities in the community.
- The Carl D. Perkins Career and Technical Education grant has a fund balance of \$8,113.24, which may be used in F '08-09. These funds will be used to assist with upgrading the Autodesk Design Academy Classroom Suite.

At its meeting on January 22, 2009, the School Board approved the following appropriations:

- The mission of the Department of Transportation is to provide the safest transportation possible for Albemarle County Pre-K through Post High School students in an efficient and customer-friendly way. During FY '07-08 there was an accident that totaled one of the buses. The insurance company reimbursed the division \$25,521.57 however the amount was received in FY '07/08 and needs to be appropriated into FY '08/09.
- Monticello High School received a donation in the amount of \$623.34 from the Monticello High School Athletic Boosters Club. The donor requested that the contribution be used for the synthetic field project at Monticello High School.
- Brownsville Elementary School received an \$8,185.28 donation from the Brownsville Elementary PTO. The donor requested that the contribution go toward various programs at Brownsville: Art Program, Check-In System, CTIP, Gifted, Guidance, Home Room, Library, Literacy Fund, Music Program, Phys Ed Program, and Special Education.

Staff recommends approval of a budget amendment in the amount of \$62,209.71 and approval of FY 2009 Appropriation No. 2009-049.

By the recorded vote set out above, the Board approved the FY 2009 budget amendment in the amount of \$62,209.71 and approved Resolution of Appropriation No. 2009-049 as set out below:

COUNTY OF ALBEMARLE
 APPROPRIATION NO. 2009-049
 DATE: 02/04/09
 EXPLANATION: Education Donations and Programs:
 School Board Meetings: January 8, 2009, and January 22, 2009

TYPE	FUND	DEPT	OBJECT	ACCOUNT DESCRIPTION	SUB LEDGER		GENERAL LEDGER	
					CODE	AMOUNT	DEBIT	CREDIT
2	2000	18100	181109	Donations	J2	5,000.00		
2	2000	18100	181109	Donations	J2	7,250.00		
2	2000	18100	181109	Donations	J2	100.00		
2	2000	18100	181109	Donations	J2	500.04		
2	3159	51000	510100	Approp Fund Balance	J2	1,616.26		
2	3207	51000	510100	Approp Fund Balance	J2	8,113.24		
2	9001	18100	181107	AHS Donations-Turf Proj	J2	1,766.66		

2	9002	18100	181107	WAHS Donations-Turf Proj	J2	1,766.66		
2	9003	18100	181107	MCA Donations-Turf Field	J2	1,766.66		
1	2117	61311	580500	Staff Development	J1	25,268.00		
1	2201	61101	601300	Ed/Rec Supplies	J1	100.00		
1	2202	61101	601300	Ed/Rec Supplies	J1	7,250.00		
1	2205	61101	601300	Ed/Rec Supplies	J1	500.04		
1	2210	61101	114100	Salary-Teacher Aide	J1	4,644.68		
1	2210	61101	210000	FICA	J1	355.32		
1	2420	62140	390000	Other Purchased Services	J1	(25,268.00)		
1	3159	61102	420100	Transportation	J1	1,616.26		
1	3207	61190	800100	Mach/Equip-Add	J1	8,113.24		
1	9001	60301	950245	AHS Syn Turf Field	J1	1,766.66		
1	9002	60302	950245	WAHS Turf Field	J1	1,766.66		
1	9003	60304	950245	MCHS Syn Turf Field	J1	1,766.66		
	2000		0501	Est. Revenue			12,850.04	
			0701	Appropriation				12,850.04
	3159		0501	Est. Revenue			1,616.26	
			0701	Appropriation				1,616.26
	3207		0501	Est. Revenue			8,113.24	
			0701	Appropriation				8,113.24
	9001		0501	Est. Revenue			1,766.66	
			0701	Appropriation				1,766.66
	9002		0501	Est. Revenue			1,766.66	
			0701	Appropriation				1,766.66
	9003		0501	Est. Revenue			1,766.66	
			0701	Appropriation				1,766.66
2	2000	18100	181109	Donation	J2	8,185.28		
2	2000	51000	510100	Appropriation Fund Balance	J2	25,521.57		
2	9003	18100	181107	MCHS Donations-Turf Field	J2	623.34		
1	2202	61101	601300	Ed/Rec Supplies	J1	8,185.28		
1	2432	62320	800501	Motor Vehicles-Replacement	J1	25,521.57		
1	9003	60304	950245	MCHS Syn Turf Field	J1	623.34		
	2000		0501	Est. Revenue			33,706.85	
			0701	Appropriation				33,706.85
	9003		0501	Est. Revenue			623.34	
			0701	Appropriation				623.34
Total						124,419.42	62,209.71	62,209.71

Item 6.5. Community Development Block Grant for Crozet Meadows.

It was noted in the Executive summary that in July, 2008 Albemarle County received an award of \$700,000 in Community Development Block Grant (CDBG) funds to support site development and construction of infrastructure for the expansion of Crozet Meadows Apartments. The use of CDBG funds is considered a federal action which requires the adoption of a number of regulatory items and certifications by the local government receiving the funds. Some of the requirements are general and have been adopted by the County in previous years; however, some requirements, as outlined below, are project-specific and require action by the Board.

Local Business and Employment Plan – The County must adopt a plan to designate the project area boundaries for the purpose of utilizing businesses and lower-income residents located in the project area to carry out the CDBG-funded activities to the greatest extent feasible. The proposed Plan designates Albemarle County as the project area and includes the required advertisement to be posted in The Daily Progress.

Residential Anti-Displacement and Relocation Assistance Plan Certification – This certification states that the County will notify the public and advise the state in the event that a CDBG-funded activity will result in demolition or conversion of residential units. Furthermore, should displacement occur, the County and/or the development owners will provide relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The proposed undertakings at Crozet Meadows will not involve demolition or conversion of residential units which result in displacement.

Fair Housing Certification – This certification states that the County will take at least one action annually to affirmatively further fair housing. The action must be approved by the Virginia Department of Housing and Community Development (VDHCD). The Fair Housing resolution adopted by the Board each April is an approved action.

Section 504, Non-Discrimination On Basis of Handicap Regulations – On October 1, 2003, the Board adopted a Section 504 Complaint Procedure for providing resolution of any complaint alleging any action prohibited by Section 504 of the Rehabilitation Act of 1973. The proposed procedure revises and updates the previously adopted procedure. The address for the Chief of Housing was changed to the County Office Building on Fifth Street and Mr. Bryan Elliott, Assistant County Executive, is now designated as the individual who would receive requests for reconsideration of any initial determinations and/or resolutions.

There are no budget impacts associated with adoption of these items. The required Local Business and Employment Plan advertisement is a CDBG grant-eligible expenditure reimbursable upon the execution of the CDBG contract. Staff recommends that the Board: 1) adopt the Local Business and Employment Plan; 2) authorize the County Executive to execute the Residential Anti-Displacement and Relocation Assistance Plan Certification; 3) authorize the County Executive to execute the Fair Housing Certification; and, 4) adopt the revised Section 504 Complaint Procedure.

By the recorded vote set out above, the Board adopted the Local Business and Employment Plan; authorized the County Executive to execute the Residential Anti-Displacement and Relocation Assistance Plan Certification; authorized the County Executive to execute the Fair

Housing Certification; and, adopted the revised Section 504 Complaint Procedure (all are on file in the Clerk's Office).

Item 6.6. Proffer Management – FY 2009-10 Second Quarter Cash Proffer Report.

It was noted in the Executive Summary that the information provided represents all cash proffer activity for the months of October through December, 2008. Current proffer activity represents revenue, expenditure, annual adjustment and interest earned for all cash proffers.

- A. Proffered:** There were no rezonings approved during the first or second quarters of the current fiscal year. The last approved rezonings to contain cash proffers occurred during the third quarter (January through March of FY 2008).
- B. Total Obligated Cash Proffers:** Since there were no rezonings approved during this quarter, the total anticipated cash proffer revenue remains at \$56,758,832, the same as it was at the end of the first quarter of FY 2008-09.
- C. Revenue:** During this quarter, the County received \$312,617 in cash proffers from Martha Jefferson Hospital at Peter Jefferson Place. The money is slated for additional turn lanes and traffic signals at the off-ramps at Interstate 64 and Route 250 East (Exit 124). This money is in addition to \$44,000 in cash proffers previously received for the design phase of this project (see Attachment A which is set out below).
- D. Total Interest Earnings:** The total interest earned from all cash proffer revenues (including this quarter) is \$309,139.
- E. Expenditure:** No cash proffer expenditures occurred during this quarter; however, the Community Development Department has had several meetings with County staff from the Office of Facilities Management and the Finance Department along with VDOT to ensure that available cash proffer revenue is utilized in an efficient manner for appropriate projects. As is customary, the Board will have to approve those cash proffer fund appropriations and the expenditure of those funds will be reported in a subsequent proffer management report.

Despite current economic conditions, the County continues to receive cash proffers from past rezonings and to accrue substantial interest from previously collected cash proffers, both of which provide a positive impact on the County's capital budget. The Board receives quarterly cash proffer reports for information only and no action is required.

Attachment A:

Fund	Proffer Name	ZMA #	Total Anticipated Proffer Revenue	2008 Annual Adjustment	Total Funds Received	Total Interest Earnings
8530	Albemarle Place	2001-07	2,610,000.00	2,610,000.00	100,000.00	3,666.41
8526	Avemore	2000-10	50,000.00	50,000.00	50,000.00	1,286.43
	Avinity*	2006-05	1,249,500.00	1,249,500.00		
8534	Avon Park	2004-03	59,000.00	59,000.00	59,000.00	5,076.06
	Avon Park II*	2007-05	408,100.00	414,221.50	0.00	0.00
8536	Belvedere Station	2004-07	400,250.00	400,250.00	30,000.00	464.22
	Biscuit Run*	2005-17	17,642,858.80	17,907,501.68	0.00	0.00
	Blue Ridge Co-Housing*	2007-12	286,200.00	290,493.00	0.00	0.00
	Cascadia	2002-04	405,000.00	405,000.00		
8531	Eckerd Pharmacy	2003-03	6,000.00	6,000.00	0.00	0.00
	Fontana Phase 4C*	2004-18	690,500.00	700,857.50		
8520	Glenmore	1999-16	893,000.00	893,000.00	752,000.00	129,862.96
8521	Glenmore**	1999-16	569,000.00	569,000.00	328,700.00	55,960.63
8523	Grayrock	1997-12	62,500.00	62,500.00	62,500.00	12,534.93
8539	Greenbrier	2000-06	9,334.00	9,334.00	9,334.00	81.72
	Haden Place	2005-07	82,500.00	82,500.00		
8532	Hollymead Area B	2001-19	50,000.00	50,000.00	50,000.00	1,521.85
8527	Hollymead Area C	2001-20	210,000.00	210,000.00	133,809.50	4,861.44
8528	Hollymead Area D	2002-02	481,000.00	481,000.00	480,999.68	23,428.06
	Hollymead Town Center A1*	2005-15	609,000.00	609,000.00		
	Hollymead Town Center A2*	2007-01	14,971,800.00	15,196,377.00	0.00	0.00
	Leake*	2006-16	2,149,620.00	2,176,993.50	0.00	0.00
	Livengood*	2006-15	867,095.00	880,101.43	0.00	0.00
8529	MJH@ Peter Jefferson PI*	2001-15	346,250.00	367,717.50	356,617.50	6,696.99
	NGIC Expansion*	2007-03	1,264,800.00	1,264,800.00		
8538	North Pointe	2000-09	460,000.00	460,000.00	400,000.00	28,572.89
	Patterson Subdivision*	2007-11	128,800.00	130,732.00		
	Oakleigh Farm*	2007-04	1,494,550.00	1,516,968.25		
8537	Old Trail Village	2004-24	2,328,000.00	2,328,000.00	50,000.00	1,823.76
	Rivanna Village@Glenmore*	2001-08	1,047,000.00	1,062,705.00		
8524	Springridge	1998-13	100,000.00	100,000.00	100,000.00	2,214.97
8522	Still Meadows	1997-01	135,000.00	135,000.00	135,000.00	17,220.78
8533	Stillfried Lane	2003-12	78,000.00	78,000.00	78,000.00	5,508.36
8525	UVA Research Park	1995-04	78,718.00	78,718.00	78,718.00	898.56
8535	Western Ridge	2001-02	5,000.00	5,000.00	5,159.12	799.03
	Wickham Pond II	2005-18	405,000.00	405,000.00		
8540	Wickham Pond	2004-17	345,161.67	345,161.67	109,677.54	3,424.18
	Willow Glen*	2006-19	2,907,800.00	2,907,800.00	0.00	0.00
8541	Westhall (1.1)	2006-01	123,000.00	123,000.00	51,000.00	2,296.05
8542	Westhall (1.2)	2006-01		17,000.00	765.35	

8543	Westhall (3.3)	2006-01		3,000.00	135.07	
8544	Liberty Hall	05-5 & 07-14	137,600.00	137,600.00	6,400.00	39.12
		Total	56,146,937.47	56,758,832.03	3,446,915.34	309,139.82

*Cash Proffer Is Subject To Escalation Clause

(Discussion: Mr. Boyd asked if this report has changed, as it seems shorter than the last report. He also asked if there is some way to add to this report the non-cash proffers. Mr. Mark Graham, Director of Community Development, responded that non-cash proffers could be summarized in the report. This report was done in the same format as the last time, but there just hasn't been much activity.

Ms. Thomas asked what the County does when there is a proffer for something like an intersection improvement or for lane improvements if VDOT has zero money for such things. Does the County just have the money in the bank and hope that some day there will be money available? Mr. Graham said that would be the case for a proffer that anticipates matching funds with VDOT. Even before there was a cash proffer policy, the County tried to leave things fairly flexible to allow those moneys to be shifted to other transportation demands in the area. He said the cash proffer policy has simplified things by not tying the money to specific projects.

Mr. Boyd said money from the Glenmore proffer for an intersection improvement has now been transferred to a project near Luck Stone. That is the kind of thing he would like to see as part of this report.

Ms. Mallek asked if the proffers must be used in some proximity to the project that offered the proffer. In other words, could money from one of the projects in Crozet be used in another project in Crozet? Mr. Graham said staff would have to look at these on a project-by-project basis. Since the cash proffer policy was adopted, there is considerable flexibility in that regard.

Mr. Rooker added that in the case of Old Trail, the cash proffer component can be used for capital facilities anywhere. Mr. Davis noted that it depends on the specific proffer. Some proffers specified exactly where the proffer was to be used, while other proffers specified only an area where it should be used. Recently staff has encouraged even more flexibility so the money could be used for anything in the CIP that is related to that proffer.

