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Loudoun County Board of Supervisors, Finance/Government Operations and Economic Development Committee, Tuesday, July 11, 2023

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- Official meeting video (county, Granicus): <https://loudoun.granicus.com/player/clip/7345>
- Agenda (Granicus): https://loudoun.granicus.com/AgendaViewer.php?view_id=73&clip_id=7345

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[00:04:03] Mic's on. Thank you. All right. All right. I would like to call to order the July 11, 2023 Loudoun County Board of Supervisors, Finance, Government Operations, and Economic Development Committee meeting. This room has a hearing loop.

[00:04:20] If you need hearing assistance, switch your hearing aids to telecoil mode. If you need a headset, we have those available as well. Please see the clerk to request one. Committee members will have three minutes to ask questions for all items with as many rounds as we need.

[00:04:37] The proposed consent agenda is as follows. Item number five, quarterly report, upcoming contracts, first quarter FY24. Item seven, contract award an FY24 Capital Improvement Program amendment, construction of the Aldi Fire and Rescue Station.

[00:04:56] Item 8, contract award an FY24 Capital Improvement Program Amendment, Loudoun County Animal Services Mechanical Systems Replacement. Item 9, contract award fire apparatus, ambulance, heavy-duty equipment, and light-duty vehicle maintenance and repair services.

[00:05:13] Item 10, award authority increase public safety radio infrastructure expansion. Item 11, award authority increase roadway and civil design services for the Route 7 and Route 690 interchange. Item 12,

award authority increase roadway and civil design services for intersection improvements at Waxpool Road, Pacific Boulevard, and Waxpool Road, Broderick Drive.

[00:05:36] Item 13, award authority increase fire service apparatus, all types. Item 14, award authority during August board recess. Item 15, contract renewal fuel services. Item 16, FY23, Section 8, Management Assessment Program Certification and Submission.

[00:05:57] Item 17, Proposed Amendments to the Codified Ordinances of Loudoun County, Chapter 860.06, Exemption for Farm Animals, Certain Grains, Agricultural Products, Farm Machinery, Farm Implements and Equipment. Item 18, Proposed Amendments to the Codified Ordinance of Loudoun County, Chapter 878, Transient Occupancy Tax.

[00:06:20] Item 19, FY24, child protective services, family services, specialists, budget allocations. Item 20, beneficial use of landfill gas as a clean energy source. I will move the consent agenda and its adoption second by Supervisor Briskman.

[00:06:41] Is there any discussion on the consent agenda? Supervisor Briskman and then Chair Randall. Supervisor Briskman. So the transit occupancy tax was the item where we are doing the grants?

[00:07:00] Yes, yes. Correct? Yes. Okay. Okay. So I just wanted to make a comment on that for the record, that the transit occupancy tax has a very, very specific use. And by its very nature, the transit occupancy tax is not local tax funding.

[00:07:19] The transit occupancy tax is collected from people who are transiting through our community. Thank you. Sure. Okay. Chair Randall. Hi. Thank you, Madam Chair. I have a question on the same item.

[00:07:35] It's not a big deal, but I have two things. One, when you look at page three of the item, the first six requests were all fully funded at the requested amount, except for the Sweet Jazz Festival, which was not.

[00:07:51] Yes. Sorry, Chair Randall. Mr. Hemstreet. I just need to make sure we're talking about the consent agenda. We are. Yes, we are. Okay, so the item that was on the consent agenda is related to the transit occupancy tax, but is a change in our codified ordinances to be consistent with respect to how aspects of the tax are collected for the commissioner of the revenue to be consistent with state law.

[00:08:15] I believe the grant for the transit occupancy tax, that is item number 22, which is not on consent. Okay. Which, Chair Randall, I believe that's what you're referring to. I did not mean to interrupt you. Nope, nope, nope. I want to make sure we're on the same. When I'm making a mistake, interrupt me. And I was, so thank you.

[00:08:30] Thank you. All right. Just for the record, that's... Okay. Yes, yes. I thought it was 22, yep. Okay. All right. Thank you. So we'll wait till we get down there. All right. So anybody else on any other item on the consent agenda?

[00:08:51] Okay. That's good. That's good. All in favor, please say aye. Any opposed say nay? And that will pass 401 with Supervisor Sainz off the dais.

[00:09:08] We're now going to information items. Item number one is the monthly Department of Economic Development report. And we have Buddy Reiser. Welcome. Thank you. Since today is 7-11, tonight's report is brought to you by big numbers.

[00:09:24] We have just wrapped up FY23, and I'm proud to share with you some of the highlights of last year's success. It was the year in which we had the most wins ever, 165, 82% of which were non-data center wins. It was the year we've had the most investment ever, \$10.2 billion, up \$4.4 billion, an increase of 77% over the year before.

[00:09:48] Most prospects ever in the pipeline, 657, that's a year-over-year increase of 12%. Best year ever for economic diversity in the pipeline, 88% of our pipeline is non-data center. And another great year for new and retained jobs, 5,703, which is 19% above our five-year average.

[00:10:10] This year also saw the kickoff of our launch Loudon programming, and the response has been amazing. While this year's investment number represents the largest one-year investment in the years we've been tracking that metric, the real success has been the extraordinary expansion of our overall business environment as we've been able to take our programming all over the county into every district and every town in just a few short months.

[00:10:36] Some of the great success stories we've seen are highlighted in your item tonight. We've also highlighted some of the key metrics in the report, as we usually do, but digging a little bit deeper, key travel-related indicators that we track, such as the number of passengers at Dallas, hotel room nights, and hotel revenue, are now all above pre-pandemic levels. The number of hotel rooms in 2023 Q1 lagged, but was up in the last couple of months, and now we're ahead of those times in 2019. Data show the market conditions continue to be tight

[00:11:12] with employment, the trend is up in leisure and hospitality, government, professional and business services and health care, according to the monthly jobs report from the Bureau of Labor Statistics. Average hourly earnings grew 4.4% in June from a year earlier, matching gains in the preceding two months and remaining well above the pre-pandemic pace. Labor force participation or the share of Americans who are working or actively seeking jobs remains well below February 2020 at just a 63.3 percent level. That largely reflects the aging U.S. population and is

[00:11:51] triggering persistent labor shortages in many sectors. However, the strong labor market is drawing in younger workers. The labor force participation rate for Americans 25 to 54 actually rose in June to the highest level since 2002, so that's good news.

[00:12:08] The strong jobs report is likely going to keep the Federal Reserve on track to raise interest rates when it meets later this month. The Fed paused the interest rate increase after their meeting last month, its first pause in 10 consecutive increases since March of 2022. The month before, the Fed brought the Fed funds rate range between 5 and 525.

[00:12:29] That's the highest level since September of 2007. And April is the most recent month for local employment data. The unemployment rate was 2.4% for Loudoun County, 2.9% for Virginia, and 3.7% for the U.S., though I understand it's down to 3.6% for the U.S. now.

[00:12:46] And the next Consumer Price Index report will be released tomorrow. Last month's report showed the prices rose 4% compared to the year before, but that's down from 4.9% in April and 5% in March. So the efforts to curb inflation seem to be working, though, at a much slower pace than what anyone had thought.

[00:13:08] And with that, I'm happy to take any questions. Thank you. Any questions? Supervisor Letourneau, then Supervisor Briskman. Well, at the risk of asking a question that I probably don't want to

know the answer to, of the roughly \$10 billion in capital investments, how many of those, how much of that is data center?

[00:13:25] It's about \$8 billion. So of the wins for the year, only 18% were data center, but that 18% represents \$8 billion of the 10 in total investment.

[00:13:43] There will be no sectors that will ever come as close to the revenue per square foot that we see with data centers, and that just has to become part of our reality going forward. I would say that this \$10 billion number is probably our high watermark.

[00:14:00] The \$2 billion of non-data center especially is really good, right? Yeah, I mean, that's still a pretty significant number. And that \$8 billion or \$10 billion, that's all stuff that's already on the ground, or is that projected because— That's announced this year.

[00:14:15] Announced, but not necessarily as part of our roles yet. That's right. Right. So one of the reasons I'm asking that question is because item three tonight It was about the Revenue Stabilization Fund, in which we talk about how to deal with the potentially over-reliance on data center revenue.

[00:14:31] So it's good to know what's in the pipeline from an investment standpoint. It's not necessarily drying up. It's not going away. So we have to just plan for that when we deal with the Revenue Stabilization Fund. Yeah, but I would say that my projections for next year's investment number are about half of what they are for this year.

[00:14:53] on data center just overall overall yeah so we i mean listen 99 of communities would take five billion dollars every year yeah but but i think that that's our reality that we're we're going to start to see as uh as we uh continue to diversify and run out of property that we're going to see those numbers decrease got it all right thank you very much thanks supervisor brissman and then chair randall thank you um so in one of the other items that uh supervisor turno

[00:15:25] referenced we saw that um experts are now only about 60 of experts that are talking about are asked about whether we're going to go have a recession um we're down to 60 chance of having a recession how are you feeling about it about the same i i was fairly convinced a few months ago that we were heading that direction, but it doesn't feel like it as much now.

[00:15:53] It's such an unusual time because what we're seeing in the market with the jobs kind of counteracts everything we've ever seen when it comes to this stubborn inflation and the rising rates.

[00:16:08] So, I mean, Europe is now in a recession, But I think that we could see a kind of a new paradigm going forward. But again, I'm only an economist.

[00:16:26] He's the real economist over there. So I just play one on your TV. And then item 22 brought to mind something that we've been talking about. And I noticed in the grant funding for organizations that applied for, you know, TOT grant money, none of them are east of Route 15 that I can see.

[00:16:53] I don't know if we just don't have festivals going on over there, if we don't have sports things going on over there. Maybe that's the nature of the way the grant, you know, is written, the RFP is written. And then it made me think about we were talking a while back about maybe a proposal for a restaurant week.