Ms. Sarah Baldwin from the Zoning Department said staff has been meeting with VDOT regarding the Peter Jefferson Place proffers to see what money VDOT has available and making sure that project happens in an efficient manner and none of that money is lost. She said there is money in Crozet that can be used in that area, so staff has made effort to look into any place that money might be used.)

This report was received for information only.

Item 6.7. FY '09 Second Quarter Financial Report.

It was noted in the Executive Summary that the FY '09 Second Quarter Financial Report provides information on the County's General Fund operations and Fund Balance as of December 31, 2008. The financial report includes a bar chart that compares current fiscal year revenue and expenditure data with data from the previous fiscal year.

Attachment A:

General Fund Financial Report:

a. Revenues:

The Department of Finance estimates that General Fund revenues, transfers, and use of fund balance will be \$5.490 million (2.4 percent) less than appropriations of \$225.961 million, an increase of \$1.764 million over the previous estimate presented with the FY '09 First Quarter Financial Report. The increase is primarily due to the proposed increase in the 2009 real estate tax rate of 3.2 cents (from 71.0 cents to 74.2 cents) for County operations. In December, 2008 during its review and approval of the Five-Year Financial Plan, the Board authorized the County Executive to prepare his proposed FY '10 Budget with a 2009 tax year real estate tax rate of 77.0 cents, an increase of 6.0 cents from the 2008 real estate tax rate. The increase consisted of two parts. The first part was a 3.5 cent (5.0 percent) increase in the rate (from 71.0 cents to 74.5 cents) to reflect the 2009 residential effective tax rate. In other words, residential property was estimated to decrease in value in 2009 by 5.0 percent; therefore, a 5.0 percent increase in the rate would be tax neutral for the average residential property owner. The second part of the increase was a 2.5 cent increase to fund a lockbox or reserve in case of further revenue shortfalls in FY '10.

Actual values for the January, 2009 reassessment are now available and the average residential property decreased in value by 4.5 percent instead of the estimated 5.0 percent. Therefore, the residential effective tax rate for 2009 is 74.2 cents, an increase of 3.2 cents (4.5 percent) above the 2008 real estate tax rate. The remaining 2.5 cent increase to fund the lockbox is not included in the FY '09 revenue projections in this report since the proceeds of this increase would not fund County operations.

It is important to remember that any change in the County's real estate tax rate for the 2009 tax year will impact both the FY '09 and FY '10 real estate tax revenues. As previously noted, this report and the revenue estimates included assume a 3.2 cent real estate tax rate increase to 74.2 cents. Staff estimates that each cent increase in the 2009 real estate tax rate will increase FY '09 revenues by \$777,645 (including real estate, public service and mobile homes) and FY '10 revenues by \$1,564,596.

The latest indicators show that the US and Virginia economies are continuing to struggle. Most current indicators are at recession levels, with some at historic lows. Tight consumer and corporate credit, a struggling labor market, and a slowing global economy will continue to be a drag on growth. In Virginia, payroll employment growth slowed in November, increasing only 0.1 percent for the month after increasing 0.5 percent on average over the past four months. The unemployment rate rose from 4.2 percent to 4.6 percent in November; 7.2 percent nationally. The Virginia Leading Index fell 0.6 percent in November, the seventh decline in the last 12 months. All three components – auto registrations, building permits and initial unemployment claims – contributed to the decline. The leading index fell in all 11 metro areas. Virginia revenues are now expected to decline 4.0 percent in FY '09.

Following is a brief revenue analysis for the FY '09 fiscal year:

- Real Estate Tax revenues are estimated to be \$1.197 million (1.1 percent) greater than appropriations, a \$2.537 million increase from the previous projection. The increase is primarily due to the proposed 3.2 cent increase in the 2009 real estate tax rate.
- Personal Property Tax revenues are estimated to be \$1.052 million (4.6 percent) less than appropriations, a \$0.505 million increase from the previous projection. The increase is due to greater than anticipated 2009 assessed values.
- Delinquent Property Taxes are estimated to be \$0.230 million (26.9 percent) greater than appropriations, a \$0.140 million increase from the previous projection. New delinquent fees have resulted in improved collections.
- Sales Tax revenues are estimated to be \$1.865 million (13.3 percent) less than appropriations, a \$0.050 million decrease from the previous projection. Revenue projections were prepared anticipating the start of an economic recovery in mid FY '09. Unfortunately that has not materialized. Estimated collections will be less than FY '08. The Commonwealth as a whole has also experienced less than prior year collections attributed to current economic conditions. Housing-related, grocery store, department store and restaurant revenues were flat to negative compared to FY '08. Increased internet sales typically do not generate sales tax revenues.
- Business License, BPOL, revenues are estimated to be \$0.611 million (5.8 percent) less than appropriations, a \$0.495 million decrease from the previous projection. BPOL revenues typically lag behind current revenues and are beginning to be affected by the recession.
- Utility Tax revenues are estimated to be \$0.468 million (4.9 percent) less than appropriations, a \$0.359 million decrease from the previous projection. A major provider discovered that it had been incorrectly remitting sales tax as utility tax. Additionally, overall weather for the first six months of the fiscal year has been moderate, thereby generating less revenue.
- Other Local Tax revenues are estimated to be \$0.869 million (7.1 percent) less than appropriations, a \$0.190 million increase from the previous projection. Vehicle license tax revenues have increased at the same time as personal property revenues.
- Other Local Revenues are estimated to be \$1.801 million (28.5 percent) less than appropriations, a \$0.518 million decrease from the previous projection. The decrease is primarily due to reduced interest earnings, development fees, and excess Clerk's fees.
- State Revenues are estimated to be \$0.243 million (1.0 percent) less than appropriations. a \$0.077 million increase from the previous projection. The increase is due to increased Public Assistance reimbursements.
- Categories with variances of less than \$0.100 million have not been analyzed for this report.

b. Expenditures:

The Budget Office estimates that total expenditures, including transfers, will be \$5.613 million (2.5 percent) less than appropriations. The reduction includes release of the 2008 tax year lockbox, frozen positions, operational savings, and reduced transfers including schools and capital.

- i. Departmental expenditures are expected to total \$81.330 million; a 2.4 percent savings of \$1.986 million from Budget:
 - Administration expenditures are expected to total \$10.623 million; a savings of \$0.552 million.
 - Judicial expenditures are expected to total \$3.851 million; a savings of \$0.028 million.
 - Public Safety expenditures are expected to total \$29.048 million; a savings of \$0.402 million.
 - Public Works expenditures are expected to total \$5.000 million, a savings of \$0.285 million.
 - Human Services expenditures are expected to total \$18.639 million; a savings of \$0.222 million.
 - Parks, Recreation and Culture expenditures total \$6.277 million; a savings of \$0.109 million.

- Community Development expenditures total \$7.892 million; a savings of \$0.387 million.
- ii. Non-Department expenditures consisting of the Revenue Sharing payment, reserves and refunds are expected to total \$14.688 million; a 9.9 percent savings of \$1.614 million from Budget. The full \$1.614 million results from the release of the 2008 lockbox to fund local government operations.
- iii. Transfers are expected to total \$124.329 million; a 1.6 percent savings of \$2.014 million from Budget:
 - Transfers to the School Division are expected to total \$99.539 million, a 1.7 percent savings of \$1.686 million.
 - Transfers to the Capital and Debt funds are expected to total \$24.790 million; a 1.3 percent savings of \$0.328 million.
- c. Revenues less Expenditures:

This report indicates that the FY will end with \$0.123 million of revenues in excess of expenditures:

- Revenues and transfers are projected to experience a \$5.490 million shortfall which should be offset by \$5.613 million in expenditure savings.

Attachment B:

General Fund Budget Comparison Report:

The chart report tracks changes in revenues and expenditures over time.

Revenues:

- Real Estate Tax, Personal Property Tax, Other Local Taxes and Federal Revenues show positive growth over FY '08.
- Sales Tax, Business Licenses, Utility Taxes, Food and Beverage Tax, Other Local Revenue, State Revenues, Transfers and Use of Fund Balance show decreases from FY '08.

Expenditures:

- Administration, Judicial, Public Safety, Public Works, Human Services, Parks & Culture, Community Development, Non-Departmental, and Education show increases over FY08.
- Non-School Transfers shows a decrease from FY08.

Attachment C:

Fund Balance Report:

The report indicates that the County:

- Had an Audited FY '08 Fund Balance of \$20.426 million as of June 30, 2008,
- Appropriated \$1.816 million for FY '09 projects,
- Had a remaining June 30, 2008, Fund Balance of \$18.610 million,
- Has not approved any FY '09 projects, and
- Has Projected Unobligated Funds of \$18.610 million as of February 04, 2009.

This Financial Report is based on audited FY '08 financial data and the first six months of financial data for FY '09. Staff will utilize this data as the basis for the FY '10 Budget.

(Note: Attachments A, B and C may be found on file in the Clerk's Office with the permanent records of the Board or Supervisors or on the website for archived documents.)

This report was received for information only.

Agenda Item No. 7. FY 2007-2008 Comprehensive Annual Financial Report (CAFR).

Mr. Jack Farmer with the firm of Robinson, Farmer, Cox Associates, addressed the Board. He said the Annual Audit of County funds is conducted in accordance with generally accepted auditing standards and government auditing standards. The County is also subject to government auditing standards, and Circular A-133 which is the single audit governing receipt of Federal funds. The County received an unqualified opinion on its financial statements, with no matters of internal control or compliance noted in any of the standards. He encouraged the Board members to read the financial statements, especially the MD&A, which is a well-written narrative of the overview of the County's entire financial operations. Schedule 12 in the report – the budgetary report – shows the original budget, the amended budget, and actual revenues and expenditures by major funds. The County was well within its

budgetary constraints for last year, with a marginal fund balance increase. That is a fine statement for the management of the County itself. He has met with the Board's Audit Committee and reviewed these financial statements in detail. Overall operations were covered in that meeting - both the General Government side as well as the School Board side which is included as a component unit in the financial statements. He offered to answer questions.

Mr. Dorrier asked what exhibits should be looked at to see past and future trends. Mr. Farmer replied that there is a statistical section which consists of tables giving a 10-year trend of both revenues and expenditures.

Ms. Thomas asked if the GASB requirements from about eight years ago have been incorporated so the County is now in line with those requirements. She also asked if anyone has figured out how much it has cost everybody to meet those requirements. Mr. Farmer responded that they had been incorporated. There were estimates made when GASB 34 came into being. It was expected that these regulations would add from ten to 15 percent in overall costs for compliance and the rewriting of the financial statements. He said standards continue to change on a daily basis. One issue noted in the management letter is that post-employment benefits must be looked at; that is primarily hospitalization and the VERIP program for retired employees.

Mr. Rooker **moved** for acceptance of the County's FY 2007-08 Comprehensive Annual Financial Report. Mr. Boyd **seconded** the motion, which passed by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Agenda Item No. 8. Economic Development Opportunity Fund Guidelines.

Ms. Susan Stimart, Business Facilitator, addressed the Board, stating she was present this morning to speak about the Economic Development Opportunity Fund, guidelines for use of that fund, and the application process. This fund was first created in December, 2006. At the Board's Strategic Planning Retreat last October it was decided to continue funding this program and to work on guidelines for its use. On January 7 the Board and staff held a work session to discuss the parameters for the fund's use. The Board supported criteria focusing on workforce development, use of the program as a gap resource, its focus on capital investment, as well as the County's goals, objectives and strategies in both the Comprehensive Plan and the Strategic Plan. The Board requested that additional criteria be formulated demonstrating tangible benefits while maintaining flexibility of project types with an equal weighting among the criteria. She said applicants were requested to demonstrate a project's risk and their ability to manage it by providing a business plan and other qualifications; the Board also discussed what performance agreements might look like.

Ms. Stimart said today she is presenting a slightly revised Purpose Statement to ensure there is a gatekeeper in place for projects that don't immediately meet the purpose. For those projects there will not be further consideration.

Mr. Boyd asked if Ms. Stimart would present this in different sections since he has comments about the different parts of it. Ms. Stimart said she will start with the Purpose statement.

Mr. Rooker said under Purpose he would add "unemployment" so it will say "unemployment" and "under-employment". Unemployment is becoming a problem in the community as the recession continues.

Mr. Boyd said right after it says "The purpose of the Economic Opportunity Fund is to" he would insert the words "... to attract investment in the community that will provide a return in tax revenues to the County." He thinks that is an important aspect of what this opportunity fund was initially designed to do.

Mr. Rooker said that is already one of the criteria.

Mr. Boyd said it is, but he thought it should be in the Purpose because it seems this is more like a venture capital fund than what he thought it was intended to be. He thought the Board would be investing in going concerns, rather than being investment capital for start-up companies.

Ms. Thomas said she agrees with adding "unemployment". She knows the Board does not want to provide low-wage, impermanent jobs, but by providing higher wage jobs it suggests they should be in the industries of construction, manufacturing, and information technology. Sometimes that is not what is needed by local residents, and those are the jobs that attract people from outside of the area. She thinks one of the purposes of the fund should be a focus on local residents. This statement does say "employment of County residents."

Mr. Rooker commented that what Mr. Boyd mentioned is better dealt with in the criteria, as it becomes a gatekeeper for analysis of proposals.

Mr. Boyd asked if that should be part of the Purpose.

Mr. Rooker said most of the criteria could be included in the Purpose statement.

Mr. Boyd said wanting to get a return on investment is a general statement. That seems to be missing in the Purpose statement.

Mr. Rooker said it is "to address unemployment and under-employment of County residents and to improve County tax revenues." He thinks the Board expects anything it puts money into will have some positive benefit in the economy which ultimately will result in better tax revenue.

Mr. Boyd said at one time there was talk of people coming into the community and it was not just for jobs but tax revenues because there were talking about building plants. That would have increased BPOL taxes and equipment taxes, so it was easy to see the positive return it would have. He would like for this fund to be similar to the Virginia Opportunities Fund.

Ms. Thomas said she is concerned that if you bring in more jobs you also bring in people from the outside. In ordinary economic times that is what happens and it impacts the tax base negatively.

Mr. Boyd said he does not agree.

Ms. Mallek asked if the suggestion could be restated.

Mr. Rooker suggesting changing the language to state: "To address unemployment and under-employment of County residents and improvement of County revenues."

Mr. Dorrier said there needs to be some distinguishing factor to separate proposals that are good for public funding versus those that are good for private funding. Otherwise, there is a problem as to how to make choices.

Mr. Rooker replied that the Board's effort today is to establish criteria. If the Board establishes criteria and it is not met, it is not a proposal that will be brought before the Board.

Mr. Dorrier asked if the Board would be making its decision using Attachment "B" to the Executive Summary.

ATTACHMENT B ECONOMIC OPPORTUNITY FUND GUIDELINES

Purpose: The purpose of the Economic Opportunity Fund is to address underemployment of County residents by assisting County businesses in providing higher wage permanent jobs.

1) Minimum Requirements for Consideration

- a) **Business Plan and/or Strategic Plan:** Every applicant should submit a business plan and/or strategic plan, to demonstrate the planning and research conducted regarding the project and to provide a basis to evaluate the proposal against the evaluation criteria. This should include a financial plan for a minimum of five years that demonstrates the project is economically viable. Assumptions with respect to anticipated revenues and expenses should be supported with data and/or letters of commitment. This plan should include a project schedule identifying milestones, cash flow and time sensitivity for success.
- b) **Qualifications:** The applicant needs to demonstrate his or her qualifications and experience in following through on the proposed project.

2) Evaluation Criteria

- a) **High-wage jobs (20pts):** An important goal of the Albemarle County Strategic Plan is to increase the ability of those individuals and families, who are living in lower income households, to become self-sufficient. Eligible projects should increase the number of jobs, especially higher-wage jobs. The County has several important higher-wage industry clusters, such as health care, bio-technology, and information technology. Additionally, construction and manufacturing skills are highly valued in this community. Preferred projects add jobs in these industry sectors.
- b) **Local Workforce Development (20pts):** Eligible projects should provide work-force training, and recruit local residents to fill vacant positions.
- c) **Matching Funds (20 pts):** This fund was capitalized on a one-time basis for a maximum amount of \$250,000. To maximize the fund's impact, projects are considered more highly if demonstrating the success of the project is tied to other supporting financial resources. This fund is considered a source of funding for closing what might be a gap in commercial lending, venture capital or non-profit grants. Though not a strict requirement, preferred projects should require from the Fund less than 20% of total project cost, in keeping with the goal of providing "gap" funding. Preferred projects will include federal or state funding, also tied to local employment opportunity, such as the Governor's Opportunity Fund or UVA research projects.
- d) **Tangible Benefits to the Community (20 pts):** Each applicant is expected to demonstrate how their project will provide measurable and tangible benefit to the community. In order to satisfy this criteria, an applicant must address each of the following elements:
 - i) **Capital Investment:** Like workforce development, project applications need to specify and quantify expected capital investment (land purchase, building development, machinery, tools and equipment

- ii) Estimated Economic Value/Return on Investment: The applicant is encouraged to furnish data on revenues the County is anticipated to see with this project. This can include property taxes, machinery and equipment taxes, and sales taxes.
- e) **County Goals and Objectives (20 pts)**: The County Comprehensive Plan and the County's Strategic plan can be accessed online at the following address, www.ablemarle.org. A project will receive more favorable consideration where the project ties to specific goals and objectives of either plan.

3) Conditions for Receipt of Funds

- a) All proposals must receive a total score of no less than 75 points to be considered for funding.
- b) Approved projects will be subject to a performance agreement which will require commitments in the following areas, at a minimum:
 - i) Total job created for local residents
 - ii) Wage level for job created
 - iii) Capital investment
 - iv) Matching funds
- c) Approved project will be required to provide some form of surety acceptable to the County Attorney guaranteeing the County's investment is refunded if agreed upon performance criteria are not met.

Mr. Rooker said staff could analyze any proposal received with respect to the adopted criteria and then issue a staff report giving an opinion as to whether the proposal met that criteria.

Mr. Dorrier asked if the application would be assigned points based on what staff found.

Ms. Stimart said she would like to "walk the Board through" the process that would be used. Applicants would be required to meet a minimum threshold by providing financial documents, business plans, a business proposal, and documentation related to their qualifications. To protect proprietary business information, it is suggested that this information be submitted to the Economic Development Authority or the Small Business Development Council.

Mr. Boyd said asking for a business plan leads to a venture capital thing and that is his only problem with this because it implies the fund would provide seed money for new companies. He thinks it should be revised to say that solid financial statements would indicate that a company wishing to expand in the area is sufficient and not require a business plan. He would add that to the language which says they "... should submit recent financial statements or"

Mr. Rooker agreed.

Ms. Thomas asked Mr. Boyd to read that sentence again.

Mr. Boyd said he would change that first sentence to read: "Every applicant should submit either recent financial statements or a business plan"

Mr. Rooker said the words "if it is a going concern" might be inserted in parenthesis in that sentence.

Mr. Dorrier asked if the business is required to have been in existence for five years.

Ms. Stimart said the evaluation criteria from the last meeting pulled out high wage jobs to provide that focus, it called out a criteria for local workforce development which would speak to proposals addressing workforce training and recruiting local employees.

Mr. Boyd said he had another suggestion on the last slide shown. At the end of the business plan section, it should require a clear indication of how the County will recoup its investment through future tax revenues. That critical piece of this needs to be identified. This does not say projects which are not profitable in nature cannot be funded, but if someone asks for help through this fund, there should be a clear criteria as to how the County will get a return on its investment.

Mr. Rooker said under the evaluation criteria – 2.d) ii) – it speaks specifically to that point.

Mr. Boyd said it also speaks to the other issues in the qualifications. He is just reiterating it. In the preamble he wants "the flavor" of this to be about investments in the community that will return tax dollars.

Mr. Dorrier asked about viticulture. He said no farm activities have been included.

Ms. Thomas said that is a good point. It notes that there should be high wage jobs, and agricultural jobs are often not high wage jobs, but they are the way people can sustain their families. She would emphasize local residents being guaranteed the benefit of the County's investment in a company. That does not appear in the evaluation criteria. She said it mentions "local" under workforce development, but not as one of the main requirements or qualifications. Local government is effective in economic development when an identified component of the community is unemployed or under-employed so efforts are directed to that identified group. The Board has not pinpointed that it wants these efforts to go to local residents, and she thinks taxpayer's dollars would not be spent well if the Board merely brought in a company that brought in jobs already filled by people from outside the community.

Mr. Rooker said "2b)" says: "Eligible projects should provide workforce training, and recruit local residents to fill vacant positions."

Ms. Thomas said that is only mentioned under "Workforce Training."

Mr. Boyd suggested adding it to "2d) – Tangible Benefits to the Community" - by saying "... priority given to companies or organizations that create local jobs."

Ms. Thomas agreed with that suggestion.

Mr. Rooker said that would add a section 2.d) iii).

Ms. Stimart said the weighing of those 20 points would then be split three ways.

Ms. Thomas said that dilutes what she would like to be the main criteria.

Mr. Rooker said it would probably be better under 2b) because that is a 20-point category.

Mr. Dorrier said the criteria should be expanded to broaden its impact on local jobs. He thinks Ms. Thomas' point is well taken.

Mr. Rooker said it is, but it is a question of where to put it in the criteria. It gets more weight under 2b).

Ms. Mallek asked if these categories are expected to be exclusive of each other, otherwise, they could be in two categories.

Mr. Boyd said when it gets to the point system they should be exclusive one section to the other. He does not have a problem with making it a part of 2b) which would give it more point weight.

Ms. Stimart asked if that addresses Ms. Thomas' concern.

Ms. Thomas said she does not think the rest of the Board members agree with her.

Ms. Mallek said she agrees and suggested saying "a priority will be given to" instead of saying "recruit local residents."

Mr. Rooker said it could be made a separate criterion, and then instead of having five categories, have six categories.

Ms. Thomas said she thinks workforce training is an important aspect, so she does not want to dilute that either. She thinks it would be good to have two separate points, one being the workforce development and the other being the importance of having the benefits flow to local residents.

Mr. Boyd said he thinks they are the same. Workforce development is not going to train people moving in from outside of the County.

Ms. Mallek asked about having an "f" that describes it.

Mr. Rooker said Ms. Thomas is suggesting that an "f" be added that gives priority for commitments to hire local citizens to fill job positions.

Ms. Thomas agreed.

Mr. Boyd suggested having a number, such as a company with 100 jobs – 50 percent from the outside and 50 percent locally - as that might be more beneficial than saying a company that provides all of its 10 jobs to local residents.

Mr. Rooker said if the one of the returns on investment is to improve hiring of local citizens, he would.

Ms. Thomas said one of the few times the Board provided an incentive to a local company, the Board put on a stipulation that they had to hire 60 percent local, and local meant people living in the region, not just Albemarle County. They failed to do so and had to return the money. She would be happy to have an "f" included as suggested by Mr. Rooker.

Mr. Boyd said if a company says they will create 100 jobs and 50 will be filled by local people and 50 will be filled by people from outside of the County, is that better than a company saying they will create 10 jobs and all will be filled by local people

Ms. Mallek asked what Mr. Boyd would suggest adding to that language.

Mr. Boyd said it would have to be worked out, or the words "preference will be given to organizations creating the most number of local jobs" could be added.

Ms. Stimart asked the Board's feelings about the words "Though not a strict requirement, preferred projects should require from the Fund less than 20 percent of total project cost, in keeping with the goal of providing gap funding."

Mr. Boyd said he had a problem with the sentence in that paragraph reading: "This fund is considered a source of funding for closing what might be a gap in commercial lending, venture capital or non-profit grants." He sees no reason to have that sentence in these guidelines. He does not look at this as gap funding. It might be incentive funding in some cases. If everyone else thinks the sentence should be in, he would like to insert the word "can" so it read "... can be considered a source of funding"

Mr. Rooker agreed with that suggestion. It is too narrow of a criteria and the concept of having this as a venture capital type fund is a bad concept.

Ms. Mallek said there is too much risk to the taxpayers' in her view.

Mr. Rooker said there are venture capital companies in the community now. They look at business plans all the time. He does not think the taxpayers expect the Board to have a venture capital fund and then develop expertise in analyzing business plans and putting taxpayer money into ventures. A successful venture fund will typically have only one out of five investments succeed while the other four fail and are gone. The Board is not prepared to go down that route. This fund was originally created with the idea that there would be some money available to match the Virginia Opportunity Fund when they require a local match.

Mr. Boyd asked if Mr. Rooker would agree to take out that sentence altogether.

Mr. Rooker said that would be fine with him.

Ms. Stimart said the Tangible Benefits category has been talked about. She asked if Board members are comfortable with just the two measurements of capital investment and return on investment.

Mr. Dorrier stated that he would like to see a cost-benefit analysis for each project versus the benefits to the community.

Mr. Rooker said that 2d) ii), Economic Value Return on Investment, attempts to do that.

Mr. Dorrier said he thinks a cost-benefit analysis should be included.

Ms. Stimart said that in this instance, return on investment speaks to tax benefits. If a cost-benefit analysis is wanted, the parameters of the benefits would need to be specified.

Mr. Dorrier said they are jobs, employment for local citizens, tax revenues, and products available to citizens.

Mr. Rooker said all the criteria provide that information. Ultimately someone will have to decide whether the benefits demonstrated in the information furnished outweigh the cost of the investment being sought. He views that as implicit throughout all of the criteria.

Mr. Dorrier said only 20 points are allocated to it out of the 100 total points.

Mr. Rooker said jobs are listed in their own 20 point category. If someone demonstrates they are going to create jobs, that category gets 20 points by itself. This whole analysis actually gives a cost-benefit analysis based on the criteria.

Mr. Boyd said that overall the two most important things are a return on investment and jobs and he wants those two items to get equal points.

Mr. Rooker said the Tangible Benefits to the Community criteria – rated at 20 points – is a combination of things that give rise to economic benefit.

Ms. Stimart said capital investment can be a good barometer of a company's commitment to the area.

Mr. Boyd said Capital Investment and personnel are the two keys to the whole fund.

Ms. Stimart asked if Mr. Boyd would remove Capital Investment from the criteria of Tangible Benefits and simply make it "Return on Investment."

Mr. Boyd said his interpretation of this would include an investment in buildings and land and equipment – how much investment they would make in the community.

Ms. Stimart said "Return on Investment" in the second Roman numeral is speaking to tax implications.

Mr. Boyd said they complement each other because investment in a building brings tax revenues to the County. An investment in equipment is an equipment tax to the County.

Mr. Rooker said he thinks it is good to have information in both categories. It would be good to have information about the capital investment the person seeking the funds is making to the community. Also, an analysis of revenues might indicate indirect revenues resulting from purchases.

Mr. Boyd said they need to be separate. As an example, NGIC has a huge capital investment, but the County gets no return from that because they don't pay taxes.

Mr. Dorrier said he would like to put in a third category under Tangible Benefits – Historic Rehabilitation. There are country stores throughout the County that need improvement and historic areas that might need improvement. He thinks that should be mentioned under Benefits.

Ms. Mallek asked if that would be included in 2e).

Mr. Dorrier said that section is too vague. If historic renovation in the County is wanted, then it must be supported. He thinks it should be singled out and specified that the County is advocating improvement of historic structures.

Mr. Rooker said historic renovation is an entirely separate topic. The most effective thing the Board could do to protect historic structures in the community would be to adopt an Historic Preservation ordinance. That ordinance is in Community Development's work plan, and has been a part of that plan for a long time, but this Board has not had the voting support to move it forward. He would not want to see proposals for remodeling a country store/gas station come in under the guise of an economic development proposal. It would be difficult to understand how that could increase employment significantly with higher wage jobs, etc. If somebody had a proposal that met all of the criteria, and it also involved historic preservation under Section 2e) it would get additional consideration for that factor, but he does not see that as a separate 20-point category.

Mr. Boyd agreed.

Ms. Stimart said she will have to revise the points in order to pull out an additional category for jobs, so it will be 120 points. She said to address managing risk, the conditions in Attachment "B" are recommended. This is to say that proposals will need 85 to 90 points minimum and will be subject to a performance agreement where the applicant commits to a certain number of jobs, wage levels, capital investment, and matching funds, and a security agreement (which is a claw-back agreement – if they don't perform, they have to repay the grant).

Mr. Boyd said the Board skipped over the first part of these guidelines. There are some global issues which need to be addressed. He asked who would be responsible for scoring and evaluating applications; would it be done by the Board, staff or a group set up for this purpose? He thinks establishing a group similar to the Commission on Children and Families (CCF) which evaluates nonprofit groups would be good. He does not think it should be done at the Board level.

Ms. Mallek said she had asked for outside help in getting ready for today's meeting. She does not have the expertise to do this.

Mr. Boyd asked for opinions as to how to screen applications.

Mr. Rooker said originally this fund was conceived to have something available to match Virginia Economic Development Opportunity Fund moneys, things that require a match. Then, the County would be reviewing proposals that had already been through a significant criteria process. Although \$250,000 is set aside for this purpose now, no decision has been to replenish the fund should that money be used. Does the Board really want to create an administrative governmental overlay for something created for a much simpler purpose? The recommendations that come from the CCF's work involve millions of dollars allocated to various agencies in the community.