[00:17:11] I thought maybe that would. Yeah, I think, well, I mean, we've had things Easter 15 in the past and haven't haven't had any legs to them. Like they, you know, we had a food festival that we had, I think,

three years and it didn't really do very well for us.

[00:17:33] Restaurant week is something that we've spent a lot of time looking at, and the industry has not necessarily been as receptive as what we would like. The restaurants that you would most want in a restaurant week are doing well enough that they don't need it.

[00:17:51] It's been tough, but we have been working with Beth Erikson at your direction to come up with some concepts. I did not review the grants this year, so I'm not really sure what was in there, but I know that most of what we see does tend to be more toward the Western economy and the applications.

[00:18:15] Thank you, Chair Randall. Ms. Bricksman's taken all of my questions, including the ones I ask you every time, which is the question about inflation, and then the question on item 22 about why all the money going to the West. I was also going to ask that, and she asked that as well. So I only have one question left. When you look at the jobs that the WINS have created, and one, I'm going to want you one more time to explain what WINS are, because not everyone knows that, and you explained it to me a couple times before I got that.

[00:18:43] Look at the jobs created, 5,705. You know, to Mr. Letourneau's question was a great question that, you know, the data centers are producing the bulk of the revenue. But although they do produce jobs, they don't produce the jobs that we think they do.

[00:19:06] So we look at the jobs created, those almost 6,000 jobs. In what industries are those being created? Because that's probably not the data center industry. Well, this big number this year is unique to other years where we've had big numbers because it hasn't been one job like Customs and Border Protection.

[00:19:24] And this has been really diverse. All around, yeah. You know, we've seen, I mean, there was a lot of those numbers are United and airport related. There's a lot of like NEW, Asherian had a lot of jobs this year. We're seeing a lot of small business incremental growth this year that we haven't seen, or at least that we haven't tracked to the level we're tracking now.

[00:19:48] It's been kind of fun to watch the local employment base kind of organically grow as opposed to getting one big win that you just, it's like a lightning shot. I think this is much more healthy in the long term for our economy. I do too. Thank you for that.

[00:20:04] And then lastly, I'll say that this past Sunday I did attend the ribbon cutting for Mama's Canine Mix, And you all have done such a great job shepherding some of our small businesses through to, like, literally kind of a stand to then go into the farmer's markets.

[00:20:20] And now she has her own pop-up stirrer in the mall. And that's because of the good work of your department. And I've seen so many of those businesses grow in that area and in those ways. So I appreciate what you all do. So thank you. Thank you. Vice Chair Sains.

[00:20:36] Thank you. You show the wins for, or the jobs created, 5,705. Can we get a breakdown of which sectors, like how many in each sector? I'll have that for you next time around. Yeah, the jobs. I'll definitely have that for you next time.

[00:20:52] Okay, thank you. Sure. Mr. Reiser, I have been asked to ask you to describe what a win is. Oh, right. Thank you. We consider a win, and we have an actual written that I don't have in front of me, but

basically it's any commitment to an expansion of investment or jobs or the retention of a company that has otherwise looked to move to another jurisdiction.

[00:21:21] So really it's any, a win is kind of classified as any commitment to investment jobs or the retention of facilities in the county. Very good. And I would like to thank you and also point out that even though data centers don't necessarily have many employees in the buildings, they do create thousands of jobs, maybe 10,000s of jobs among those industries that are reliant on their being here.

[00:22:00] So a figure I have heard is potentially 45,000 jobs, but I don't know, Buddy, if you have more accurate data on that? Well, we look at it in terms of concentric circles, and the first two concentric circles, which would be the data centers, then the customers inside the data centers, and then the suppliers, just those is between 15,000 and 20,000. I think if you look at the entire infrastructure, you do look at a number that's north of 30, probably approaching 40. All right. Thank you very much. All right. We are going to go on to item two, Philomont Fire

[00:22:41] and Rescue Station Feasibility Study of Schemes 4 and 4A. Thank you all for coming down. Good evening, Chair Amstead and members of the committee. Evening. We are here to present the findings of a feasibility study that was recently completed regarding the community proposed plan to utilize the existing fire station property for the new fire and rescue station

[00:23:17] that's in the cip this is a similar study to one we've done in 2021 with a slightly different layout that was proposed by the community and and they were they were championing and so we took the opportunity to do a feasibility study on it and evaluate that option in addition to the other options that we had already done we do have a presentation if you would like that or we can go right into questions you all would like a presentation i'm sure i really would if you

[00:23:42] don't mind yes yes please absolutely thank you bear with me one second sorry there's a couple

[00:24:04] open one second please sorry about that no problem the new fire and rescue station has been in the

[00:24:49] cip since 2017 and always shown to be located at the seven acre volunteer owned horse show grounds property a community meeting was held in september of 2020 that meeting led to interest in this project and the community was looking for the station to be built on the existing fire station property and that led to the feasibility study in 2021 to evaluate the station to be developed there and we considered multiple options at that time including a renovation of the existing and a

[00:25:25] demolition of that proper of the current station and the construction of a new station on that property that was presented at the october 5th 2021 board business meeting and included a staff recommendation to maintain the new station development on the seven acre volunteer fire department property at the horse show grounds this is a slide shows the locations of the two sites with the upper location is the current fire station and the horse show grounds property the

[00:25:57] seven acres about a thousand feet to the south of that on snickersville turnpike late last year some members of the community put forth an alternate option for the renovation in addition to the current station on the existing property that was slightly different from what we had considered previously. Staff later met with the creator of those sketches, Mr. Bill Ridge, and those sketches were titled Scheme 4 and 4A. Based on that meeting and community input, DTCI conducted a new feasibility study to evaluate those new schemes. This slide shows an aerial view

[00:26:37] of the current fire station and I'd like to highlight the community center to the right of the red square right that that house right to the right and the cell tower that's right directly behind the fire station sticking straight up there is a cell tower on the site. Scheme 4a provided for the renovation of the existing fire station including two new pull-through apparatus bays with additional space for support functions, offices, and bunk rooms. And this scheme calls for the relocation of that existing cell tower. And this was the sketch that we received with

[00:27:17] some notations on it. This is the sketch we got. And it was, you know, a sketch. So it's schematic in nature, therefore not dimensioned or laid out on the site to scale. So this is the sketch we got. And our architect turned into a more of a formal sketch and dimensioned and laid out appropriately on the site.

[00:27:41] And as you can see, it's pretty similar, just a little more formal. And then from there, we took the same layout and looked for some of the missing things that weren't in the sketch and added those to the best we could. And some of those things are shown there in red as additional site features and things that were not included in that sketch that we took into account as a part of the full feasibility of this site.

[00:28:18] After we laid it on the site and had the full features, we also did an interior look at the layout and best fit the program into the space that was created by the sketch. The colors signify the different program areas and trying to link those as best we could with what the sketch provided in some of the functional areas.

[00:28:39] And the left is the first floor and the right is the second floor, as you can see with the apparatus bays being two floors with nothing over them. Scheme 4A calls for the renovation of the fire station, retaining the four existing apparatus bays, and provides an addition, which includes four pull-through apparatus bays with additional space for support functions, offices, monk rooms.

[00:29:04] The benefit of this scheme is it allows the cell tower to remain in the current location. And similarly, this is the sketch that we received, schematic, and we, again, turn that into a more formal sketch with dimensions laid out on the site.

[00:29:23] And then again, with the additional site features and extended septic layout fields and some of the support spaces. And as you'll note, and this is the same as both schemes, towards the community center, there's those red spaces, the squares, the red blocks.

[00:29:45] Those are shown as the recycling center, and the community parking is still in that area. It's shown there because there is no other place to put it, but that is not something that would work. So that is just something I want to highlight, that this scheme does not take into account those community functions that need to be maintained.

[00:30:07] And again, the layout of the interior, to the best of our abilities, to lay out the functions in those spaces that were provided. And the architect then had an independent cost estimator, Axios Incorporated, to perform construction estimates for both schemes.

[00:30:25] The costs are noted here at \$22.7 million for Scheme 4 and \$24 million for Scheme 4A. Included those costs are a temporary fire station that would be required to be constructed while the existing station is being renovated. The community had presented these sketches with the note that the temporary facility would not be needed.

[00:30:45] but after our review the the depth of the major renovation required as well as the impact to the operations of the fire department requires that the current operations could not run out of the existing fire station during the renovation also there is no space on the site to house a temporary station so an off-site location for the temporary facility would be required do the lay down area for the contractor as well as just some of the support functions that would be required in the space needed for that. Those land acquisition costs for that additional land to put the temporary

[00:31:20] facility was not included in the estimate. For comparison, we also have an estimate from that same independent estimator, Axios, that was conducted in February based on the concept plan for the new station on the horse showgrounds. And that concept estimate has the cost estimate at \$16.7 million. And for further comparison, we recently awarded contracts for similar stations at Lovitzville and Aldi, which came in at about \$16.1 and \$18.5 million, respectively. And of note, the Aldi station is a larger station, a five-bay station, so the dollar per square foot is really

[00:31:58] the better metric to look at there, but all pretty similar on the stations on a greenfield ground-up construction non-renovation project. So staff has reviewed the sketches and the feasibility study provided by architect fgma architects and has noted some issues to include the complexity and risk of renovating the existing facility always has additional costs associated with a lot of unknowns that you have to take into account and the risk with with not knowing what the full true building building is once you get into it maintaining the community services at the

[00:32:32] community center parking and the recycling center without a real understanding of what that would look like we would have to have a way to have that space maintained and functions to proper all the way through construction and beyond. And with just a much smaller site, typically we're looking for a five acre site. This is only about two and a quarter acres, just really limits what we're able to do. And then issues around the existing cell tower created a lot of issues with the layout. Continuing on, the need for the temporary facility to construction adds to the

[00:33:08] construction duration and getting that up and running the land for that is not known at this point the costs exceed the current budget and land and property acquisition for all of this has not been identified the the station on the current fire station is owned by the volunteers and there's no indication that that would or could be sold obviously if we do end forward with something like this we would enter negotiations but there's no guarantee that that would be sold or at what price similar similarly a cell tower relocation site would be needed and then all the approvals that would needed for

[00:33:47] a new cell tower would be needed the long process there which would probably delay construction considerably and and again the temporary facility site as well and lastly fire and rescue had done a review of this as well and had some concerns about the the layout of the station and potential of this of this proposed solution the two-story versus one story is preferred or one story is preferred it's not ideal and and would require concessions on their part versus

[00:34:22] a typical station design the hot cold design concerns for separation of hazardous and clean zones where they can have have it separated and be able to decontaminate as they go into the buildings and have bunk areas away from from the hazardous areas and things such along those lines.