Mr. Boyd said he proposed this fund originally because proposals had come to the Board from the Virginia Economic Opportunity Fund which is always look for matching funds, and the County had no source of funds to use. He concurs with Mr. Rooker's remarks, but the Board has received some requests which pushed it in this direction. He expected requests to come from going concerns, and the State would be investing in the proposals. They wanted a good faith effort from the local community in order to supplement their funds.

Ms. Thomas said the Board needs to be careful it is not setting up a bureaucracy that costs more money than the fund itself. As the food hub proposal demonstrates, sometimes timing is very important. She commented that she would hate for it to takes months for this process to be completed.

Mr. Dorrier said leverage is also important. The Board can leverage benefits significantly with just a small amount of money.

Mr. Rooker said he does not have any problem with the criteria, but in some ways the Board is moving away from the approach originally contemplated when this money was set aside. The money was to be used to match economic development opportunities that had gone through a significant vetting before coming to the Board. The Board would then determine if it met community criteria. He does not know the Board can analyze business plans. Also, with this small amount of money, would the Board want to charge the Economic Development Authority with this job? A lot of the factors being included in these guidelines are community factors.

Mr. Rooker said the food hub proposal has been mentioned today. There are also five or six other proposals waiting to be submitted. He was called by the operator of another food hub saying they wanted to be considered. He asked if the other proposals coming forward are in the early stage when companies look for seed type money.

Ms. Stimart said one of them is from an existing concern looking to expand a business which has been in operation for 25 years.

Mr. Boyd said he thinks it would be okay to take a step back and say "we went down the wrong road." He said this was prompted by the applications received, rather than what this Board wanted to do.

Ms. Mallek said she thinks it was important to have this guideline discussion in advance of considering applications.

Ms. Thomas asked if the Board will adopt these criteria today and then move to discussion of the food hub proposal. What is the expectation? Mr. Tucker said staff had planned on the Board reviewing the criteria first, and with the changes already talked about, move to the next item, looking at actual requests.

Mr. Dorrier said the gentlemen who spoke this morning against the funding was articulate, and he mentioned some points the Board should consider before diving into this. Out of fairness to the other five applicants there should be some criteria in place before reviewing any of the proposals.

Mr. Boyd said the Board is talking about redefining the whole fund as being to match Economic Opportunity Funds. There would not be a big criteria process to go through as that has already been done by others.

Mr. Rooker said the initial gatekeeper should have been some other agency.

Ms. Thomas said that takes it one step away from the local community so that people who come up with a local grown idea would not be able to qualify. She said the State usually brings in large employers from outside of the State. She would rather have local ideas "brewing" up.

Mr. Rooker said he attended a meeting a couple of weeks ago and heard two business plans from local entrepreneurs. He probably evaluates 30 to 40 business plans each year from early stage companies. There is no end to the number of entrepreneurs in the community, and there is a very small amount of money set aside. He asked if the County is going to start looking at every idea that germinates in the community as something it should put public money into. He thinks the local food hub is a great idea, but generally speaking the private sector determines whether it should invest or not. The people in that business spend a lot of time refining their skills, and a lot of them are not successful. A lot of companies need more than just money in order to be successful. He does not think the Board has that kind of network, and it will get idea after idea if this is considered as seed money for new ventures.

Mr. Tucker said when this was first set up as an opportunity fund to match the Governor's Opportunity Fund the County's money was going to be used as a loan. What is being talked about now would be an outright grant and the Board has not talked about replenishing the fund, so that is another issue to be discussed.

Mr. Boyd said it needs to be said that this money was never intended to be used as venture capital. But, that is the kind of proposals the Board is receiving. Particularly in regard to the food hub, he considers that to be a nonprofit and there is a mechanism in place for agencies to go to for support. That should be the same path it takes.

Ms. Stimart said as a comparison, another county in Virginia uses a similar fund to match the Virginia Economic Opportunity Fund. For existing businesses that are making significant capital investments, they try to put the public funding toward public infrastructure in the way of water, sewer, roads, and utilities. It is more narrowly defined.

Mr. Rooker said the Board can make that decision. He will suggest that the size of this fund not provide for a multitude of uses.

Mr. Tom Foley, Assistant County Executive, said staff recognizes that the kinds of proposals coming before the Board are something it might want to support because of its rural area goals. When the Board reviews the next version of strategies for the rural area, staff will present information on how the County might help to address agricultural proposals. The rural area strategies are a good place to give directions on how to do that. The criteria and work done on these guidelines could be valuable in determining whether the Board is willing to match Opportunity Fund project requests. If that is the consensus of the Board, staff can work with what has been said today, get it into more concise language that will let the public know what the fund is for, and the Board can work on some things that might come forward through evaluation of the Rural Area strategies. If that is the Board's consensus, staff will make final changes to these guidelines which will guide the Board should the Governor say a project is supported by the State. The Board can then decide whether it will provide matching funds or not.

Ms. Mallek asked if there are funding sources other than the Governor's fund where another agency would do the pre-vetting.

Mr. Rooker said it could say "... such as the Governor's Opportunity Fund." He does not think it has to be explicit to that fund.

Mr. Foley said there might be some competitive agricultural business operations requesting funds. Staff can make sure it is broad enough to encompass other than the Governor's Opportunity money. If that is the consensus, staff will work it into final language. It is important in terms of what this says about the six proposals the County has received and others which may come forward.

Ms. Thomas said the proposals received are the result of the Board's total inaction. There is a Comprehensive Plan and an Agricultural Strategy in the Rural Areas Plan. The Board said it was going to hire someone, the position was in the budget but never carried through. The Board has done little of what it was going to do in the Agricultural Strategy. Years ago a committee was put together of rural area people to find out what was most needed to help them in their agricultural pursuits, but the Board took little action after that. Then, the Comprehensive Plan was rewritten with hundreds of people in the community participating, and the Board has taken little action. Now there are some rural proposals from people who thought they saw a pot of money not being used. She does not blame them for thinking it might be a way to fund their proposals given the Board's otherwise hypocritical stance which says the County supports agriculture but has done little about it. The Board has talked a long time today to end up apparently saying it will only match proposals coming to it that have been vetted at a higher level. She can understand that, but she also understands the frustration that led these proposals to come to the Board and her frustration at being unable to respond to them.

Mr. Rooker said the letters and e-mails from people in the farm community do not indicate to him that they are crying out for government help. The County is not necessarily the solution to everything. The Board tries to adopt land use policies that are conducive to making things viable in the rural areas and in the growth areas, but on this particular proposal the Farm Bureau and the Forever Albemarle folks weighed in against the food hub proposal. If he were looking at this as a potential investor, he would say significant support was needed from its core constituency to make it work. He said the County could hire an agricultural person and that might be of some assistance, but he does not think that would make farming more lucrative for farmers. There are 34 unfilled employee positions now. For the County to invest money in this area without some unified position by the farm community as to what they need would be unwise.

Mr. Dorrier said there may not be any unity in the approach, but he thinks when citizens come to the Board saying creation of this job with public money works against me who is competing privately and trying to keep the prices low, the County then gets into all sorts of economic tangles, plus tying up the Board's time. He does not know whether the Board members have the time to give to a detailed review of every application. He would be interested in hearing more from staff.

Mr. Boyd suggested the Board accept what Mr. Foley has proposed. He thinks the Board needs to make a statement for those present today with specific proposals that it looks like this fund will not be available for their use. Although they are excellent ideas, he thinks they need to be done through the private or nonprofit sector.

Mr. Rooker said he thinks the Board should accept Mr. Foley's recommendation. Whether or not the local food hub would fit within the scope of the CCF review process is something that can be discussed later. This is unique in that it is the kind of business that is often set up as a private business for profit; the proposal here is that it would be not-for-profit.

Ms. Thomas said it meets most of the criteria the Board has been discussing through a torturous expenditure of time. The Board decided about an hour ago that it does not want to use the money for this sort of thing.

Mr. Rooker asked what would happen when the next five proposals come in; where does the Board draw the line on every good idea that germinates in the community from a group of people who think they can build a company, or co-op, or whatever?

Ms. Thomas said the Board would have spent \$250,000. She thought that was the purpose of this pot of money. It would be finite. The Board has not agreed to refill it. Some people have come up with some good ideas that meet all but one of the criteria the Board just laid out. The one criterion they fail on is the one requiring high paying jobs. It is 100 percent local residents, and 100 percent meets County goals. It is a very tight circle of local financial re-expenditures in terms of tangible benefits, matching funds, and the workforce training aspect. Because farmers traditionally are not good marketers this is a way to train or deal with that lack of expertise. She is frustrated.

Mr. Rooker said he understands that, but it does not meet the criteria for high paying jobs. It doesn't meet the new criteria for hiring local people for the local jobs created. All but one are employing existing people. However, the farm community is not unified in supporting this proposal and that bothers him.

Ms. Thomas said it does not deal with hay and cattle and that is a major part of the agricultural community. This is dealing with people who are small truck farmers and grow vegetables, so it is not the same. Anyway, she thinks the Board is "beating a dead horse."

Mr. Rooker said the people who make salsa from the tomatoes they grow in their greenhouses are the type of people Ms. Thomas just described. They are a significant, successful operation in the community.

Ms. Mallek said there are a wide variety of perspectives about whether government should be involved. She thinks it is important that the Board derive these guidelines.

Mr. Davis said he had a point of clarification on some of the discussion. There is a County budget committee that evaluates budget requests from certain charitable organizations and qualifying nonprofits. That is what Mr. Rooker was referring to. That is an ongoing process on an annual basis that weighs those requests against each other. Some nonprofits are not eligible for direct donations or grants from the County. There are only certain specified categories that are eligible. None of the proposals that Ms. Stimart has been looking at would qualify for a direct contribution. There might be indirect ways the County could make that funding. To put for-profits or non-qualifying nonprofits into the budget process is something the Board has never done. That would require staff analysis before inviting them into that process because that has been a closed process for the qualifying entities in the past.

Ms. Mallek said the Board has given Ms. Stimart the feedback she needs to develop the Purpose and the Guidelines. Where does the Board go from here?

Mr. Boyd asked if the Board has decided to remove the Economic Opportunity Fund from proposals such as those before the Board with the food hub.

Ms. Stimart said that is a locally-initiated proposal.

Mr. Boyd said venture capital things need to be decided for the people who are present this morning.

Mr. Rooker said he thought the majority was in favor of inserting the Governor's Economic Opportunity Fund or similar grants. Mr. Foley said staff would follow that up with a change in the Purpose statement to clarify that it's limited not just to the Governor's Opportunity Fund but to those types of opportunities.

Mr. Boyd said he understands what is being said and he is in favor of doing that, but he wants there to be closure for the food hub today. He does not want them to leave this meeting not understanding what the board is doing.

Ms. Kate Collier asked if she could speak.

Ms. Mallek said she will say "yes" as long as there are no objections from Board members.

Mr. Rooker said Ms. Collier spoke for quite a while last month and he asked if there is new information to present.

Ms. Collier (representing the food hub) said they were encouraged to build a business plan and come back to the Board for this fund. They are a little confused and disappointed that the Board seems to be deciding that their proposal does not fit in the system. The food hub has a clear list of reasons they believe they fit within these guidelines, and she would like to argue their case.

Mr. Rooker said the Board has not adopted the guidelines yet. They will be brought back in final form at a later meeting.

Ms. Collier said they were given a sheet of guidelines the food hub was supposed to submit to the Board during this meeting of setting guidelines.

Mr. Rooker said the Board has not adopted any guidelines. That was staff's draft of the proposal. One of the problems is that the food hub's proposal has come to the Board before it has put into place the overlay of the criteria.

Ms. Collier said this proposed Economic Fund has been in place since 2006.

Mr. Rooker said the fund was set up originally to match the Governor's economic type grant opportunities. The question today is whether the Board is remaining under that original overlay.

Ms. Thomas said one of the problems is that the Board never stated that was the purpose of the fund.

Mr. Rooker said because there are now people who are interested in tapping into the fund, the Board is creating an overlay of criteria. Without criteria, how would it evaluate individual proposals? The Board is in the process of adopting those criteria.

Ms. Mallek said the Board has trapped the food hub in the middle of this whole evolution, and she is sorry about that.

Ms. Collier said the Board encouraged the food hub to work with staff on the guidelines and submit and post their business plan. They believe they should have an opportunity to say why they feel they fit within these guidelines. She asked if the Board is saying the fund no longer exists to the food hub and they should give up; they need some closure.

Mr. Boyd said he thinks this fund is no longer available to initiatives such as the food hub. He thinks that is the consensus of the Board.

Ms. Collier asked if it is a voted consensus.

Mr. Boyd said that is what the Board is in the process of doing.

Mr. Rooker explained that staff will bring back a final draft of the criteria which will then be voted on, but it will not be finalized today because the Board has made changes today. The Board will review the final proposal and then vote to adopt the criteria. Personally, he thinks the food hub is an excellent idea. He hopes it works in the community and that the farm community ultimately supports the idea, but it is not the kind of idea he would be comfortable putting taxpayer money into it because he views it as a venture investment. He does not think it is the job of government to generally invest in early stage companies, and this Board is not set up to make the evaluations necessary to make intelligent choices in that area.

Ms. Collier said this is investment in infrastructure that would increase the ability to grow and distribute local food. As the Board heard from citizens who spoke today, people want local food. It is hard to get a consensus from the farming community, but as a whole the food hub has a lot of support. The negative being heard from the farming community is that there will be government involvement, but the food hub contends that it is an investment in infrastructure. When citizens see a business plan that has a loss number on it for the first six years, it is disconcerting. This food hub needs to be developed, and at year six they will become profitable and be an asset to its community. There are a lot of people waiting for the government to say this is a good project and to say the government is willing to invest in infrastructure to do it. There is an outcry from the community for local food and there will be an investment in infrastructure to get it to them.

Mr. Rooker said if he were looking at this as an investor, he wouldn't think it was a good investment because the farm community is not entirely on board.

Ms. Collier said they have some of the farm community on board.

Mr. Rooker said he does not know the numbers. These are the kinds of analyses the private sector can make. This government is not set up to do so. If this were a \$10.0 million investment fund for economic development and the Board wanted to set up the governmental overlay necessary to analyze proposals and make intelligent choices about where that money was placed, that would be one thing, but that is not part of this proposal. The food hub, and someone with another proposal for some kind of summer organization, both want to make a proposal. There are five other proposals of various kinds for seed money or expansion money, and he does not know where it ends.

Ms. Collier said Mr. Boyd sent the television station to the food hub representatives after the last meeting to broadcast the availability of this Economic Opportunity Fund because there had not been many applicants. They are confused.

Mr. Boyd said the last time Ms. Collier was here, he thought there were two competing food production proposals; the Board asked for the two parties to meet and come back with a joint proposal. He understands they decided mutually that they were not complementary services. The Board is being asked as a local government to make a value decision over which one is best and then put taxpayer dollars into what he views as competing situations. If the Board picked the other approach to providing local food produce over Ms. Collier's, would she be happy about that?