[00:34:41] And the layouts would be difficult to achieve with a really efficient space, as we would be able to find on a new construction, and as we do have on the Horseshoe Grounds property. And staff

recommendation, it is our recommendation to not use the current Philemon Fire Station site for this project, and to maintain the current plan to utilize the Horseshoe Grounds property for this project.

[00:35:05] So with that, I will open up to any questions. - Thank you very much. anybody have any questions? Chair Randall? Thank you, Madam Chair. I may need more than one round of questioning. All right. So, first of all, Chief, I know that you met with the community, which led to the feasibility study, and so I do want to thank you for being open to new ideas. Is it not true that the volunteers own both these sites, correct? Yes. Okay, so we're going to buy something from them, no matter what. One of the sites are going to be purchase from the volunteers so the Percival I'm just the first Philmont volunteer fire company has

[00:35:41] a willingness to provide the horse show ground the seven acres at the horse show ground to Loudoun County for this purpose for free for free they're not charging the county for any well that's I don't that's great I don't think they paid anything for it themselves when they when they reached when they received it yeah I don't know the answer yeah yeah I'm they didn't it was handed to them to do the horse show but they didn't pay anything for it maybe i missed what you all maybe i missed it and all that you said i i've been trying to follow this pretty closely i understand the issues if you keep the current station where it is and then try to build something on the back of that which

[00:36:18] is what the schematic says i understand the issue with the bifurcated building i understand the fact that it's less space i understand all that if you were to take the current building down could you put a temporary location on the horseshoe grounds and then use that whole space to build a new station that would be appropriate for and meet all the needs yes we considered that as a part of the 2021 study that we looked at and I guess the first first part to address the the horseshoe grounds is not necessarily available for the use of a temporary station the volunteers would have to agree to that and or come to a deal an agreement on that and we'd have to bring utilities to that

[00:36:57] site. And that's why the cost of that is so high. And then the two and a half acres, I think we run into a lot of the same issues that we would have if we renovated the building as we had. And that's what the study showed. So the two and a half acres is the building as it sits in all the area behind the building as well. That's all of that is just two and a half acres. Correct. Yeah. And that includes the parking for the community center and the recycling center all onto that one site currently we haven't or at least when i read the where i read the item i did read the item there were okay i don't never mind you just explained that so i was gonna say there was no discussion of what the the other site would cost that's because the volunteers would give it to you

[00:37:36] because they the volunteers when then would do what did they say with the with the current site so their indication has and they haven't been specific but throughout the history they have indicated a willingness to provide that back to the community for some community use so then And they're going to give both sites that they now own back to the community with no cost?

[00:37:58] I can't speak to the current site if they would charge or anything. But I know they approached Steve Torpy and Parks and Rec about possible use for Parks and Rec. Obviously, the condition of the building is not suitable as is for a Parks and Rec facility. But there hasn't been detailed negotiations.

[00:38:15] But they do want to provide it to the community for a community use. And they have said that. Madam Chair, I'm out of questions. I'll come back. All right. And we're back to you already. Thank you very much, ma'am chair. I think the community concern that I completely, completely understand is that in

every community, especially small communities, there is one place that becomes the center of the community.

[00:38:42] And it's the community gathering place that kind of has an historical and sentimental value to it. For this community, the horse show grounds is that. Do we know when the last time the horse show grounds was used for that purpose?

[00:38:58] I believe it was 2019. So not that long ago. No, I believe due to lack of interest, the shows had stopped. Was it due to lack of interest or because we walked into COVID? I believe it was pre-COVID and previously due to the lack of interest and a bunch of the facilities were demolished.

[00:39:22] Okay. Chief, right now, realistically, how many people are part of the Philemon volunteer company? They have no operational members that run out of the Philemon. They have several administrative folks.

[00:39:39] I know Chief Pearsall does run subsequently. He's an EMT. He runs at Percival and so forth. But there's no operational volunteers out of Philemon. There's not. Okay. So when we talk about what they're going to do or they're going to give back, There's not really a whole lot of people to give anything back or to do anything with.

[00:40:00] Is that correct? Correct. What is their due area? You mean size-wise? Yes. I don't know off the top of my head. They have a very large first due. They run second due into Percival, Middleburg, and things of that nature, so Aldi. So I don't know off the top of my head, square footage-wise, but they have a very large first due area.

[00:40:19] Okay. And would you say that it is literally the health and safety of our firefighters is dependent on where we build a new station or if a new station is built and you do not believe because of the size, because of the two and a half acres, even taking the current building down.

[00:40:39] I mean, take away the cell tower issue. Just ignore all that. Just the building itself, you would say that it cannot provide the needed health and safety for the firefighters that would go in that building? I think it does not lend itself to an efficient hot, warm, and cold design.

[00:40:56] I know we've talked about that to the board before, so I don't want to repeat myself, but that is a critical part of maintaining the health and safety of firefighters is the hot, warm, and cold. We come back from a fire being hot, dirty. We go to a transition point to become warm and take the gear off and take the contaminants off and then go into the living quarters, just like you would in your house when you come in from working out in the yard.

[00:41:16] I have one last question. Go ahead. The two-and-a-half acres, are you talking before you get to – because I went out there, I walked it. Are you talking before you get to the slope area or are you talking about the whole area back there until you get to the trees? It is back to the trees, that whole slope area.

[00:41:31] It's all the way back to the trees. And that's one of the reasons for the high expense on this site is the earthwork that would be required. If you expand into that hill there, you'd have a lot of retaining wall and earthwork for this particular system. Thank you. Thank you, Madam Chair. Very good. Thank you all very, very much.

[00:41:48] All right. We're going to go to item number three, the Revenue Stabilization Fund. I think it's worth having a presentation by staff on this. You see Caleb.

[00:42:01] So we've got Elaine and Megan and Caleb.

[00:42:29] Welcome. Good evening. Hello. So you have the Revenue Stabilization Fund item, item three. The purpose of this information item is to present background information and policy considerations to the Finance Committee related to the creation of a Revenue Stabilization Fund.

[00:42:56] A Revenue Stabilization Fund is a tool that can be used to mitigate the revenue volatility currently experienced and projected within the county's revenue from business tangible personal property tax on computer equipment. Since FY 2013, the county's budget has benefited from the strong growth of its personal property portfolio.

[00:43:19] Of particular importance from a revenue generation perspective is the business tangible personal property tax levied on computer equipment, especially equipment and data centers. For reference, the total personal property tax revenue coming from computer equipment in 2013 was about \$60 million.

[00:43:37] dollars. That total is estimated to be 590 million dollars for FY 2023. Personal property tax revenue has grown year over year at a rate that outpaces the growth of all other general fund revenues. As shown in the chart on the screen, personal property tax revenue from computer equipment also makes up the majority of the entire personal property portfolio. The board has contemplated the relationship between real property and personal property tax rate over the last few budget cycles. The real property portfolio appreciates, meaning that no

[00:44:14] additional real property will be added, excuse me, meaning that if no additional real property was added to the tax rolls, and if the tax rate remained the same, year over year we would see an increase associated with revaluation. For this reason, real property tax is typically a local government's most stable revenue source and is typically the largest share of general fund revenues, which fund the regular operations of a government organization. In contrast, the personal property tax portfolio typically loses value over time or depreciates. Unlike real property,

[00:44:51] personal property loses its value year over year until it is replaced or refreshed. More equipment and more valuable equipment must be added to the portfolio annually to maintain revenues year every year, let alone growth. Personal property is also mobile, unlike real property. Despite an expected short-term plateau in the growth of personal property tax revenues due to electric power constraints in the data centers, this revenue source is expected to grow substantially over the next decade. Managing the relationship between real and personal property tax rates is

[00:45:27] the best tool at the county's disposal as part of the annual budget process. However, additional tools could be considered to ensure fiscal sustainability over the long term staff has often referred to business tangible personal property tax as volatile in this specific case volatile volatility is driven by the complex nature of the business cycles for outfitting data centers purchasing and replacing computer equipment and the self-reported nature of the assets further the year-over-year growth of this revenue source has been volatile predicting when

[00:46:05] the bulk of substantial growth will show up has been a challenge. Additionally, as demonstrated in the previous slides, personal property revenue is far less stable and therefore less predictable than real property revenue. Because Loudoun County's experience with personal property tax

is highly unusual at the local level, staff and the county's financial advisor, PFM, have explored how state governments manage relatively volatile revenue sources, including income and corporate income taxes.

[00:46:37] Staff and PFM have identified three methods to manage revenue volatility. The first is to improve revenue forecasting. Over the last three years, staff has developed and continues to refine a sophisticated revenue model with many variables.

[00:46:55] We have collaborated with our financial advisor, the data center coalition, and county department subject matter experts, including the Commissioner of the Revenue and the Department of Economic Development, to better understand each of those variables. Second, the board has also pursued changes to the revenue structure.

[00:47:13] During FY23, the board has implemented a tax revenue policy to bring into balance real property revenue against other local tax revenue in the general fund. For tax year 23, the board decreased the personal property tax rate from \$4.20 to \$4.15 per \$100 of assessed value.

[00:47:35] And finally, the third method is to establish a reserve to offset revenue fluctuations called a revenue stabilization fund. The board already maintains a primary reserve fund, referred to as the fiscal reserve, which is required to be equal to 10% of operating revenue for the county and Loudoun County public schools.

[00:47:58] The fiscal reserve is only meant to be used based on significant revenue downturns or in the event of a federal disaster or emergency. A revenue stabilization fund would serve as a secondary reserve fund to the existing fiscal reserve, targeted to mitigate the volatility of county revenue associated with the data center industry. Different than the fiscal reserve, a revenue stabilization fund is meant to be deployed to mitigate revenue shortfalls that could occur because of the unique nature of the county's experience with data centers. Should the Finance Committee indicate its support to establish such

[00:48:37] a fund, there are a number of policy parameters to consider. Shown on the slide as well as detailed in the staff report, they include maximum size of the reserve, a method to fill and replenish the reserve, permitted uses, how to access, and the permanence of the reserve. Table 2 in the staff report includes a summary of the options for these policy parameters for the Finance Committee's feedback. However, I will speak to each. The maximum size. As a secondary reserve, staff would recommend a maximum size of two and a half to five percent of the total operating revenue for

[00:49:14] the county and lcps however staff continues to explore tying the maximum size more directly to the overall scale of data center related revenue both real and personal property tax revenue evaluating the basis for this range will be necessary especially in conjunction with the continued refinement of our revenue modeling the method to fill and replenish initially the board could fill the revenue stabilization fund with a portion of revenue collected over budget which could occur during the annual fund balance process. As part of its policy discussions,

[00:49:51] the board should evaluate how quickly it should reach its sizing goal and should it need to be accessed, how quickly the funding level should return to its maximum size. Additionally, to fill the revenue stabilization fund, the board could consider annual appropriations of a contribution to the stabilization fund as a way to continue to implement tax revenue policy but to avoid dramatic decreases in the personal property tax rate and or increases in the real property tax rate in any one tax year. Permitted uses. The first is to address a shortfall in revenue realized

[00:50:28] during the fiscal year. The revenue shortfall itself can be based on aggregate tax revenue being forecast below forecast or when real or personal property tax revenues associated with data centers are below forecast. The impetus for staff's work on this topic was driven by the risk associated with business tangible personal property tax revenue. However, uncertainty in valuation of data center real property has also created an additional risk in that portfolio as well, and further underscores the value of a discussion of risk mitigation.

[00:51:04] A second permitted use that staff would recommend is meant to be utilized over the long term. Should a shift in the industry occur that causes an immediate shift in revenue outlook, a revenue stabilization fund could provide a smoothing effect that would allow the county to transition to other revenue sources or make appropriate expenditure reductions over a longer period of time that would otherwise be possible. To access the revenue stabilization fund, we would ask for the board to consider two options. The fiscal policy requires any withdrawal of the

[00:51:44] fiscal reserve be approved by the board. The use of a revenue stabilization fund could be administrative in nature, and given that this fund is meant to be spent and replenished, Administrative action might be appropriate, but the board may also want to approve all uses of this fund.

[00:52:03] And finally, permanence. Should the board create a revenue stabilization fund, staff recommends it be established without a sunset. Though staff's recommendations are driven by the current volatility demonstrated by business tangible personal property tax, the county's budget is approaching a size that justifies a secondary and more flexible reserve regardless of the volatility of that revenue source.

[00:52:27] However, if needed, the permanence of the revenue stabilization fund could be revisited on a regular basis to ensure it complies with the board's fiscal management principles. Next slide. The purpose of this item is to provide an overview of the information regarding revenue stabilization, and staff is looking for feedback from the committee on its creation and policy parameters.

[00:52:51] Based on this discussion, we would intend to return to the finance committee in the fall with policy proposal and amendments to the fiscal policy for your consideration. happy to take any questions thanks megan and board members in your packet on page eight of the staff report is where the different options are that megan just described any questions uh supervisor letourna then supervisor briskman and then chair randall uh thank you i i appreciate this item and the discussion and i think it's one that we need to continue to have um do you think the primary

[00:53:28] goal is more to limit the dependency on data centers and maybe kind of cap what we're putting in on an annual basis from data center revenue? Or is it to actually create a fund that would stabilize when revenues drop? Because it seems like you would sort of go about this a little bit differently depending on what the answer to that question is. So I think the purpose of this

[00:54:02] fund is maybe both of what you mentioned. There's a short-term need to isolate the risk of data center-related revenues until there's more clarity, for example, on the power constraint issues that we're experiencing with Dominion. But over the longer term, there is that relationship between the personal property tax and the rest of the local tax funding, especially real property, that we continue to need to balance. But the way the tax policy that you've started to implement would direct you is to make more drastic changes to the personal property tax rate

[00:54:37] that would be at another level of unpredictability to the budget process that I'm not sure the board... So this is essentially replacing the idea of driving down from 415 to lower numbers? No, it would not replace it.

[00:54:54] We may do this and we still may have a need to do that? Correct. Okay. It sounded like you were proposing using the fund balance discussion as kind of the check-in point, but how exactly would that work?

[00:55:13] Of whatever the remainder is, we would essentially set aside a portion of that into the new revenue stabilization fund? If the board wants to pursue the creation of a revenue stabilization fund, you'd need a funding target. As we said in the last quarterly report, there is a good amount of over-recovery of revenue that we planned on related to the volatility of the data center-related revenue.

[00:55:39] And so this would be a way to operationalize those recommendations that we've had and establish that fund using fund balance as the initial starting point. And then in the regular budget process, would we have like a hard cap of how much revenue we would be willing to use?

[00:55:57] would be willing to put into the operating budget? No, not related to the revenue stabilization fund, but regardless of whether we create one or not, let's say we do, will we then just whatever is remaining into the next year, whatever we collect goes into the operating budget, or would we try to limit through the use of the personal property tax rate or some other way how much we're putting in?

[00:56:28] I'm not sure I'm fully understanding your question, Mr. Hemstreet. Kim? Yes. So, which is exactly what Ms. Burke said. So I guess maybe two and a half minutes ago. So if- Sorry. I'm trying to make it clear here. No, I think you're saying the same thing. So what happens is now the board needs to establish how much of a revenue stabilization fund it wants, right? And then that's when we get into what was in the briefing around what are the permitted

[00:57:05] uses, when do we use it? So for example, if the, just to use a round number, if the budget was carrying a \$100 million increase in personal property from data center equipment, and we got to our collection date, and we only had \$80 million in an increase. So that might be a point where you trigger the use of the fund. And so now we take \$20 million out of the fund or \$10 million dollars out of the fund whatever the amount is and that offsets the shortfall in the growth of that was planned in the budget the other side of it which is i which i think is the question

[00:57:42] you just asked is we have 100 million dollars of an increase in personal property tax from computer equipment and we get to our collection date and whoa we get 130 million right right so as miss burke was alluding to 130 million dollars may be more than what you or the forecast is 130 million You only want to grow by \$100 million, I think is a better way of saying it.

[00:58:06] And so you may then say, all right, a portion of that \$30 million is going to go to the revenue stabilization fund because we don't want to lower the personal property tax, say, \$0.20. We're okay with \$0.10, but we don't want to do it \$0.20 because that causes the changes in the personal property tax rate for computer equipment that Ms. Burke was referring to.

[00:58:31] So it would work both ways, and you would use it as an additional budget tool that helps make that line a little more of a line as opposed to a consistent or constant up and down from year to year. Let's see.

[00:58:51] Supervisor Briskman. Thank you, Madam Chair. Well, this is fascinating because I feel like we've had this discussion a couple times, and I feel like we were always told that we weren't allowed to have any more reserves anywhere. So I guess this is just a different tool to do it with, which I think is a good idea.

[00:59:12] Are there other jurisdictions doing this in a similar fashion? Yes, most all state governments have a secondary revenue stabilization or rainy day fund, and there's a very good amount of large local governments that have a secondary reserve fund for this purpose.

[00:59:29] Okay. Not necessarily linked to the justification for it, but yes. So it looks like staff is recommending under the permitted uses that we not use it if the aggregate tax revenue is below expectations, but only if data center revenue is below expectations.

[00:59:49] I'm talking about the expenditures of it. So why couldn't we use it for something other than the data center shortfall? The level of volatility and difficult nature of presenting or forecasting this revenue specifically is leading us on the recommendation toward isolating both the purpose and the use of this fund to be driven really by data center revenue specifically.

[01:00:22] The reason why we aren't recommending that you would use this revenue stabilization if you miss your total revenue forecast is because first of all we don't budget that uh we budget very conservatively our other revenue sources that is not where the risk in our revenue portfolio is it's for personal property tax for data center computer equipment as well as some shorter term risk in the real property um and so if you isolate the risk to those specific revenue sources you

[01:00:56] don't have the need or the risk to the revenue forecast and actuals on the whole. And so you're able to target the use of that reserve to those revenue sources and then allow better forecasting for those other revenue sources. Okay. I might need a second round of questions. But in order to do this, and I think I know the answer to this, but in order to do this, two questions. Do we have to go to the general assembly number one and number two do we have to write like a whole new

[01:01:30] ordinance or is it just like fiscal policy it's it would be amendments to your fiscal policy okay and we're allowed to do that yes okay i don't think you'd be recommending it if we weren't but that question just came to my mind um and then um okay i'll ask my other question in my next round thank you all right chair randall thank you ma'am this is a fascinating item so thank you very much This sounds like it's like a, you know, if the fiscal reserve and the fund balance had a baby, this is what we have here.

[01:02:07] This sounds like a little bit. Is this meant to be used for one-time uses like the fund balances? No. No. This is meant to be directly used in the examples that Mr. Hemstreet kind of went through.