Ms. Collier asked if the Board does not usually have people competing for the same funds. A value judgment has to be made at some point.

Ms. Mallek said this is a brand new experience for the Board and that is why it is having so much trouble. In all the years she watched from the audience, she has not seen this kind of competition for funds. She thanked Ms. Collier for her presentation.

Not Docketed: Ms. Mallek asked that Mr. Donald Hart, President of the Virginia Association of Counties (VACo), address the Board.

Mr. Hart said the issue just discussed has been very interesting. He thanked the Board for allowing him time to speak this morning. He has served on the Accomack County Board of Supervisors for 29 years and is still the youngest member of that board. He is the current President of VACo. He said Albemarle County is very important to the State of Virginia and very important to VACo. One of his goals is to go around the State and meet with all of the counties because counties are better and stronger when they are unified. Albemarle has 94 brothers and sisters that will stand with them. There are 550 supervisors in the state.

Mr. Hart said that as President of VACo he is trying to become more accessible. He wants to keep VACo a highly professional organization working to achieve success and not failure. At this time VACo is meeting with State officials - he has had many headaches working in Richmond this year. They are trying to break the logjam and get the House, the Senate, and the Governor's Office to work through differences with compromise instead of just butting heads all the time. He said solutions need to be found to common problems and butting heads will not accomplish that. He has some pet projects for this year; unfunded mandates - there are far too many; holding counties harmless - there is a lot of legislation from the General Assembly where he does not think they understand what they are doing to the counties because things are not funded or they start a project and then delete its funding in a couple of years; equalization of counties, cities and towns - the powers and the rights.

Mr. Hart said counties are discriminated against. Some of the smallest towns have more rights than the citizens in Albemarle County because the General Assembly gave them blanket rights. VACo is trying to equalize that because it is unfair to the citizens – there should be an equal, level playing field, and counties should not have to go to the General Assembly and beg every time they want something. He urged the Board to stay abreast of VACo's benefits, services and offerings, especially communications. He said the County Executive should be receiving e-mails, and if the Board members are not, they should get their name on the list.

Mr. Hart urged the County to look at the procurement situation. He said Albemarle can save money and time because VACo already has contracts in place for goods and services. They have been through the process and already have RFP's and prices, all the way from borrowing money to school supplies, construction, vehicles; the County should check with VACo first because it can purchase anything on the list immediately without going through another bidding process.

Mr. Hart encouraged all of the Board members to participate in VACo. He said the Legislative committees are very important. The citizens of Albemarle County need to come and listen through the Board members, because VACo needs to know what the citizens think. If Albemarle is not represented on some of the key committees, no one will know what its citizens think, or their opinions. It is important today that Albemarle have a voice. Some of the committees are Education, Transportation, and Administrative for Government, Community Development, Agriculture, Environmental, Finance, Health, Human Services, Utilities, and Telecommunications. These committees only meet once or twice a year so it is not a big commitment of time, but service would maintain a voice for Albemarle. He thanked the Board for allowing him to speak, and said he will be here if the Board needs him – although it takes three and a half hours to get here.

Ms. Mallek said when reading an article in the newspaper last night about the closing of State prisons, it reminded her that there are State prisoners in the local jail that can't be shipped to the State and that is costing a fortune. Hopefully someone at VACo will work on that. Mr. Hart assured her that VACo will be working on that matter also.

Mr. Dorrier said he has been attending VACo conferences for many years and he thinks VACo has its heart in the right place, but he has never seen the push that Mr. Hart is making today and he commends him for it.

Agenda Item No. 9. Brownsville Elementary Addition and Renovation Reappropriation (deferred from January 14, 2009).

Mr. Bill Letteri, Director of the Office of Facilities Development, addressed the Board, stating that at its meeting on January 14, he presented a request from the School Board to appropriate the savings from earlier capital projects to the Brownsville School improvements. The Board referred that item to the CIP Oversight Committee which evaluated each area of the proposed renovation carefully, and unanimously agreed they are important and meritorious ideas. He commented that they include educational themes by sequencing classrooms and grade levels to create proper adjacencies in the school; creating appropriate cabinets, lockers, cubbies and fixtures to upgrade the K-1 classrooms for the fifth graders now using them; additional signage, lighting and graphics to make the addition more cohesive and creating parity within the school; and, upgrading technology in those locations.

Mr. Letteri said engaging the contractor that is now onsite is the most efficient and cost-effective way to achieve this work and will minimize distraction caused by construction. This ranks among the Schools' highest priorities, so the Committee recommends that \$200,000 of the contingency balance in the Brownsville project be applied to the new improvements, and it requests the Board to appropriate \$600,000 from the CIP Fund Balance from funds saved on completed school projects.

Mr. Letteri said the Schools have committed to decreasing projects that are now in their capital plan by a like amount. This would cause no negative impact to the overall capital plan. With Board approval, they would authorize the design firm to proceed with improvements and negotiate a change order with the contractor to achieve the work this summer. The Committee felt the request was appropriate, the nature of the work was justified, and the project would not negatively impact the CIP fund.

Mr. Rooker said there is a whole category in the Federal stimulus plan for educational building improvements. They are giving priority to improving existing facilities over building new facilities. He asked what other project is pending that might qualify for those kinds of funds, and if by approving the expenditure of funds today this project would be prevented from participating in that plan. Mr. Letteri responded that there are a number of renovation projects planned in the CIP over the next couple of years – gymnasium upgrades, lighting upgrades, major maintenance projects – they would qualify for those funds and are on the list.

Mr. Rooker asked if it is likely that there would be more projects that would qualify then the County would get money for. Mr. Letteri said "yes." Mr. Tucker said if the County moves forward with this project, it cannot use funds retroactively.

Mr. Boyd said he and Mr. Dorrier sit on the CIP Committee. He thinks this is a good compromise because it won't negatively affect the CIP. The School System will take this money from some earmarked projects in future years. The School representatives on the Committee were willing to compromise other projects because they felt the priority for this project was high. He then offered **motion** to approve a special additional appropriation of \$600,000 to the Brownsville Elementary School project from school

project savings to accomplish the additional renovations to reconfigure classroom spaces to more suitably match student age levels, as described in the Executive Summary. Mr. Dorrier **seconded** the motion.

Ms. Mallek asked Mr. Letteri if he felt confident the budget for this project covers only what is essential. Mr. Letteri said he is, but until the actual components of the work are negotiated, they cannot know exactly where the funds will be spent.

At this time, roll was called, and the motion carried by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Agenda Item No. 10. 2008 Citizen Survey Final Report and Presentation, Overview by Lori Allshouse.

Ms. Lori Allshouse, Manager of Strategic Planning and Performance, addressed the Board, noting that she is presenting highlights from the recently-completed Citizens' Survey Report. The survey was prepared by UVA's Center for Survey Research. She introduced Mr. Tom Gutterbock, Ms. Robin Beable and Mr. Abdul Ajab.

Ms. Allshouse said the survey was fielded from August 20 to September 14, 2008, with 767 completed interviews in a random survey with a margin of error of +/- 3.8 percent for most of the questions. Many of the questions were comparable to those on the four other surveys done over the years. The Center designed the survey with help from Board members and staff. Additional questions were added by the Housing Office, Community Development and the School Division.

Ms. Allshouse said that on October 8, CSR presented its initial findings to the Board in order to have some information for the fall Strategic Planning session. The analysis is complete now, and the Board has received a copy of the final report. The report is much thicker this year; it contains an Executive Summary, a Findings and Analysis section, and 250 pages of appendices including the questionnaire itself and the methodology used for the survey. Table "C" contains demographics, so for each question asked it will tell if there were statistically significant differences based on those demographics. There is a comparison of cell phones and land lines. There are open-ended questions in a separate document that not only contains information about those questions, but the notes written down by call takers when they felt the questions were important.

Ms. Thomas said that on Table "C" there are footnote marks, and she asked where they are found in the report. Ms. Allshouse said she understands that actually indicates that there is a statistical difference. She asked Mr. Gutterbock to answer.

Mr. Tom Gutterbock said if there is a "1" it means that number is higher than the number in "Column 1." If there is a "2" it means that number is significantly higher than the number in "Column 2", etc.

Ms. Allshouse said survey goals were similar to those in the past, to determine opinions on the quality of life in Albemarle County, satisfaction with County services, citizen priorities and growth management. She did a lot of work with resource allocation because of the present budget situation. The survey gives information on key performance indicators for the Strategic Plan and other important County services. There were a lot of new things in 2008, including questions about amenities that attract people to the area, transportation, regulating outdoor lighting, recycling, 911 services, coordination, affordable housing, additional education questions for the School Board, etc.

Ms. Allshouse said the mean rating for Albemarle County as a place to live has been an eight out of 10 over the years, which is fairly high for counties; the overall satisfaction with County services is important to County staff and it had a rating of 92.8 percent in 2008, statistically significantly higher than 1994; some services (about 38 in all) ranked higher – such as public safety, fire protection, public services, business, libraries, and promoting tourism; citizen satisfaction was lowest for recycling services, promotion of affordable housing, providing fair property tax assessments, managing growth in the County, and making it easy to get around by public transportation. In the report she put an asterisk beside those which were rated as having the highest importance. Two things went down statistically significantly - provision of emergency rescue services decreased marginally from 96 percent to 92.5 percent; providing fair property tax assessments dropped from 70.2 percent to 58.4 percent - which was not statistically significant without the addition of those who answered using cell phones. She said cell phones brought in citizens who are younger - under age 35, more men and more renters.

Mr. Boyd asked why the question about property tax assessments was included since the Board doesn't have any control over how property is assessed. Ms. Allshouse said it was based largely on perception. Mr. Tucker said when this survey was done it was after a year of very high assessments.

Mr. Boyd said he understands that, but wonders what this question tells the Board about how it can do anything better because it is what it is.

Ms. Thomas said she always assumed people answered the question based on how they felt about taxes as opposed to assessments. The fact that the cell phone users were the least satisfied verified that assumption because they probably are not receiving a tax assessment for property. Ms.

Allshouse suggested there be more education provided about taxes. Ms. Thomas suggested that the question might be worded differently.

Mr. Rooker said it is like holding a public hearing on something where the Board cannot make a decision. Just by asking the question, it is implied that there is something the Board can do about it.

Ms. Mallek asked if part of this implies that the equalization process needs help.

Mr. Gutterbock said they did a series of wording experiments this year in the survey. Originally the question over the years was "How satisfied are you with the County's job in providing fair property tax assessments?" That only got a 58.0 percent satisfaction rating; but when more specific wording was used "How satisfied are you that the property tax is based on a fair tax assessment of the property value?" the satisfaction rating was 67.0 percent. That suggests that the original wording was vague and made people think more about whether they like their tax bill than whether property is correctly assessed.

Ms. Allshouse said some areas showed an increase in satisfaction - there were significant increases for efforts to protect and preserve the rural character, protection of natural resources and the environment, making it easy to get around by car, and, ensuring safety in business areas. In the way of services, half of the respondents were asked the same question asked in previous surveys - How important is it for the County to devote resources to an item? Half of the respondents were given a new option - How important is it for the County to spend tax dollars on an item? They found it made a difference in several areas. She showed a chart comparing the answers to the two different questions. Providing quality of education to school children rated high (95.3 percent) for "devoting" resources, but dropped somewhat when the "spend" tax dollars language was used.

Mr. Rooker said it is interesting because few people said to spend tax dollars for an activity, but a high percentage answered "yes" to devoting resources.

Ms. Allshouse said this shows that wording made a difference to people. This was a wording experiment the Board requested be done in this survey. When asked what was least important to devote resources to, such items as tourism, cultural activities and entertainment rated lower. Although residents were highly satisfied with these services, they were rated lowest for devoting resources to.

Ms. Allshouse said Contact with the County is an important category for staff. They asked people if during the last 12 months they had contacted County government and 38 percent of respondents indicated they had - the most frequently contacted departments were Police, Finance and Community Development. She said that 72.7 percent were satisfied with their experience. Over the years, people have been asked if they support the County's policy to concentrate growth into areas designated for urbanization and restrict development in the rural areas. Support for this policy remains about the same - 75.3 percent. They borrowed a question from the Prince William County survey - How satisfied are you with the way residential and business development is coordinated with transportation and roads, and the location of community facilities? For coordination with transportation there was a 62.2 percent satisfaction rating, and community facilities rated 84.5 percent. They asked an additional recycling question this year and found that 67.3 percent of respondents favor an increase in recycling. They mentioned that it could cost every household more each month for this service, and 48.2 percent were strongly in favor. She added that women renters with children under age 18 favored this increase the most.

Ms. Allshouse mentioned that education was the highest priority for spending resources (99.0 percent), and high in satisfaction as well at 84.8 percent; those residents who have children in County schools are even more satisfied at 91.8 percent. There are other demographics in the report which are interesting. One states that 38.4 percent of respondents have children under age 18, and 65 percent of all children under age 18 attend Albemarle County schools - that number also includes children who are under school age.

Ms. Allshouse said there were a series of transportation questions asked using a branching technique. This question related to transportation being a State responsibility and whether people were in favor of spending County tax funds on roads - 70 percent said "yes." The same type of question was asked as to whether or not people would favor spending tax money on bike paths and sidewalks and 66.5 percent were in favor of that. She said if people said "yes" to the first question a follow-up question was asked - Are you willing to pay an increase in your taxes? Off of that branch of the question, 58.2 percent favored putting County money toward transportation.

Ms. Allshouse said people were asked whether they had contacted 911 and almost 25 percent said they had contacted 911 in the last year. More than half of those calls were for emergency services. If there was a "yes" answer the person was asked how satisfied they were with assistance from the 911 operator - 95.6 percent were satisfied with the 911 operator; and a "very satisfied" answer was given by 86.2 percent of the respondents. Next they were asked about assistance at the scene - 96.3 percent were very satisfied with the on-site help. The third question related to where the person lived in the County and whether assistance arrived in a reasonable amount of time - 90.1 percent agreed that it was a reasonable time. Those who lived in the country were a little less satisfied at 78.9 percent. She said that those over 65 years of age were highly satisfied with the response time.

Ms. Allshouse said questions were asked about affordable housing this year. After reminding people that the County currently provides about \$1.2 million for affordable housing annually, they asked if respondents would favor or oppose an increase in property taxes to be dedicated to increasing funding for affordable housing - 46 percent of respondents favored the idea. Strong opposition was voiced by 30 percent. She said respondents have been asked the following question for a long time - "Considering all

the County services on one hand and taxes on the other, which of the following statements comes closest to your view – keep services and taxes the same” came in at 66.9 percent.

Mr. Boyd asked how that correlated with specific requests such as being in favor of increasing taxes for transportation, etc. This does not look like it correlates.

Mr. Gutterbock said he does not think answers are consistent, and it would be interesting to do a correlation of this question with specific answers to other questions about taxes.

Ms. Allshouse said that 15 percent said to increase services and taxes, and about 10.8 percent said to decrease them, while six percent gave additional suggestions for things they would like the County to do.

Ms. Allshouse presented a summary slide that CSR provided which shows that residents remain very satisfied with the quality of life in Albemarle County, ratings for most County services remain high, there are some gaps between perceived importance and satisfaction with services; education, safety, and water top the list of priorities, and there is some support for the local transportation initiatives. She then offered to answer questions.

Ms. Thomas said a few years ago she asked how Albemarle differs from other counties that CSR surveys. It was said that concern for natural resources and water was higher in this community. She asked if there are any similar comparisons of Albemarle and other counties. Mr. Gutterbock said CSR does not work for many counties, doing only occasional surveys. The main contrast is with Prince William County which is a very different type of county being quite large, heavily urbanized and close to Washington, D.C. Their traffic problem is much worse than Albemarle’s and it shows up strongly. Their development issues are strong. In both counties in 2008 there was the collapse of the housing market and the slowing pace of development, so the importance of controlling growth is less emphasized. It is still a big priority, but was more so a couple of years ago. He said the concern with affordable housing peaked as housing values went up; housing values are leveling off so it is less of an urgent matter.

Mr. Boyd asked how much this survey would have been skewed if it had been taken a month or two months later, given the timing of it right before the current economic situation. Mr. Gutterbock said “meltdown” is the word most people are using right now. In tough economic times people put more importance on creation of jobs, on economic development, and on affordability of housing. That is seen when the respondents are divided into groups where people are “well off” from those that are “better off.” Everybody starts to see the world the way someone sees it when they are not “well off.” They want the government to help more on the urgent matter of daily survival. He thinks there would have been a change in that direction but he does not know if it would have affected development issues. Insofar as development has slowed, it means people think less about losing rural land or other concerns about growth.

Mr. Boyd said based on things people who have called him say, he thinks the public at large recognizes that the County is going through some difficult times and they are not as concerned about reduction in services.

Ms. Mallek thanked Ms. Allshouse and Mr. Gutterbock for the presentation.

Agenda Item No. 11. Joint Task Force on Affordable Housing.

Mr. Ron White, Housing Director, reported that the Joint Task Force on Affordable Housing was convened in December, 2007 with representation from the City of Charlottesville, the County of Albemarle, the University of Virginia, and IMPACT (a citizen’s group). This Board was represented by Mr. Slutzky, the Planning Commission by Mr. Bill Edgerton, and the Housing Committee by Mr. Leonard Winslow and Mr. Dave Paulson. The charge adopted by the Task Force included reviewing current public and private initiatives that address affordable housing, to identify unmet needs, resources and policies to address these needs, and to promote better collaboration in programs and initiatives across jurisdictional lines.

Mr. White said several sub-groups were formed to discuss various areas including public policy, barriers to affordable housing, preservation of existing affordable housing, rental assistance issues, and creating more affordable housing units. The sub-groups presented their findings to the full Task Force which then worked on identifying common issues and themes prior to brainstorming recommendations. The members determined that the two income groups below 50 percent AMI, in particular the income group below 30 percent AMI, should be the focus in addressing the gaps in affordable housing.

Mr. White said a draft Report on “Actions Needed to Address the Region’s Affordable Housing Crisis” (“Report”) was produced in August, 2008 with several revisions made during September. Once revised, the Report was presented to the City’s Housing Advisory Committee and the County’s Housing Committee for review and comment. Staff also presented the Report to a joint meeting of the City’s and County’s Planning Commissions. Comments from the housing committees and planning commissions were taken back to the Task Force for discussion and the Report was further revised. The University of Virginia also provided comments which were considered in developing the final Report. The final report was done in December, but it is important to note that some of the recommendations included in the Report were included without having unanimous support from members. This was expected from the beginning of the Task Force’s work and agreed to early in the process. Although there was not unanimous support for every individual recommendation, the Report in its entirety is supported by all members of the Task Force.

Mr. White said the priority recommendations identified for the City and County include increasing funding, and adopting and/or revising public policy for affordable housing. Regarding funding, he said, the Task Force recommended annual dedicated funding and the creation of a regional housing fund that could leverage private funds using public funds, as well as considering the use of general obligation bonds for housing activities. He said the public policy discussions included creating an environment where a range of affordable housing was developed to serve different income groups through the proffer system, increasing the term of affordability for proffered units, and removing regulatory barriers that impact affordability. One recommendation specific to Albemarle County was to create a housing fund with the annual appropriation the Board currently provides, income received from previously-funded projects, and proffered funds. The use of this fund and the recommendations for the use of this fund should be the responsibility of the County's Housing Committee. Several other recommendations can be found in the Executive Summary with additional details on each of those recommendations in the "Issues and Findings" section of the report.

Ms. Mallek thanked Mr. White for this report, which was received as information today.

Agenda Item No. 12. Closed Session.

At 12:20 p.m., **motion** was offered by Ms. Thomas that the Board adjourn into closed session pursuant to Section 2.2-3711(A) of the Code of Virginia under Subsection (1) to consider appointments to boards, committees and commissions; under Subsection (7) to consult with legal counsel and staff regarding pending litigation relating to a tax assessment, and, under Subsection (7) to consult with legal counsel and staff regarding pending litigation relating to a construction contract.

The motion was **seconded** by Mr. Mr. Boyd. Roll was called, and the motion carried by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.
NAYS: None.
ABSENT: Mr. Slutzky.

Agenda Item No. 13. Certify Closed Session. At 2:20 p.m., the Board reconvened into open session.

Motion was offered by Ms. Thomas that the Board certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed session were heard, discussed or considered in the closed session.

The motion was **seconded** by Mr. Boyd. Roll was called, and the motion carried by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.
NAYS: None.
ABSENT: Mr. Slutzky.

Agenda Item No. 14. Boards and Commissions: Vacancies/Appointments.

Mr. Boyd offered **motion** to:

Appoint Mr. Lonnie Murray to the Natural Heritage Committee, with said term to expire September 30, 2012.

Appoint Ms. Rochelle Garwood to the Natural Heritage Committee, to fill an unexpired term to expire September 30, 2009.

Appoint Mr. Bruce Wardell to the Architectural Review Board, with said term to expire November 14, 2012.

Appoint Mr. Dave Rogers to the Jefferson Area Board on Aging Advisory Council, with said term to expire March 31, 2011.

Appoint Mr. Joseph Schinstock to the Board of Building Code Appeals, with said term to expire November 21, 2013.

Reappoint Ms. Valerie L'Hurrou to the Housing Committee, with said term to expire December 31, 2011.

The motion was **seconded** by Mr. Rooker. Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Agenda Item No. 15a. Transportation Matters: VDOT Monthly Report.
Agenda Item No. 15b. Transportation Matters not listed on the Agenda.

Mr. Alan Sumpter, Residency Administrator, reported that the Dry Bridge weight limits have been reposted from three tons to eight tons.

Ms. Thomas asked if an eight-ton weight limit would allow for buses to use the Dry Bridge. Mr. Sumpter said it probably will not allow that. He understands that buses normally require a twelve-ton weight limit, but he thinks it will allow ambulances to cross it.

Mr. Sumpter said work on the bridge on Black Cat Road (Route 616) has been completed and the bridge weights reposted from 10 tons to 15 tons.

Mr. Sumpter said his Central Office said this morning that Buckingham Branch RR has said they will perform some minor repairs on the Broomley Road Bridge next week. He does not know the extent of those repairs at this time. There is some work (fairly serious repairs) needed on the abutment and the wing wall on the Route 250 side.

Mr. Sumpter said there was a pre-construction conference held with the contractor for the Meadow Creek Parkway project on Monday. The contractor will provide some community outreach soon so those people who live in the area will know the planned sequence for construction activities. He said the contractor will be moving their offices into staging areas. There will be some waterline work at the railroad bridge later this month. He thinks it will be some time before much of the construction occurs because the bridge work is a key component of the project and it will take significant time. There has been discussion about providing information on a VDOT website or having the County provide some means for updates.

Mr. Boyd asked if the bridge work will cause disruption to traffic. Mr. Sumpter said it should not be much of a disruption.

Ms. Thomas asked if the bridge he is mentioning is the bridge over Meadow Creek near Melbourne Road or the bridge over the railroad tracks on Rio Road. Mr. Sumpter said it is the railroad bridge.

Ms. Thomas said she had assumed the plan being used is the Jones & Jones Plan for the Meadow Creek Parkway which includes the separate bike path and all the things that lie lightly on the land the way they were proposed. Is all of that the way the project will proceed? Mr. Sumpter indicated yes.

Mr. Dorrier asked about the status of improvements on Route 722 – the new Green Mountain Road. Mr. Sumpter said that project is set up in the Rural Rustic Road Program for this fiscal year and it should start in the spring.

Mr. Boyd asked about the status of the safety improvements on Route 29 at Forest Lakes. Mr. Sumpter responded that VDOT is still working on that, and traffic engineers are currently working on a rumble strip area; hopefully in the next few weeks there will be a cost estimate. The engineer is trying to determine whether grading in the median would be a benefit.

Ms. Mallek commented that the surface on Durrett Ridge Road has been greatly improved.

Ms. Thomas asked Mr. Sumpter why VDOT had removed trees and underbrush at the eastbound Route 29/250 Bypass ramp. Mr. Sumpter explained that VDOT had several residents and homeowners' associations in that area comment about the scraggly look of the area and that vagrants were living in there, so VDOT cleared the area to give it a more desirable appearance. There is still work to be done.

Mr. Sumpter said the numbers he gave the Board last month were based on revenue reductions from FY 2009 to FY 2014 and totaled \$1.3 billion statewide in project cuts. There is need for further reductions across the entire state. Last month he told the Board that Albemarle's allocation had been reduced to about \$15.5 million for the entire six-year period, but there will be another \$3.8 million reduction to bring that amount down to about \$11.7 million. The impact of that is largely on state-only revenues in the program: there are state and Federal revenues in the program. All of the allocations for 2009 remain intact; for the years between 2010 and 2014 there are no longer any unpaved road allotments. Also the state only funds for projects such as Georgetown Road, etc. have been reduced by \$2.7 million. There has been an affect on some of the Federal funds amounting to about \$860,000, making a total of about

\$3.8 million. What this means is that the Jarmans Gap Road project will be the only project funded in this plan.

Mr. Rooker said that means there would be only one project funded in the next Six-year Secondary Road Plan and even that is not fully funded at this time.

Mr. Sumpter said the old Green Mountain Road and the Walnut Level Road projects are the only ones moving forward because they are already funded. However, the County was working on moving allocations of unpaved road moneys and the State money to the Dickerson Road project, but now such projects will just sit with moneys previously funded, an amount of about \$1.0 million.

Mr. Rooker said he thinks those funds should be moved to Jarmans Gap Road. Mr. Sumpter said the problem is that they are unpaved road funds.

Mr. Rooker asked if this means the Rural Rustic Road Program will no longer exist. Mr. Sumpter said there is no new unpaved road money to add to any Rural Rustic or unpaved road projects from 2010 through 2014.

Ms. Mallek asked if those funds can be used in their original category, if the funds remain unused. Mr. Sumpter said the funds can just sit there. VDOT would like to do an aerial survey of Dickerson Road this winter to get a better understanding of the cost to build it. They would then have to decide whether to move forward with the project as a possible future Revenue-Sharing project, or if the Board would like to move money from that project to other projects.

Mr. Rooker asked the cost of an aerial project. Mr. Sumpter said it would be \$30,000+ and up.

Mr. Rooker said he thinks the question is whether the Board could take those funds and put them on other projects so those projects could be completed. Basically, allocation money is just sitting and not drawing interest and losing its value every day. He would rather see if some projects could be found that could actually be completed in the next year using those remaining allocations.

Mr. Boyd asked if that is something the Board should discuss when it gets to the next Secondary Road Plan. Mr. Sumpter said "yes." He is mentioning this now so the Board can be thinking about it.

Mr. Rooker said he sees no reason to spend money on an aerial survey until something is decided.

Ms. Mallek asked what sort of investment in Dickerson Road would be required to get the bridge up to full carrying capacity. It is also posted at three tons, and that has affected all the people who used it to move machinery back and forth. Mr. Sumpter replied that Mr. David Pierce has indicated it could cost as much as \$0.5 million and that money would come out of the bridge maintenance fund. He heard today that a draft of the revised Six-Year Plan is going before the Commonwealth Transportation Board this month. He understands that public hearing will be Thursday night at 6:00 p.m. in Richmond; the final revised plan is scheduled to be adopted on February 19. He said Revenue-Sharing moneys don't show up on the CTB's plan. He is working on a project clean-up phase and there may be some Revenue-Sharing moneys remaining that could be used on a previous Revenue-Sharing project. He is working with County staff on that, and the VDOT Central Office is helping them to reconcile those projects. He does not know what the process will be from that point forward.

Mr. Tucker asked if maintenance funds remain intact given the additional shortfall. Mr. Sumpter responded that there has been an impact on maintenance as well and there will be reductions statewide. Locally, VDOT is making adjustments to the budget, but is doing so on things like the tree cutting program, focusing on the centerline of the pavement and stressing emergency response items such as snow removal.

Mr. Tucker said he understands the Revenue-Sharing funds may be reduced also. Mr. Sumpter said that is true. There was a letter sent to localities recently saying maintenance payments have traditionally grown at a rate of four percent, but they will be growing at a smaller percentage.

Mr. Tucker asked if Mr. Sumpter had any information about the Federal stimulus package and its impact on roads in Virginia. Mr. Sumpter replied that VDOT has been providing input to the District Office; they focused on pavement overlays and bridges, and projects that don't require right-of-way acquisition. There has been talk that Virginia might receive as much as \$300.0 million for transportation, but based on what he has told the Board today, there is almost a \$2.0 billion reduction in the Six-Year Road Plan.

Mr. Rooker asked about earlier reports of cuts in VDOT staff by 25 percent in about 35 percent of its locations. Mr. Sumpter said the Commissioner has not revealed his plan, but he has been updating the CTB and the Finance Committee of the General Assembly.

Agenda Item No. 16. **Public Hearing:** SP-2008-042, Keswick Hall/Club (Signs #3 & 31).

Proposed: Amend SP-2000-33 to allow modifications to the master plan related to the timing (phasing) of development: move 5 guest rooms from Phase I to Phase II; a larger spa moved from phase II to phase I; add two tennis courts and amend condition of approval to allow spa to be open to the public.