[01:02:24] They're not meant to fund expenditures. meant to fund shortfalls in revenue? Year over year if needed? If needed, correct. Okay. As far as my memory serves me, and I'm sure if I'm not correct, Ms. Umstead will correct me. We've had two times where the data center revenue did not come in as expected. One was after the first year of COVID when they just did not replenish their equipment. And so if you don't replenish the equipment, you know, then it's going to be valued less. And then secondly, well, we've

[01:03:03] yet to see what will happen with the power issue. And so when you talk about volatility and, you know, to be quite honest, we, you know, we keep saying personal property, but we really mean those data centers and computers. So are we basically starting, are you basically saying that the data center

money is getting to a point where it's just too much volatility around it to rely on that revenue coming in year over year that we could rely on before? The revenue

[01:03:37] continues to grow and come in. The growth and when it will appear has been difficult to forecast. So the year over year, even though we've missed those revenue forecasts, the revenue line has continue to grow year over year. But because we only have one data point a year, we have a very difficult time understanding when it's going to come in. And the growth of that specific line item has reached a point where a miss in that forecast has significant impacts on the operations.

[01:04:13] Talk me through one more time, and I promise I was listening, about how we replenish the fund. Because I know you say you would specify methods starting two years after the use of the fund and then use the same parameters as the fiscal reserve.

[01:04:32] But how do we talk? I read that. I heard you talk me through one more time how we replenish it. So that section of the item suggests a way to initially fill the fund and then replenish it. So if we filled the fund and it reached a certain revenue target of maybe 2.5% to 5%, and then you have a situation where you have to use a portion of that.

[01:04:57] The fiscal policy for our main fiscal reserve says that you have to repay a use of that fiscal reserve within three years. And that would be generated through any... Yeah, that's my question. How is that generated?

[01:05:13] So we would generate it. we would either purposefully identify an expenditure to add to that fiscal reserve or you can generate year-end fund balance. Huh, huh, huh, okay.

[01:05:30] I might have to take around too. All right, so you can go to Vice Chair Sainz, come back to Supervisor Bristman, then come back to Chair Randall, Vice Chair Sainz. Thank you. Have you ever had a RSF before? No. And you mentioned there might be risk associated with it once curated, it might limit our, take us away from the credit rating, lower our credit rating.

[01:05:57] Can you repeat your question? I'm sorry. Sorry. You said the risk, you mentioned there might be risk if we do the RSF, correct? No. That is meant to isolate the risk and mitigate the risk to our general fund. Okay. That's it then. All right. Thank you.

[01:06:16] Okay. Supervisor Briskman. Thank you. You mentioned the one data point, right? We have one time in the year where we get the information that we're looking for to help us January 1st um are those organizations like purposefully putting equipment in like on January 2nd and then they don't have to no we don't believe so okay all right that's good to know um because it is really difficult is there any way we can address getting more visibility that is something that we have um

[01:06:55] Because of the difficult nature of this industry and revenue, we have made inroads and have formulated very positive working relationships with the data center coalition through economic development. So we really feel like we have access to that industry and can discuss with them these policy issues as well as our revenue modeling.

[01:07:15] Okay, great. We're getting about \$590 million annually. And I know that this might be something hard to gauge, but when you said, it said in the item, like we're looking at this increasing over time, like where, how far do you think it's going to go? Are we going to be at like 750 million? Are we going to be at a billion at some point?

[01:07:36] We're forecast to add an additional 24 million square feet of data centers over the next eight years. And so I think that really pushes our revenue forecast pretty high. But that is the information we have right now.

[01:07:53] Depending on the power constraint issue with Dominion, that could change, as well as we would continue to encourage the board to lower the personal property tax rate. But if all 24 million square feet were to be able to come online, there was no power constraint issued, can you put a number on what the revenue would be?

[01:08:10] I mean, it could be, you know, an additional 25 to 50 percent. Okay. Okay. Thank you. So we're looking at somewhere between 2.5 and 5 percent staff is recommending, and that is 2.5 to 5 percent of all data center revenue would be put in the reserve funds.

[01:08:32] So we were keying that target to 2.5% to 5% of the total general fund revenues or a different percentage range tied to that lower amount of isolated data center related revenues. So what would happen if we, I have so many questions, what would happen if we had 3% in there and then we got a whole bunch of extra revenue, but we're already at our 3%, where does it go then?

[01:09:07] I would say that it's generating fund balance, that you have that over-recovery of revenue. And are we going to have a drawdown limit or a required maintenance limit?

[01:09:22] I think the maintenance limit would be 2.5% to 3%. Are we going to have a drawdown limit, annual drawdown limit in our policy? I think that would be feedback we would like to hear from the Finance Committee, although we probably wouldn't recommend necessarily saying no more than a certain amount at this point because as you saw, that revenue line item is upwards of \$600 million.

[01:09:46] Okay, thank you. I'm out of time. I'm going to go to Chair Randall and then Supervisor Letourneau. So why wouldn't, to Ms. Brixman's question, if the fund has enough money in it and we get a lot more revenue in, why wouldn't the answer to her question be, then we can lower taxes?

[01:10:08] That could be the decision of the board. However, that's fund balance that we would recover in actuality versus planned. So let's go back to the fund balance discussion because you said that might be a way to replenish or that probably would be a way to replenish.

[01:10:25] But fund balance is one-time money. So we would, if needed, we would use fund balance to replenish year over year. So the reserve fund itself is also one-time funding. And if there's a certain funding.

[01:10:41] So that's what I asked before about the reserve fund being one-time funding. And you were like, no. So now you have confused me. I apologize. I thought I asked it the first time. Is this meant to be one-time funding?

[01:10:57] And you said no. I thought you asked related to, is this meant to be used annually? Oh, no, no, no. I did not know that. No, no. Okay. All right. So then back to the original question. if needed, would fund balance replenish this year over year?

[01:11:16] Yes, it could, if needed. Okay. Okay. I'm glad there's the information on it. All right. Thank you. Good. Supervisor Letourneau.

[01:11:33] Okay. Well, I'm more worried about how to build the fund than I am. There's a lot of questions about how to spend the money. I don't know what that says about the fund. I'm just kidding. I'm just not

you. Chair Randall excluded.

[01:11:49] Answer. No, I'm just kidding. But we got a bill at first, which I think is going to be the hard part, because we have to show constraint. In reality, in a real budget scenario, there will be things that will be proposed to us or asked for that we can't fund in the budget, and we're going to have this chunk of money sitting here, and we're going to have to make a decision to not use it.

[01:12:11] And that is where the rubber will meet the road. I think it would be very good to have a policy in place so that everybody up here can point to it instead of just deciding to do it well ahead of the actual budget so i you know the timing of this discussion is good i think we should try to aim to have this in place by the fall so that we have that framework and as we go into you know a real budget discussion or the next board does whoever's on it uh that will be there and that kind of discussion you know can follow a guideline um the volatility issue i mean it seems like we're partly responsible for that because

[01:12:50] we have routine conversations about changing our zoning, for instance, to restrict data center land availability. And I don't, I mean that kind of as a, as a neutral comment, but we do have some control of volatility. One of the reasons why long-term this is going to be volatile is because I think we've kind of reached the point where we're running out of, you know, easier land for data center and there's some hard, there's some hard areas. And I'm myself, I've said, I don't want data centers next to residential housing well that limits the amount of you know land available where you're going to have so we do have some control over that and i would hope that we

[01:13:26] could integrate you said better forecasting was a was a component of this um i feel like sometimes we hear really mixed messages we hear we're running out of lands we need to be careful and then mr riser tells you know you tell us there's 24 what was it 24 billion in the pipeline or something million square feet though um and you know we had eight billion of announced investment this fiscal year that isn't on the ground yet but he also said he expects that to be half you know in the following year so you know to what extent can that information be used

[01:14:01] to really fine-tune the the forecasts so we we work with economic development hand in hand in developing those forecasts and we really have tried to refine that data sharing and information so like for instance at the moment the board let's just say hypothetically we're to adopt a data center cpam or zoam would you would that give you granular enough information to be able to adjust the forecast because x amount of land would no longer be available for a data center i can't say at the moment we'd be able to do that but yeah yes we would consider that and and that's been a

[01:14:38] topic of discussion since the board has engaged in those conversations over the last year or so okay thank you anybody else all right so so I'm looking at your table two and do you need us to give you hard fast answers on every one of those categories tonight I do not believe so unless you have more distinct or discrete suggestions I think that this discussion has been very helpful I think what i'm taking away from this discussion is you're interested in seeing more discreet and

[01:15:15] concrete policy recommendations in the form of maybe an amendment to the fiscal policy well enough in advance of the budget process decisions that you'll have to make next spring if the consensus of this committee were exactly what you just said would that be enough for tonight yes all right um are you all in agreement that we should encourage staff to continue on this okay madam chair can i just ask one more question yes yes is it staff's recommendation that we implement it fast enough that it happens within the next budget that we're working on so i don't

[01:15:53] think that it should have a relationship with the next budget process okay um but yes we would recommend that to coincide with i think the fund balance process in the winter got it okay oh that was your first question thank you all right so megan tim do you have an do you have what you need we want you to keep going on this yes thank you all right thank you all right item four quarterly

[01:16:18] report capital improvement projects fourth quarter fy23 got scott we've got nancy is he jim and remind me mark mark thank you good evening okay we are here to present the quarterly report for the capital improvement projects for the fourth quarter of fiscal year 2023 as with previous

[01:16:56] quarters I'll start out by highlighting the current market conditions and for this quarter there does not appear to be much change from last quarter. Material prices do remain high but appear to be steady over the last few months. In general we are seeing stable prices for steel plastic components as well as asphalt but notably we are continuing to see long delays for electrical equipment such as transformer switchgear and low voltage panel that are having impacts on our projects. That is all we wanted to highlight for you tonight. So So we're happy to take any questions that the committee may have.

[01:17:31] Okay, any questions? Okay, I've got Supervisor Briskman, Supervisor Letourneau, Chair Randall. Well, I was very excited to see that the Potomac Lake Sportsplex fields are finished, and I will ride my bike over there this week and take pictures.