Zoning Category/General Usage: RA Rural Areas - agricultural, forestal and fishery uses; residential density (0.5 unit/acre in development lots). EC Entrance Corridor Overlay to protect properties of historic, architectural or cultural significance from visual impacts of development along routes of tourist access.

Section: 10.2.2(2) Clubs, lodges, civic, patriotic, fraternal (reference 5.1.02) and Section 10.2.2(27B) Restaurants and inns that are: Nonconforming uses, provided the restaurant or inn is served by existing water and sewerage systems having adequate capacity for both the existing and proposed uses and facilities without expansion of either system.

Comprehensive Plan Land Use/Density: Rural Areas- reserve and protect agricultural, forestal, open space, and natural, historic and scenic resources/density (.5 unit/acre in development lots).

Entrance Corridor: Yes.

Location: 701 Club Drive; east of Louisa Rd (Rt. 22) at Hunt Club Dr and east side the intersection of Hunt Club Dr and Keswick Rd (Rt 731).

Tax Map/Parcel: 80-8Z and 80-09.

Magisterial District: Rivanna.

(Notice of this public hearing was published in the Daily Progress on January 19 and January 26, 2009.)

Mr. Cilimberg summarized the staff's report which is on file in the Clerk's Office with the permanent records of the Board of Supervisors. He said the Club at Keswick is seeking changes to their special use permit, which would entail different types of development in phases on the site. What is proposed would allow construction of a larger spa to provide 13 treatment rooms as part of Phase I, rather than in Phase II; it would allow the spa to be open to the public; it would defer construction of five guest rooms from Phase I to Phase II; it would allow two tennis courts to be constructed in Phase I that were previously approved for Phase II; a wing on the existing end of the building would be omitted and six guest villas constructed containing 23 guest rooms – that wing would have accommodated 28 guest rooms under the prior approval.

Mr. Cilimberg pointed out on a map the location of the guest villas, tennis courts, guest cottages and spa facility. He said staff and the Planning Commission recommend approval of the petition subject to conditions that refer to this plan which shows revisions from prior conditions of approval; there are a total of six conditions that cover the applicant's request. He has done a few language modifications since the Planning Commission's approval just to make the right references (dates) and have the conditions read as clearly as possible.

Ms. Mallek asked if the new plan will increase traffic. Mr. Cilimberg said it would not. Staff considered the request based on balance of impact – determining that the trade-off of the new guest rooms for the spa does not create any additional impacts.

With no further questions for staff, the public hearing was opened.

Mr. Richard Carter said he represents the Keswick Corporation. The applicant agrees with the staff's report. There are four spa rooms currently at the club, but there is a bigger demand for that use. Because of this and the economy, the applicant determined they could get more people to use the spa than to book rooms. The idea is to delay construction of the new rooms until Phase II, with the additional spa rooms being built in Phase I. They secured a traffic report indicating no substantial increase as most spa-users would be club members or Keswick Hall guests. He said any member of the public accessing the facilities would not likely be doing so during rush hour. He also mentioned they secured a water analysis establishing that there would be no adverse effect on water.

With no one from the public rising to speak, the hearing was closed, and the matter placed before the Board.

Mr. Boyd offered **motion** for approval of SP-2008-0042, Keswick Hall, subject to the six conditions recommended by the Planning Commission. Ms. Thomas **seconded** the motion, which passed by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

(Note: The conditions of approval are set out in full below.)

1. The Keswick Estate shall be developed in general accordance with the plan titled Keswick Estate Conceptual Long Range Master Plan prepared by Roudabush, Gale and Associates, dated December 18, 2000, as amended by Keswick Hall Master Plan Phase I prepared by Train & Partners + Mario di Valmarana, submitted September 14, 2008, and revised February 3, 2009;
2. No building permits shall be issued for Phase II improvements beyond those improvements approved with SP-2000-33 and shown on the plan titled Keswick Estate Conceptual Long Range Master Plan prepared by Roudabush, Gale and Associates, dated December 18, 2000, and as amended by SP-2008-42 and shown on the Keswick Hall Master Plan Phase I prepared by Train & Partners + Mario di Valmarana, submitted September 14, 2008, and revised February 3, 2009, until all road improvements described by the Virginia Department of Transportation letter from R. P. Ball dated February 21, 2001, and included as Attachment B have been completed (not bonded) to the satisfaction of the County Engineer and the Virginia Department of Transportation;

3. No unplatted property shall be subdivided and no approved subdivision plat shall be recorded unless the applicant demonstrates to the satisfaction of the Planning Commission that the existing central water system, approved under Permit Number 2003400 issued by the Virginia Department of Health, Division of Water Supply Engineering and dated January 7, 1998, or as such permit is amended or such subsequent permit approved by the Virginia Department of Health, Division of Water Supply Engineering and the Board of Supervisors, is available and adequate to serve all of said lots, as well as all existing improvements, associated uses, and platted lots, without compromising on-site and adjacent off-site well water supplies. Nothing herein shall guarantee approval of such amendment or permit. In making this demonstration, the applicant shall use test procedures approved by the Virginia Department of Health and the County Department of Engineering and Public Works;
4. If the central system must be expanded to meet existing or future demand, the applicant shall seek and obtain all necessary approvals for expanding the system from the Virginia Department of Health and the County Board of Supervisors;
5. Except for any restaurant and spa on the property open to the general public, Keswick Hall and its associated facilities shall be used only by the guests of the inn and their invitees, and members of the Keswick Country Club and their invitees; and
6. Each plat of division of any lands shown on the plan titled Keswick Estate Conceptual Long Range Master Plan prepared by Roudabush, Gale and Associates, dated December 18, 2000, shall include the following statement if those lands are not within a jurisdictional area and will not be served by a public water or sewer system: On the date of approval of this plat by the agent, the lands being divided are not within a jurisdictional area and public water and sewer service are not available.

Agenda Item No. 17. Community Development Department Work Program, Discussion of.

Mr. Mark Graham, Director of Community Development, said this is the annual update of the Department's work program. He will break the presentation into four parts: review the status on the current program including the work done with the Development Review Process Task Force recommendations; review staff availability for the program for the next fiscal year; set priorities for the program; and, establish the program by balancing resources against priorities. He said they accomplished quite a bit of the program this year especially in ordinances and programs. He showed on the screen a color-coded chart. Green indicates things which have been completed or are ongoing activities. Blue indicates an ongoing activity that is either on schedule or ahead of schedule. Orange reflects something that has fallen behind schedule (Places29). Gray indicates things that were deliberately postponed. Blue denotes the one exception which is the Erosion and Sediment Control Ordinance; staff has been working with the SELC and is looking forward to having something ready in the next few months.

Mr. Graham said that in May 2007, the Board accepted the report of the Development Review Process Task Force (DRPTF). There were five priority recommendations and they are shown on the left side of the chart. The first four are considered complete or ongoing. Another is the process documentation – staff is trying to finish work on the subdivision and site plan checklist and guidance for the public – it needs more work. A number of the recommendations are “up and running.” The one-stop webpage is in place, and the “County View” website is also in use; it had 350 hits last month, a 50 percent increase in one month. He said staff has a DVD it wants to show the Board in March that it proposes putting on that site. For “standard proffers and codes”, staff has done a lot of work, but it is not on the website. One area where little work has been done is on the recommendation for expanding the range of notifications for adjoining property owners.

Mr. Graham showed a pie chart depicting how the work program fits in with everything else. It is basically the time that is not otherwise obligated with ordinance enforcement measures or other mandates. With respect to the department's workload, there has been a significant drop in the number of residential building permits; that will be reflected in the 2008 Building Activity Report. The trend line seen at the end of the last calendar year was that there were only requests for 25 percent of the building permits seen in the four previous years.

Mr. Graham said that over the last year there have been a lot of applications for alterations, renovations and additions from people who could not get a contractor during the height of the building boom. Overall, there has been about a 20 percent drop in the number of building permit applications – including commercial, residential, etc. – when compared to the previous four years. As to enforcement, staff has seen a drop in some things while others have rained fairly constant. Work on violations remains constant and sign permits remain steady, while special use permits show a slight drop; the biggest drop has been in home occupation permits. Overall the workload of the Zoning Enforcement Division is staying pretty consistent.

Mr. Graham said in legislative applications – rezonings, zoning map amendments and special use permits – there has been no downward trend in special use permit applications, but there has been a significant decrease in the number of rezoning applications received. On the ministerial side – site plans and subdivisions and water protection permits – in the last year there has been a 15 percent drop in the number of subdivision plat applications, but there were a record number of site plan applications. It was also a record year for Architectural Review Board applications. For grading permits there has not been a significant drop at this point in time, but there will likely be a downward trend this year. For the workload, there is the equivalent of 9.5 vacant positions now. Because of the building permit drop, they are turning to farming out more inspection work which would bring that down to 10.5 vacant positions. Balancing that against the workload, they are in about the same place, so the staffing reductions have matched the

workload reductions pretty well. This has required shifting people to fill in on new responsibilities, but overall it has been fairly balanced.

Mr. Graham reported that for the next year staff tried to find some basis for setting priorities. The first priority relates to legal mandates – the Comprehensive Plan requirement for a five-year update. The second priority relates to the Strategic Plan. The Places29 and Rivanna master plans should be finished by the end of the calendar year. An update of the Crozet Master Plan is needed, but the Southern Urban Areas will be combined into one master plan to be started in mid-2010 and hopefully completed by June, 2012. Under the Rural Areas plan, staff noted that the Board wants more resources concentrated on conservation easements and additional strategies for easements. The Economic Development Policy will be presented at a public hearing next week and then staff will begin implementation of those strategies.

Mr. Graham said the third priority was to look at process improvements. Through meetings between the ARB and the Planning Commission some administrative process changes were made; they have been discussed with the ARB and will be moving forward. There are some Zoning Ordinance housekeeping items needed – the Community Development Department is still not reflected throughout the ordinance – it still refers to old departments. Work on amended subdivision fees will be finished this fiscal year, and then staff will move to changes in Zoning Ordinance fees. Based on the discussion which occurred when the Administrative Waivers were considered last month, staff will be moving on with administrative waiver revisions. Finally, there are other ordinances on the work plan including a grass/weed ordinance; the Planning Commission is presently working on wind turbines. Staff has been working with the Southern Environmental Law Center and others on soil and sediment control.

Mr. Graham said “Exhibit E” to the Executive Summary today lays out the proposed work plan. There are two items on it that need revision – completion of the Southern Urban Areas Master Plan is to be completed by June, 2012 instead of the date shown; and, discussion of fire and rescue response times should begin in the July-August-September timeframe.

Mr. Boyd said he and Ms. Mallek have been working with the Fire/Rescue Advisory committee, and he wondered if that should even be in this work program or remanded to the new Fire Board, particularly when talking about response times. A lot of volunteers have asked where the recommended response time came from. Mr. Tucker said the information that will be used in terms of response times will come from the Fire/Rescue Advisory Board.

Mr. Graham said staff is really “in the back seat” on this one. Staff will take direction from them and be sure it is properly incorporated into the Comprehensive Plan.

Ms. Thomas said there was nothing in this work program about stormwater. She knows that is a slightly different department of the County, but the Board has been trying to decide if it will consider a stormwater utility, etc. Is that being done in another department? Mr. Graham said that is being managed through General Services. It is not a part of Community Development’s work program. They will provide assistance as necessary, but General Services is the lead on that effort.

Ms. Thomas said there was a planning effort and conversations about whether there would be a stormwater utility, how the County would pay for the stormwater, and stormwater does fit into all of the County’s development plans. Mr. Graham said his department deals with the planning side. In doing the master plans, General Services advised them of stormwater needs that should be incorporated into those plans. As far as implementation of that stormwater plan, that is their responsibility.

Ms. Thomas asked for an update on this matter in the near future.

Ms. Mallek added that she would like to get an update on what the DCR is doing to the County; she thinks their new regulations are on hold. Mr. Graham said they are not officially on hold; there are proposals with the General Assembly to hold off, but that is not law at this point in time.

Mr. Graham said that under the Comprehensive Plan implementation of the Rural Areas Plan, staff will talk to the Board about additional strategies and they have programmed time to work on conservation easements. He said the Rural Areas Plan of the Comprehensive Plan is one of the elements due for a five-year update starting at the end of the next fiscal year. Under Development Areas, they are trying to wrap up some of the Neighborhood Model implementation. Under Economic Development, they will start work on the strategies anticipating there will be adoption of the policy at the Board’s next meeting. Under the ARB, staff has talked with them about some administrative processes to simplify things and will try to get that moving forward this year. He noted that for the Historic Preservation Ordinance and for the Natural Heritage study, both have employee positions that are frozen and there are no resources to work on either area.

Mr. Rooker asked what was contemplated under Natural Heritage. Mr. Graham said the Committee wanted to do a comprehensive study and prioritization of areas. They asked for funding last fiscal year but it was not granted. They need staff, intern help and funding help for the study. Now that the Natural Resource position has been frozen, there are no resources to support that effort.

Ms. Thomas said she is the liaison to the Historic Preservation Committee and it is looking at preservation ordinances elsewhere. It has not been easy to find one that is just a demolition permit kind of ordinance. She said it would be helpful for the Committee to know it is not just postponed. Is there any way to look two or three years into the future and say what they could do now that would be most useful. They have plenty to do; they participate in education programs in a large way. For example, will they fit into the Comprehensive Plan update? They are not listed there now. If someone would think about how

they can fit in or what they should be working toward even if it is something that will not take staff time because there is no staff this year. They are very knowledgeable people who have a lot to offer to the County.

Ms. Mallek asked if they would fall under Cultural Assets in the consolidated review. Mr. Cilimberg replied that they would, and the Natural Heritage Committee would be involved also.

Ms. Mallek asked what is meant by "focusing additional resources toward conservation easements." Mr. Graham said that is part of what staff will discuss with the Board in terms of the Rural Areas strategies. When this was last discussed in October, staff understood there was interest in expanding efforts in that regard.

Mr. Rooker said he thinks the side they are talking about is the private conservation easement side and expanding educational opportunities. Part of that came out of the TDR meeting where there was significant rural area representation on that committee and many did not understand how the tax benefit program works. Many of them thought they would not get anything out of the program because they could not use the tax benefits; they did not realize they could sell the tax benefits.

Mr. Cilimberg said staff is working on two elements of conservation easements. One is the promotional opportunities, particularly with donations. They will be talking about how to publicize the benefit of donations in terms of tax credits. There is not that expertise on staff, but there are people in the community they can talk to about it.

Mr. Boyd asked why the County cannot just "piggyback" on what the PEC and others are doing. Mr. Graham said staff has talked to them. Last year it became apparent that there is a poor understanding of how tax credits can be used by a property owner. A lot of these people think they do not make enough money to use the tax credits not realizing that they still have value.