[01:17:48] On the Bless Park facility improvements, we have a delay from spring 23 to summer 23, and it says because of VDOT design exceptions. You're trying to obtain a design exception from VDOT. What's the design exception for? Yeah, there's a waiver we're trying to get for the clear space between the curb and the sidewalk.

[01:18:07] And if we had the required curb distance from the curb to the clear space, we would be pushing it into environmentally sensitive areas and steep slopes. So we're trying to restrict that and we're just going through that approval process and unfortunately didn't find that out until later in the process.

[01:18:25] But we're finishing up the design as we're going through this, so it's only a slight delay that we're hoping to get the bids out this fall. Okay. Are those pretty easy to obtain from VDOT? I believe. I've heard of Jim on this.

[01:18:44] It depends on the nature of the request and the degree of nonconformance and other mitigating factors, they can go smoothly or they can require a fair amount of discussion and justification.

[01:19:03] Okay. All right. Thank you. And then the shared use path on Route 7, it says that we might get a recommendation for a different routing because of the Signal Hill Plaza.

[01:19:19] Are we not having cooperation with the owners at Signal Hill Plaza? What's the specific issue? Because I don't want a different... I mean, are you talking about going around the... No, it's not a... I would not call it a significant change.

[01:19:36] As you know, we went through public involvement a little while ago on this project, and one of the owners of the buildings at Signal Plaza became aware of the proposed alignment, which we were proposing a typical VDOT alignment where it's eight feet off the back of curb, where we, by the way, have gotten design waivers to do it as forefeet.

[01:20:04] So on road projects, we do actually request those design waivers that we just talked about at Bless Park pretty frequently. So it's not, it's a fairly, at least on the road projects, we do request those pretty

frequently just as a side comment.

[01:20:21] But that property owner, I think, is envisioning some future uses for their property. And we would have to acquire some either easements or right away from them to build what we had proposed. So since we're going to have to be involved with that property owner for land acquisition, we engaged with them to get their feedback. And I would call it as

[01:20:56] a cooperative type of discussion and some of the suggestions they made actually could save us some pretty significant money in the construction so we have agreed to work with them on that looking at some alternatives we're just talking about bringing it a little bit further away from the road but it would still be along the frontage of Route 7 we're not talking about going a significantly different route okay and so so um you know we know that to get the project built at

[01:21:34] some point in time we're gonna have to engage these property owners in land acquisition and you know it it has slowed us down a little bit in the design process but we know that it'll help us out as we go through the land acquisition process to just engage that property owner now and and And that's what we're working through to see, one, feasibility, and two, to ensure that it's going to be cost-effective in the long run.

[01:22:03] So that's what we're going through right now. Interesting. Okay, I'd love to know what their future plans are, but thank you. Well, we don't know either. I'm speculating a little bit, but there's obviously, they see some advantage to having that trail, but a little bit closer to their facility.

[01:22:23] Supervisor Letourneau, then Vice Chair Sains. This is always the portion of the meeting where we get into very specific district issues that the rest of us tune out. And then anyway, so in that vein, occasionally there's a project that just seems to be taking way longer than it should for the scope of the project.

[01:22:41] The one I'm going at now is the Tall Cedars and Nation Street intersection improvements, which is we have the temporary barriers up there now. And all we're doing is upgrading just to curbing. And we did that on Elclick already.

[01:22:57] And man, this thing has taken like years at this point just to go from one step to the other. And it sounds like we may be having some issues with right-of-way acquisition. So if that's the case, can somebody tell me and can I help get involved?

[01:23:13] I think the HOA owns some of the properties as well as a condo association that we need land from. And I wonder if that's really what's taking so long. And we can talk offline if we need to. Sure. What I would say is I would have to check with our land acquisition manager.

[01:23:31] I'm not aware of any specific issues that are in conflict with the HOAs, but I don't know the full situation. But, I mean, yes, the plans are approved, and we're going through the land acquisition project. I feel like they've been approved, and this has been funded for a long time.

[01:23:48] The other question is on the North Star project from Braddock to Tall Cedars. Sounds like we have to go back and start over with stormwater design or go back to zero on our 30% design, which will delay it by three seasons.

[01:24:08] So should I assume from that that the entire project will get pushed back by roughly three seasons, or can that be something that can be made up at some other point? i think we might be able to

make some of that up but what so i mean you are correct for what you just said and if you want to have some of the detail it's that section of north star was built a while ago as you know yep and all we're doing is that the other half section so um when we

[01:24:41] initiated the design uh the stormwater regulations do have grandfathering uh rules for projects that were previously performed was we went through that we discovered that basically we have two five-year permit cycles that we could get grandfathered but the actual construction of this will occur after that grandfathering sunsets so so that's the that's the scenario so we have had to integrate some more stormwater facilities into that i will also tell you that we're a little

[01:25:17] concerned when we get into public involvement how that tunnel's going to play out and i will be well we're going to start to find out thursday night when we do a community meeting so to be frank with you some of that time and there's also for probably some additional public involvement with that also you know that that i think is going to be a issue that we're going to have to discuss a lot with the folks around there supervisor saynes thank you um what's going on

[01:25:50] with the fire station the rescue station so we are yeah that was delayed due to contractor performance that we are we are very closely engaged with their uh executive team and and we we have their attention and they are um they are making good headway at this point um and and so we are we're very close to finishing the building and as you know this was a multi-phase project so the next phase that we're trying to accomplish uh is the uh turnover of the building so that we can have uh fire and rescue and the volunteers move into the facility and from there we'll then demo

[01:26:28] the temporary facility and then recreate the back parking lot so there's multiple phases so the date in here represents the full completion but we should have the uh fire folks in fire and rescue folks in in the building um right now we're aiming for the end of july and into august and then they have a move-in period so we're hoping in the next couple months to have them up and running so you're saying by at least october they'll definitely be moved in but but by all indications of the schedule and the progress they've been making now i would say yes all right well if you can

[01:27:07] please get me updated we will and if anything changes from that we'll let you know yes because we have to jump in and have conversations with the contractors and no no i'll do that i just wanted to reiterate we're expecting them to be able to start to move in in the july time frame correct yeah correct the july 31st is the current the date that they've agreed to so that august state and then 45-day moving period is what they needed so we're hoping to be in that september time frame okay thank you all right thank you all very very much we're going now to item six

[01:27:45] which is the fy25 budget development economic outlook and budget issues welcoming megan

[01:27:55] caleb back good evening again hello so the purpose of this item is hard to believe our first planning item for FY25. This item is the first in a series of items that will be coming to the

[01:28:35] Finance Committee and the Board throughout the budget development process. This item provides a discussion of the economic outlook and identification of preliminary issues for FY25. The economic outlook for FY25 is positive at this point in the budget development process.

[01:28:52] Moderate or slower growth is projected, but it is growth nonetheless. You will see in the next few slides, data demonstrating positive GDP growth, moderate job growth with steady unemployment rate, as well as a leveling out of year-over-year growth and inflation.

[01:29:08] Next slide. This chart, again, shows steady growth in GDP for the national and local economies. Loudoun is depicted at the blue bar all the way to the right. Next slide. The unemployment rate is also projected to be steady, with Loudoun, again, depicted in the blue bar on the right.

[01:29:29] And finally, inflation appears to be coming down from its peaks in FY 2022 and FY 2023. Overall, at this point in the budget process, we are forecasting a typical pre-pandemic revenue picture. While our numbers indicate a slower rate of growth is projected for residential values, please recall that the growth in this sector was at record highs over the last few years.

[01:29:54] Staff continues to evaluate the impact of HB 791, but the board has constructed its budget to isolate a lot of the risk of its unknown impacts. At the May Finance Committee, the committee requested a staff briefing on that topic, which staff continues to prepare for.

[01:30:13] And finally, as you heard discussed in item three tonight, continued growth is expected in business tangible personal property tax revenue. On the expenditure side, at this time, our largest pressures appear to be larger than typical year-over-year increases to employee pay and health insurance premiums. You'll recall that the board included an average of 6 to 9 percent pay increases in the FY24 adopted budget.

[01:30:40] Inflation and the highly competitive job market are anticipated to continue to drive compensation increases. The Finance Committee also heard during its last discussion about the increases in health insurance premiums for plan year 24, which will impact the FY25-based budget.

[01:30:58] And finally, based on actions the board took to provide Loudoun County public schools with one-time funding to address state revenue shortfalls, the school division's-based budget will need to increase by \$16 million before new local tax funding revenue can be split between the county and schools in the 40-60 ratio.

[01:31:23] At this point in the budget development process, we are continuing to track some issues with unknown fiscal impacts. These items are listed for the committee's awareness, and staff will provide updates on these topics throughout the development process. Collective bargaining negotiations are underway with the IAFF.

[01:31:41] Those have not concluded but could influence the FY25 budget. WMATA has announced a projected operating shortfall of nearly \$750 million for FY25. The county continues to engage with MAMADA on many levels to understand the impact of that shortfall on our own operating subsidy requirements.

[01:32:03] And as I mentioned before, staff continues to monitor commercial valuation methodologies for data center real property. And finally, the school division will have a new administrative leadership and a newly elected body during the FY25 budget process. County and School Division staff continue to have productive coordination on budget development themes, and we anticipate that continuing under the new administration.

[01:32:29] Current practice has been for staff to bring forward specific budget development or service-level discussions to the committee throughout the fall to receive feedback ahead of the budget proposal in February 2024. The items listed here are among the ones staff plans to bring to the committee, including a discussion on staffing and funding levels for the Purchase of Development Rights Program and guidance on the Capital Improvement Program budget.

[01:32:55] More specific budget issue papers supplement the preliminary and final budget guidance discussions with the committee and full board planned for October and January, respectively. This concludes my presentation, and we are happy to take questions.

[01:33:12] thank you very much uh supervisor briskman and chair randall thank you um the 22 forecasted year-over-year change in gdp was eight percent in 2022 which seemed really high it was like shot right up there is that just like the rebound from the pandemic okay yes that's what i was thinking okay um do we have any estimates on on how much a pdr program would cost no we're still formulating that program in the fiscal impact okay um and the other thing that i didn't see

[01:33:46] as a potential budget hit were board priorities and i wasn't sure where we are on board priorities have we funded all the board priorities or i feel like there's some hanging out there that might have been delayed but maybe we're just thinking those aren't big budget hits i think we've done i think we have track of what we know are coming related to board priorities for okay okay and then when you say the state uh funding when it comes to the schools um so what you're predicting is

[01:34:18] it will be a big budget hit if we have to fund with fund balance that 16 million so we the board authorized up to that 16 million dollars for fy 24 that will fund base budget for the school division and so for FY25 we need to add recurring revenue to support those expenditures before we split that local new local tax funding between the county and schools. I see what you're saying okay now although the the 60-40 split is for new revenue correct that is not what the schools

[01:34:56] make up out of the entirety of our budget what is every year how much of our budget actually goes to schools like the budget budget not the new revenue it's closer I think it's closer to 50 it's closer to 50 right so there's a narrative out there that 60 of our budget goes to the schools every single year and that's just not true it's 50 right it's closer to 50 closer to 50 right it's just this revenue new revenue split that we're trying to get to 60 40 so that we have

[01:35:31] more clarity, more stability, more consistency in how much their budgets go up every year. Okay, okay, great. And by the way, I don't know if everyone saw the JLARC study on how much our state is funding public education, but we're behind all of our border states.

[01:35:52] So there's that. Thank you. All right. Chair Randall, then Vice Chair Sains. Thank you. Thank you, Madam Chair. Let's go to page 7 of the presentation. So we've done the comp and class study in Loudoun, and we have tried to get our employee pay up this competitive to other counties, just in Northern Virginia, not even the region.

[01:36:22] That's a different discussion, but just in Northern Virginia. But we're still having a hard time keeping people, especially in planned design and development, you know, those positions where there's a lot of reasons. But when you're looking at other localities, when you're looking at other northern Virginia localities, are we in line?

[01:36:47] Because I'm concerned that, you know, inflation, the highly competitive job market, and anticipated drive compensation increases, the highly competitive job market. Are we in line with other places still because, you know, I say all the time it costs much less to keep an employee than to lose them and have to retrain someone.

[01:37:10] So when you look at those numbers, are we in line with them still? We believe so, and that's what our compensation recommendations were based on for FY24, and that's something that our HR

department looks at throughout the year. I don't have the most up-to-date figures, but we can get that information to the committee if you'd like.

[01:37:30] I wouldn't mind that information. I just want to make sure that we stay up there. The other question goes to something Ms. Brick's been just saying, I need to make sure that I understood what you just said. The \$16 million shortfall to the school system that was caused by the state government, we won't go into who in the state government, let's just say the state in general.

[01:37:47] If we do that, then that becomes part of their, that's not seen as like a fund balance extra. That becomes part of their base budget going forward.

[01:38:03] Yes. Yeah, I was going to say that the board's already done it. Right, but that's what it is. It's their base budget going forward. That's correct. So unless the state reimburses, that's now just part of their base budget going forward.

[01:38:22] Yeah, so to be clear, just to repeat what Ms. Burke said, so let's say, just again to use a round number, Let's say the total new local tax funding for FY25, we start at \$100 million. We're really starting at \$84 million because the first \$16 million will go to schools.

[01:38:42] That already does. And then we would split \$60, \$40, the \$84 million. So that's the impact of what happened. I think this is for alleged package discussion. Thank you. Thank you, Vice Chair Sains.

[01:38:59] Thank you. Supervisor Briskman brought up the JLARC study. What is staff's, do you have any feedback off it? I have not read that study yet. I invite staff to take a look at it because that might be something, yeah, that might be something we want to maybe talk about and discuss for our legislative program, too, to advocate for because it recommends a lot of things and points out a lot of things as well in regards to funding for our K-12 programs in the state.

[01:39:29] So thank you. Thank you very much, Megan. Thanks a lot. We are done now with information items. We have two action items. Does anyone need food before we take these up?

[01:39:45] I think you've already taken care of that. Very efficient. Anybody else? Would you like? All right. We've got a member who would like to eat, so we're going to break for 20 minutes.

[01:40:01] And so please be back here at 8 o'clock.

[01:40:32] We have streetlights, and we have item 22, which is the restricted TOT. So, okay, so we're back. We're back. And Vice Chair Sains, let me ask you if you would like to go straight to a motion on the LED streetlight program?

[01:40:59] Sure. All right, and you've got the amended motion in front of you? Yes. Okay. Thank you. Go ahead. I move that the Finance, Government, Operations, and Economic Development Committee recommend to the Board of Supervisors that all work on the countywide LED streetlight program as a service district model be discontinued.

[01:41:16] I further move that the Finance, Government, Operations, and Economic Development Committee recommend to the Board of Supervisors that staff be directed to create a streetlight improvement program that consists of the following core elements. Individual communities with support from the chair and or the district supervisors could apply for funding for specific projects that contain at least 10 streetlights in neighborhoods that are not covered by homeowners associations or equivalent and where no streetlights currently exist.

[01:41:43] And there is objective evidence of higher than normal vehicle accidents, conflicts, or accidents with pedestrians or cyclists, criminal activity, or other related events that would be positively impacted by the presence of streetlights. And each application is scored and ranked by county staff so that requests from individual communities can be prioritized as to need.

[01:42:05] And \$800,000 annually is budgeted within the general fund for this purpose. And appropriate staff positions are created to implement the program. And the annual maintenance, electricity, and replacement costs for installed streetlights are funded with the general fund and is in addition to the \$800,000 annual amount.

[01:42:25] I further move that the Finance, Government, Operations, and Economic Development Committee recommend to the Board of Supervisors that staff be directed to modify the countywide LED Streetlight Program Manual in Attachment 1 to the countywide LED Streetlight Program staff report in accordance with the above criteria and return to the Finance, Government, Operations, and Economic Development Committee for review and in time to send this program to the fiscal year 2025 budget for consideration for funding.

[01:42:52] Is there a second? Second by Supervisor Briskman. um, vice chair Sainz initial statement. Yes, I know it's, um, definitely it's a big, um, big edit than what was being presented from staff. I just felt if we're going to do the program, let the county pay for it and not have residents pay for it and be having an additional amount added to their bill every single year for, from what the port was saying about 20 years.

[01:43:22] Um, so if we're going to do a street light program, I think this is the way to go. So, so thank you any other comments um supervisor brisbane and then supervisor vaterno yeah i do i do have a couple questions was this modeled after something that you've that other jurisdictions have been doing the streetlight program the streetlight program that's in the packet in the packet yeah we uh we consulted with our financial advisors pfm and they helped us research other

[01:43:57] localities and what programs they had available um and then we did they helped us with the financial model with that as well okay um would we be uh legally allowed to allow hoas to apply for the funding or would there be a problem with that if we would allow hoa communities to be included i would have to ask legal i'm sorry so in that question are you referring to the service district

[01:44:30] model or are you referring to I'm referring to Mr. to Supervisor Sane's idea okay so that that sounds kind of like a sidewalk contingency yeah so I think the issue for the issue that that I would be concerned about for the board is that the proposal as opposed to being a service district where the users that are impacted would be paying for the service and the streetlights it now becomes a general fund expense and so the issue with with having HOA's be able to apply it now means that those homeowners associations that have street lights that are now paying for them

[01:45:08] out of their homeowners dues would now be able to come to the county and have the county take it on as a general fund expense okay which means you are now taxing you're going to have to address that through your tax rate in order to pay for those so services so staff would probably recommend and not allowing HOAs to be in the program as presented by Supervisor Seins?

[01:45:29] Staff's recommendation would be to do the service district model. I know that, yeah. Avoid this as a general fund expense, mostly because in the other places that Ms. Crawford alluded to in the study, most of them had discontinued their general fund programs because of the expense.

[01:45:50] And so most of these places are using a service district model. Okay. What do cities do? Do cities use service district models? Like in Washington, D.C. or Pittsburgh? We didn't evaluate cities as part of this program.

[01:46:06] Okay. All right. I see issues in our county where places that don't have an HOA need streetlights. So I was kind of excited to initially read the item.

[01:46:25] But then it's a tough ask, I think, for somebody to have to pay another 300-some dollars a year every single year for 20 years so their community can have 20 streetlights or 120 streetlights.

[01:46:42] So anyway, I'm on the fence. Supervisor Letourneau. Yeah, this is a big problem. This is hugely problematic on a couple of levels. So first of all, Tim, on the HOA point, I think what you're saying is true for existing, but the analysis that staff did showed how expensive this is and why an HOA could never pay for this if they wanted to do it from this point going forward.

[01:47:11] So to exclude HOAs is saying there is no HOA, especially, you know how many little HOAs we have? I mean, I'm in a 200 house HOA myself. there is no way they would possibly be able to afford to ever put up streetlights by itself. So if we're going to have a county program, I can understand saying it has to be new street lamps from this point forward.

[01:47:32] And not, you know, so the existing ones aren't eligible, but you've got to include everybody in the county because this is these numbers demonstrate why this isn't feasible for most HOAs. And frankly, some of the HOAs that do have street lamps today wish they didn't because it's so expensive.

[01:47:51] So no HOA community would ever get this. Number two, I don't know how we find objective evidence of related events, accidents, whatever, where a street lamp would be positive, where it would be positively impacted by the presence of a street light.

[01:48:07] But if we did have that, that's got to be a VDOT issue. And, you know, I understand we take on a lot of stuff that the state's responsible for, but road and usually pedestrian even, because the right of way for these roads includes usually the pedestrian facility, that's VDOT's responsibility to make that safe.

[01:48:29] So if we do, if we are able to identify any intersection that is, you know, a consistent problem because of lack of lighting, I think we've got to go to VDOT with this and not just, you know, make a request of maintenance, which we know is going to be denied.