Ms. Thomas said they have a reduced value so they don't compete with the ACE Program because they don't get 100 percent on the dollar.

Mr. Boyd said these are issues that are pushed by the PEC and the Nature Conservatory. Maybe the County should be looking at what they are doing; they might not be directing their efforts properly.

Mr. Rooker said the whole idea is how to work with those agencies to assist them and not duplicate their efforts. Mr. Tucker said Ms. Lee Catlin is the County's liaison there, and she meets with the PEC and other groups regularly.

Mr. Boyd asked if Ms. Catlin's schedule is part of the Community Development work program. Mr. Tucker said part of it is because the ACE Program is in that department.

Mr. Dorrier asked about the Southern Urban Areas Master Plan. He said the Crozet Master Plan update is first. When will this southern area plan be started? Mr. Graham replied that it would be started in the summer of 2010, and staff will try to complete it by June 30, 2012.

Mr. Boyd said he is concerned about the placement of the Places29 work in this plan. It is already behind schedule. He asked if there is some way it could be put on a "faster track." It bothers him that the Board is not scheduled to receive it until September. Mr. Cilimberg said work sessions with the Planning Commission will begin next week.

Mr. Boyd said he thinks this plan is much more important than having the Planning Commission work on wind turbine and grass/weed ordinances. If those items are slowing down the completion of Places29, they should be moved out further in the schedule. Mr. Cilimberg said different people are working on the ordinances.

Mr. Rooker said he thinks there is a fundamental issue with the wind turbines. Is the Board favorably disposed toward allowing structures that would be about 30 feet above treetop level? Under what circumstances would the Board consider allowing them in an area that is not a primary area for wind power? He said the Board spent a huge amount of time and effort on the cell tower ordinance. The question is whether the potential benefits gained from allowing wind turbines outweigh the aesthetic issues that arise from allowing such structures. The Board saw a schedule for the Planning Commission with respect to wind turbines and they are doing a fair amount of time and work on the issue. He would not want the Commission to spend a huge amount of time on it until the fundamental concept is agreed to by the Board. At some point that issue should be put on an agenda for discussion. He does not have an opinion at this time because he can see benefits on both sides of the question.

Ms. Thomas said she thought most of the Board members felt that way so some additional information would be useful, because she cannot make a snap decision about it either. She thinks Mr. Rooker's point is good and that a lot of time not be devoted to it until the Board says go ahead or stop now. It is her understanding that this is not a location that will be entered into by a commercial wind farm operator. Individual homesteads might want to have one just as people had windmills at one time, except that these structures are huge. She agrees that some early discussion of this matter is needed.

Mr. Graham said staff has already had two work sessions with the Planning Commission. Two Commissioners are going to help him with what they think the Commission wants. When he has that information, he could probably schedule a time to review this with the Board before starting to draft an ordinance.

Mr. Rooker said someone came and spoke about this matter, and the Board said it was not currently allowed in County ordinances. The Board said it should be looked into and there are several people on the Planning Commission who have an interest in the topic. He thinks the direction the Board should take has been well articulated this morning. Mr. Tucker said the County joined the City in legislation to look at different green-type utilities. If someone came forward and wanted some kind of tax break, the County would need to know what could be done.

Mr. Graham said he was just looking at the work plan, and staff sees its priorities as: 1) legal mandates, 2) Comprehensive Plan amendments including Places29; 3) process improvements; and, 4) all of the other initiatives including the grass/weed ordinance and wind turbines. Using this schedule to make decisions, staff would not let the other initiatives prolong or delay something that had a higher priority.

Mr. Boyd said he thinks that right behind legal requirements, Places29 should be next because it is so important. It will be even more important as the Route 29 Corridor Study VDOT is doing proceeds. Mr. Graham said staff is sensitive to this issue.

Mr. Rooker asked if the grass/weed ordinance has been drafted. Mr. Davis said the ordinance is basically drafted; processing it through Community Development is the question.

Mr. Graham said they need to decide how to process it. It is ready to go to the Planning Commission. He said what has been presented is the proposed work program. In summary, staff's recommendation is to base the work program on the Department's current workload and staffing levels. He is not assuming any significant change in staffing. He asked that the Board adopt the work program as shown on "Exhibit E" attached to the Executive Summary today.

Ms. Thomas said she didn't understand what work was needed on Neighborhood Model Implementation and associated revisions to the Zoning Ordinance. She asked if there is a lot of work needed on those items. Mr. Cilimberg said the Board has made changes to the Subdivision Ordinance, and across-the-board application of the Neighborhood Model policies. Staff has been working on the site plan section of the Zoning Ordinance which needs amendments that would apply across-the-board – things such as setback provisions. Separately, and at the Planning Commission's insistence, staff has been working with Planned Development regulations. While working with those regulations they included some update "fixes" necessary in the Neighborhood Model District, which is just one zoning district. That will be coming to the Board in the next couple of months. The Commission has a public hearing on those in two weeks.

Mr. Graham said the Neighborhood Model District itself is part of the Planned Development District amendments. Separately the work on the standard or conventional zoning ordinance applications that relate to Neighborhood Model implementation are also being worked on. This is one of the pieces missing in order to tie up the Neighborhood Model's implementation. At this point in time, in order to achieve the Neighborhood Model's principles, generally it can only be done from a zoning standpoint through approval of a Planned Development District. All of the projects the Board has seen the last few years that have given the County over 5,000 dwelling units and a couple million square feet of retail and commercial came about this way. For all of the zoning in convention districts, there is no way to achieve the Neighborhood Model principles, and that is what is being worked on in the Zoning Ordinance.

Ms. Thomas said she did not know the meaning of the item listed as "Public requests for changes in the water protection ordinance." Mr. Graham said that refers to the erosion/sediment changes from the presentation last August by Mr. Morgan Butler.

Mr. Boyd said under the item listed as "budget impact" he would like to know how much money will be used for consultants in the Community Development plan. Mr. Graham said staff has a number which is being reviewed now and will present it to the Board soon.

Mr. Boyd asked if that will be a budget line item in the next budget. Mr. Graham said there is not a budget request for consultants for the coming fiscal year. He said staff is still looking at how to do the Southern Urban Areas Master Plan. Staff has been learning as master plans have developed and has about decided that staff could get the information together and do them internally rather than hiring consultants and then rewriting most of what it seems to get.

Ms. Mallek said "you have to ride herd on them" anyway, because after listening most everything has to be redirected. Many citizens have said they think it would be easier to "just do it ourselves."

Mr. Boyd said he would like to know if the Department is planning for any consultant fees. Mr. Tucker said the one problem with using staff to do a master plan is that they get pulled off of the project by Board members or Planning Commissioners who want other things done during that time. That is why it is easier to go outside. The Board wants these things done quickly but it's hard to do them when they're given other tasks to do at the same time.

Mr. Boyd said that is why he thinks it should be a line item in the budget. Any consultants used anywhere should be a line item in a department's budget. Mr. Tucker said it is a line item in the budget. What Mr. Boyd is asking might be highlighted each time a consultant is used.

Mr. Boyd asked if the line item in the budget is project oriented, or just one figure. Mr. Graham said he can tell the Board how much was spent on consultants for each master plan.

Mr. Rooker said every time something came up where a consultant was contemplated, the Board considered it and approved hiring of the consultant. Usually there is a presentation made including information about its being done with in-house staff.

Mr. Boyd said he knows that, but he is saying that when the budget is presented, if money will be spent on consultants by the department next year, that should be a separate line item in that budget request, not part of a project request. Mr. Tucker said that usually a project request only shows as one line item in the budget. Mr. Graham said it is a line item in the budget request the department makes each year.

Mr. Boyd said that is system-wide. He knows the TJ Planning Commission is paid for acting as consultants for the County. Mr. Tucker said that would show in the same line item.

At this time, Mr. Rooker **moved** to adopt the Community Development Department's FY 2009-10 Work Plan as proposed in Attachment E to the Executive Summary. Mr. Boyd **seconded** the motion, which passed by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Agenda Item No. 18. From the Board: Matters Not Listed on the Agenda.

Ms. Thomas said one notice was received today about a proposed bill that would phase out all cash proffers by 2014. It's in a committee where there is no local representation. The High Growth Coalition has suggested that it be put into the ongoing study committee working on growth management rather than dealing with its merits this year. Del. David Toscano is a member of that committee. Mr. Tucker said staff has been commenting on that bill through VACo and VAPA about the County's concerns.

Mr. Davis said he had asked his staff to put together a "snapshot" of legislation; he had a booklet showing bills on which Albemarle has commented. He said there are thousands of bill in the General Assembly. The County has commented on about 35 bills which are still alive. The crossover day is not until next week but once that happens the County will know which bills to focus on and worry about. He said this booklet might be helpful to those Board members who are attending Legislative Day tomorrow. Other than the bill Ms. Thomas just identified, he knows of no bill the Board needs to take formal action on. Generally, the Board's adopted legislative package gives guidance as to which bills are favorable and which are not. The vast majority of the bills are opposed by Albemarle County. There are several County-sponsored bills which are moving along with no trouble, but the one exception is the transit funding bill, although the transit authority bill has been successful so far. The scenic river bill, the rural speed limit bill, the financing of energy-saving improvements bill, have all been successful so far.

Ms. Mallek said the Board has not discussed the non-partisan redistricting bill, but maybe the Board would not discuss that bill anyway. It is now going to the house. Mr. Davis said the County has not weighed in on that, nor has it weighed in on the early voting bill. There are a lot of bills that have to be gauged as to whether they are serious bills before spending a lot of time on them.

Mr. Boyd said he appreciates this information, but is concerned that the County is setting itself up to be a lobbying group. If the Board is going to try to keep track of all of these bills, that is more than he is interested in. He said Mr. David Blount is supposed to represent the County and serve as its lobbyist. It is overwhelming for him to think he needs to go through this booklet and decide on how to vote on the individual bills.

Ms. Mallek said this just helps the Board members know when they should call their legislative representatives.

Mr. Boyd said that individually that is fine, but if going through a list of the bills before the Assembly is going to become a regular part of the Board's meeting, he is not in favor of that. Mr. Davis said his intent was only to provide a snapshot of bills of interest to the County. The Board's legislative package serves the function that Mr. Boyd is addressing. Staff is called upon to provide input on several hundred bills during the course of the General Assembly's session. It does that and tries to track those comments. In the booklet are comments made by various staff members on a bill that have been passed to David Blount or to legislators directly upon their inquiry. He thought it might be helpful for the Board members to have that background on bills they might have an interest in.

Mr. Boyd said he noticed last year while he was Chair that there was a big increase in last minute requests for letters to be sent to legislators. It concerned him that e-mails should be "thrown together" about whether to support or not support a bill as opposed to doing things individually.

Ms. Thomas said she appreciates what David Blount, Mr. Davis, and Andy Bowman do in order to keep the County's voice heard. The legislators she has spoken with appreciate hearing local governments' views on bills. Often, the Assembly is accused of not understanding local government and taking actions that impact it without realizing that it has an impact. She said it is hard to have it both ways. Since the Board only meets one more time in February, that is going to impact what it can do in terms of any formal resolutions. She regards it as one of her responsibilities to speak up on a few bills, otherwise

how would the legislators know how local government is impacted. She said if the Board has the interest and knowledge it should speak up.

Ms. Mallek said it makes it harder for someone to misrepresent the Board's views or make a mistake and think the County will not be affected by a bill if the Board has made comments itself.

Mr. Rooker said he agrees with Ms. Thomas and Ms. Mallek. If one looks at the County's legislative agenda they will see that a lot of those areas are broad. Then particular bills are introduced that are against the Board's stated legislative agenda. Having others send the Board information on the various bills, such as the proffer bill, abolition of BPOL taxes, etc. and still does not give much time to respond. There is a tight timeframe for getting comments to the General Assembly on bills, and a lot of what the Board can do is limited by the Legislature. If the Board is not careful, it will find itself hemmed in, in ways that cannot be imagined. He said Sen. Emmet Hanger has a couple of bills on CSA which are very good and would be helpful to localities. He pulled it out of the VML Bulletin the Board members get, and then sent Sen. Hanger a personal e-mail thanking him for proposing those bills. The Board's legislative package contains a lot about CSA, and there are three or more bills proposed on that topic.

Mr. Boyd said he agrees and he thinks that is what David Blount should be doing. He is the lobbyist. The Board as a group is not a lobbyist. As individuals, the Board members can comment on any bill, but it appears that between Board meetings the Board is taking positions on things in a non-public way by sending letters and that is the part that bothers him. He said e-mails go out and then there is a letter for the Chair to send giving a consensus opinion of the Board members. It used to be only once in a while, but now it is happening on more issues.

Mr. Rooker said he thinks that probably no more than six letters a Session are sent. He doesn't recall the Board taking a position on a bill that was not favorable to the specific area discussed in the legislative package. It is a general statement, but when a bill comes along you have to be willing to comment as a locality on whether or not you think it's favorable or unfavorable to you. He thinks the legislative representatives expects and wants those comments. Usually when he sends an e-mail, he gets a response. When he sends an e-mail it is personal, he is not speaking for the Board. He does not think the Board has taken any positions inconsistent with its stated legislative agendas.

Mr. Dorrier said that practically speaking, the Legislators are not going to jump aboard one person's recommendation.

Mr. Rooker told Mr. Davis that he finds the information presented to be very helpful. Ms. Thomas and Ms. Mallek echoed the remark.

Ms. Mallek asked if any progress had been made during the day today regarding the request made by Mr. John Chavan this morning for amendment of the ACSA jurisdictional boundaries in order to connect to public water service.

Mr. David Benish, Chief of Planning, said State Code advertising requirements do not allow the request to be scheduled for an earlier Board meeting date. (The hearing has been scheduled for February 25, 2009.) In the meantime, he will be meeting with Mr. Chavan regarding all other requirements. An individual in the Zoning Department is going to contact the National Guard to see if they can assist with a water supply for the homeowner. Mr. Tucker suggested Mr. Benish contact the Albemarle County Service Authority instead of the homeowner.

Agenda Item No. 19. Adjourn to February 11, 2009, 4:00 p.m.

At 3:57 p.m., with no further business to come before the Board, **motion** was offered by Mr. Boyd and **seconded** by Mr. Rooker to adjourn this meeting until February 11, 2009, at 3:00 p.m. in order to hold a work session.

Roll was called, and the motion carried by the following recorded vote:

AYES: Mr. Dorrier, Ms. Mallek, Mr. Rooker, Ms. Thomas and Mr. Boyd.

NAYS: None.

ABSENT: Mr. Slutzky.

Chairman

Approved by the
Board of County
Supervisors

Date: 04/08/2009

Initials: EWJ