[01:48:45] We have to have a policy discussion with VDOT over this question and this issue. And that could include the General Assembly or it could include the district administrators or whoever. But before we jump into, you know, a reoccurring expense for the county, I'm not sure \$800,000 is not going to get us very far.

[01:49:03] This is easily could exceed that with the amount of interest they would probably be. I think there's a reason why staff is reluctant to go down this road because most places that have are getting out of this and they're going to service districts. At the same time, I agree with Supervisor Sainz, and I'm sure the impetus for this is the amount of money that you'd have to charge each homeowner in a service district is not realistic either, and no one's going to want to spend \$400 a year for 20 years just to get streetlights.

[01:49:31] So I think we've got to slow down a little bit and talk this through, do some analysis, figure out this HOA issue, because I think this is very unfair to most of the county. And then also examine whether

there's a policy discussion with VDOT we can have before we just commit to spending more money on what should be their responsibility.

[01:49:51] Very good. Chair Randall. Thank you, Madam Chair. This is one of these moments where being the chair is interesting because I can definitely see all points of view and everyone is my constituent. Has there been any studies? Is that Ernie?

[01:50:09] It is Ernie. Hi, Ernie. Have there been any studies on, because I see streetlights less as a financial issue and more of a safety issue. Streetlights, they really are.

[01:50:27] So to Mr. Sainz's point, have there been any studies where you see the intersection between where there are no streetlights and there are more incidents of robbery or incidents of larceny or incidents of anything? have there been any of those because it would be, in my head, logical not to just put it out there and say, you know, everyone can apply for this money for streetlights, but it would be logical to first point to places where there's been some clear intersection between not having streetlights and crime.

[01:51:02] My first consideration is always, always, always safety. So has any of that been done? So, Chair Randall, I think if the board wants to entertain Vice Chair Sane's motion, I think that's the way to go.

[01:51:24] Keep in mind, the motion we received as staff a couple hours, maybe two or three hours before the meeting. So we don't have that information. We have not done any research on that. Could we have that discussion with the Sheriff's Department? Absolutely. I mean, if the board wants us to go down this path, we can, we would then go and do that research, which is what we would do in the interim.

[01:51:45] I guess I see, I see your point, I see your point, Mr. M. Street. I see Mr. Turner's point, too, for the reason he said it. But, but I mean, because, you know, I would imagine any, lots of HOAs would jump in here and go, hey, there's some money and we're going to have to raise our HOA fees. And so that's, that's great.

[01:52:01] And then there's places that don't have HOAs at all, which, of course, may need more help. But truthfully, if we're looking for a safe, if the issue is a safety issue, let's go look at safety numbers before we do anything, I would think. That's just my thought. Thank you. Thank you.

[01:52:17] Vice Chair Sains, I don't know that your motion would have enough votes to pass tonight. Would it be your desire to keep this in committee and consult with the sheriff, look at what other locations may have done?

[01:52:32] Yeah. If you want to have to do that research and then come back, yeah. All right. That'll work. Do I have to, do we need a motion to just keep this in committee and have a subsequent report? So I think portions of Vice Chair Sains' motion would need to pass.

[01:52:48] The direction from the board was for us to come back with a streetlight program around service districts. So I would ask for a motion then for us to at least research safety and security matters around streetlights around the existing program or something akin to that.

[01:53:09] Vice Chair Sains, would you like to withdraw your motion and make? Yes, I'll withdraw my motion, make an alternative motion that. Secunder, Supervisor Briskman, I think. Okay. An alternative motion would be direct staff to go back, do the research and analysis in regards to safety concerns and crime in regards to lit areas, non-lit areas.

[01:53:31] Also look at, what was the other thing? Consult with the sheriff. Oh, yeah, consult with the sheriff's department with the numbers and then come back. Can I add one? Yes. I know what VDOT is going to say, but I think the policy question around whether VDOT could potentially be involved with this should still probably be part of it.

[01:53:55] Yeah, and then consulting with VDOT as well. All right. Is there a second to this new motion? Second from Supervisor Brissman. Anything else, Supervisor Saints? Thank you. Everybody ready? All in favor, please say aye. Any opposed, nay. That will pass, 5-0.

[01:54:11] Thank you very much. We have one item left. which is TOT FY24, Restricted Transient Occupancy Tax Fund Tourism Grant Funding Recommendations.

[01:54:34] Chair Omstad and members of the committee, staff does have a presentation or we can go straight to questions if you prefer. What is the wish of the committee? Do you guys need a presentation? Go to questions.

[01:54:50] All right. Any questions? Supervisor Brissman and then Chair Randall. I feel like my questions might be kind of the same. Okay. So, first of all, could you just define who pays a transit occupancy tax?

[01:55:10] So, it is my understanding, and I am not the expert on the tax, so I would want to defer to, yes, I would want to defer to the budget office on that, but that is a, I believe, state fund, and then we receive a certain percentage of that per the funding policy.

[01:55:31] Okay. All right. Thank you. So it's not local tax funding being used? Not to my understanding. Okay. Thanks. Did any event or organization from Eastern Loudoun apply for a grant?

[01:55:48] All of the organizations that applied are listed in the table. Okay. So all 17. Okay. And what is the, what is the, I'm not familiar with this one, the Chan Dayan? Yes, that is actually for the Diwali Festival.

[01:56:06] Okay. Yes, and they are an annual applicant, and the Festival of Lights occurs down in, I believe, the Dulles District. Dulles District, okay, that's great, that's great. And then where is the Loudoun Ballet Performing Arts Company?

[01:56:24] So they have a Leesburg location, and I believe they also have some theater space in Sterling. I can get that exact information for you. Okay. And then can you explain why some were recommended for full funding and some weren't?

[01:56:43] Just in general, what maybe some of the criteria were? Because I was really struck that, you know, Waterford, Sweet Jazz, some of them were fully funded, but then the Berg Family Reunion Juneteenth celebration got only \$4,000 of the \$20,000 requested.

[01:56:59] So can you maybe walk through a little bit of the criteria? Sure, sure. So the applications were judged on quality criteria and the allowable expenses within their budget. And so staff examined the intended outcomes, the quality of the data that would be collected in terms of outcomes and the number of visitors to the area, as well as the budget line items so that we could understand what the overall impact would be based on the budget.

[01:57:30] and so depending on the the budget line items is where the funding comes from. Okay do we know how many people you may not know the answer to this question but do we know how many people attend for example the Berg Family Reunion versus the Waterford Foundation events or the Sweet Jazz Festival? We can get that information for you. I do know that the Sweet Jazz Festival has a significant

amount in the thousands. Yes whereas the Berg Family Reunion I think is in the hundreds, maybe around 100, but I can get that information for you.

[01:58:03] Okay, thank you. All right, Chair Randall. Actually, I was actually going to ask about the Sweet Jazz Festival, which, by the way, was started by Tracy Hamblin, who happened to be African-American. So I was wondering why, because the top five or top six got full funding.

[01:58:25] The Sweet Jazz was the only one that did not, and it's not a very large amount. I just was curious as to why they didn't get full funding when the other one's in that cohort. The remaining cost was for entertainment costs, and that's an unallowable expense per policy. Oh, makes sense. Wait a minute.

[01:58:42] Entertainment cost is an unallowable expense? That is per the RTOT policy adopted by the board, the payment of entertainment fees and costs. For instance, for entertainers. Oh, literally paying entertainers.

[01:58:59] I understand. All right. Thank you. And you answered the other questions. You know, sometimes, as we learn with the grant process, our grant process, there are times that applicants don't know how to fill out the grant application well, and so it costs them money, and it takes a couple of times for them to learn it.

[01:59:24] It may be that at some point, some of the ones that may have been eligible for more money but may need help learning how to do the grant application process in the same way that the county partnering with the Loudoun Human Services Network did for our grant process. And that just changed the game and kind of changed the game, period.

[01:59:42] But also, I think leveled the field for everyone because they knew what they were doing. And some of the organizations that had a professional grant writer now did not have an advantage over other organizations. So it might not be a bad idea in the future to say to people who are applying for this money, do you know what you're looking at?

[02:00:02] Do you know what you're asking for? Do you know how to file out this grant application? And if they say yes, fine, and they don't get something fine, but they actually may need a little more assistance. And that may be one of the reasons for the disparity in the amounts granted, because that was the reason, in fact, the main reason in our grant application.

[02:00:19] So I appreciate this. It's a lot of work, and I think I've gone to most of these events, at least one time so I appreciate it thanks thank you uh supervisor letourneau thank you uh well first of all for the record the the um chidanian uh festival was actually at uh franklin park last year so I was like if this was in my district I wouldn't know um but general question and this you may not be the one to ask this too but do we ever like track the actual performance of these Because some of these are reoccurring, and they do sometimes make some claims about how many visitors and how much TOT is generated.

[02:00:59] So do we ever actually follow up and find out what the actuals were on these? Beginning this year, we will be doing that. Oh, okay. So we were not doing it, but we're going to start doing it. Correct. We are assessing and providing technical assistance for data collection and pre-post surveys.

[02:01:17] Excellent. I'm relieved to hear that. Thank you. Very good. Supervisor Saints. Thank you. So I'll continue from Chair Randall's point. So are we offering the grant writing services or tutorial like we've done with the other organizations? This year we did not.

[02:01:33] It has not historically been done, but staff are already putting together training materials for next year. Okay. Very good. Thank you. All right. I'm going to go to a motion. I move that the Finance, Government Operations, and Economic Development Committee recommend that the Board of Supervisors approve \$180,832 in grant funding is recommended in this item and direct staff to notify selected applicants and process payments for FY 2024 grant funding pursuant to RTOT allowable activities.

[02:02:08] Second. Second by Chair Randall. Any discussion on the motion? All right. All in favor, please say aye. Aye. Any opposed, say nay. That will pass 5-0. And thank you both very much, Val Marie and May.

[02:02:23] With no further business to conduct, I call this Finance, Government Operations, and Economic Development Committee meeting adjourned.



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