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## Loudoun County Board of Supervisors, Finance/Government Operations and Economic Development Committee, Tuesday, October 10, 2023

Date Tuesday, October 10, 2023  
Place Board Room, First Floor, Government Center, 1 Harrison Street SE, Leesburg, Virginia  
Length 1h 46m (video)

- Official meeting video (county, Granicus): <https://loudoun.granicus.com/player/clip/7434>
- Agenda (Granicus): [https://loudoun.granicus.com/AgendaViewer.php?view\\_id=73&clip\\_id=7434](https://loudoun.granicus.com/AgendaViewer.php?view_id=73&clip_id=7434)

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Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-21. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:08:04] All right. We're going to call to order the October 10th, 2023 Loudoun County Board of Supervisors, Finance, Government Operations, and Economic Development Committee meeting. This room has a hearing loop. If you need hearing assistance, switch your hearing aid to telecoil mode if you need a headset.

[00:08:24] 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. Chair Randall will not be joining us tonight, and Supervisor Letourneau is running a few minutes late.

[00:08:44] So the proposed consent agenda is as follows. Item three, quarterly report, upcoming contract, second quarter, fiscal year 24. Item five, contract award, capital projects, program management, and reporting. Item six, award authority increase, advanced technology solutions aggregator.

[00:09:03] Item 7, award authority increase, digital book services. Item 8, award authority increase, roadway and civil design services for Route 7 and Route 287, interchange improvements. Item 9, community development block grant, consolidated annual performance and evaluation report for FY23.

[00:09:25] I'm going to move the consent agenda. Is there a second? Second by Supervisor Sainz. Any comments? All right. All in favor of the consent agenda, please say aye. Any opposed? All right. That will pass 302 with Chair Randall and Supervisor Letourneau off the dais.

[00:09:51] Next are the information items. Item number one is the monthly Department of Economic Development report. We've got Colleen here sitting in for Buddy. Oh, and Kelly. All right. Okay.

[00:10:08] We're ready. Good evening. I'm happy to provide tonight a few overarching trends and data we are monitoring, department progress to goals, recent updates and efforts, and a look at future programming before taking any questions, and turning things over to Ms. Fultman for an update on the Rural Economic Development Council. August is the most recent month for unemployment data, which showed Loudoun County at 2.7 percent, compared to Virginia at 2.8 and the U.S. at 3.8.

[00:10:37] We do have the federal numbers for September, and they did stay steady at 3.8% unemployment. We continue to monitor the labor market and rising prices. The September Consumer Price Index report showed prices were up 3.7% compared to the year before.

[00:10:53] This, along with difficult rates, will continue to be a challenge for development, though we are encouraged by recent movement and discussions in the market on end users looking to plans for 2026 and 2027. Here in the department, DED has closed 39 wins so far in FY24, which is associated with 977 jobs retained or gained and just under \$3.5 billion in investment.

[00:11:18] We continue to see movement across all our cluster pipelines, particularly within international, rural, and small business. On the small business front, the Launch Loudoun program is well underway since its start in May and has provided 23 separate office hours at seven locations across the county.

[00:11:37] In this time frame, Launch Loudoun has worked with 64 businesses, 83% of which are women or minority owned. On the commercial business development side, DED attended the second annual Quantum World Congress in September, which is hosted by Connected DMV and was created to help establish the region as a leader in the emerging field of quantum computing, and Buddy was a speaker at that event.

[00:12:02] DED also sponsored and helped plan Virginia Bio's annual Women Building Bio event in September and helped to recruit Loudoun business owner Susan Mitchell and Nini Spivey, the executive director of the Northern Virginia Science Center Foundation, as panelists for this statewide event.

[00:12:18] And finally, we provided you tonight fall farm tour maps to share, as well as some marketing materials, and are excited to be promoting the 30th anniversary of the Fall Farm Tour, which will be held rain or shine the weekend of October 21st and 22nd.

[00:12:34] With over 40 participating stops, there truly is something for everyone on this hallmark event that highlights the rich history and growing diversity of Loudoun's rural businesses. We encourage people to pick up a map at their local library or to check out loudounfarmtour.com and look at the interactive map to learn more about stops and to plan the route.

[00:12:55] We also encourage visitors to give themselves extra travel time and to enjoy getting to know and support Loudoun's wonderful rural businesses. And with that, I'll take any questions. Thank you. Do we have any questions for Colleen? All right. Kelly?

[00:13:12] Hello. Thank you. And just wanted to, we've been very busy since our last update. We have continued to work on the zoning rewrite, which culminated in a matrix of simple use standards for wineries, breweries, and distilleries suggested fixes to agricultural processing and equine standards and a definition of farm. This was sent to zoning staff and included in the Board of Supervisors review packets. Before finalizing the zoning recommendations, we began to direct outreach to the Chair of Loudoun Wine Growers, Corinne Bakke, to augment and support communication beyond that provided by our REDC representatives. We plan to do the same with limited breweries and have a

[00:13:50] meeting scheduled with their representative, Kevin Anderson. We've closely followed the Prime soils initiative through our redc member and prime soils representative chris van vlack on an organizational level we've reconstituted and added new members to the executive committee and the zor ad hoc committee and we've also worked to engage all of our members with assignments outside of these committees including aggregation of member news and events with the calendar updated prior to each full redc meeting and assisting with keynote speaker topics and speakers for each general meeting. We have sat on stakeholder groups on meetings for multi-use

[00:14:27] cultural events center, feasibility study, and a Route 50 safety and operational study, which is actually tomorrow. We do have a vacancy in the limited brewery slot, and we would recommend Mr. Tolga Bakke fill that. There are two active applicants in the county's application system, and Mr. Bakke is one of them. As co-owner of Hillsborough Winery and Brewery with his brother, Karim, and owner of Belly Love Brewery in Percival. He comes with experience working with industry groups. He was also recommended by our outgoing person to fill the limited brewery

[00:15:03] vacancy. Thank you very much. Any questions? Supervisor Briskman. Thank you. The definition of farm has come up a couple times, and I know it's probably in our plethora of documents that we've received. But would you mind just telling me what RADC's recommendation is for that definition? I don't have the exact wording in front of me, but the one thing that we have gone back and forth about is the need for a specific amount of agriculture or acreage of agriculture

[00:15:37] with it. But it is using the definition of bonafide agriculture is what is making up, is constituting a farm, whether or not for reasons in the county's attorney's office that we have to have physical acreage attached to that or not is something that we're willing to work with. If not, there are a number of smaller operations that are concerned about having a cutoff of so many acres, but we do feel that it is better to have a definition of farm with acreage if necessary. So farm is agriculture. Farm is agriculture, which is... Farming is not

[00:16:14] cows pigs yes that is part of agriculture oh okay i think agriculture is growing it is it is it is production of um crops and animals and oh okay and horses okay well thank you thanks for that all right seeing no other questions thank you both very very much all right item two personal property tax rates for tax year 2024 commissioner wurtz welcome thank you good evening madam chair

[00:16:48] members of the board. This is an annual item that's brought to the board to begin discussions about considering 2024 tax rates and it presents some basic information about the variety of categories of property that the board can set tax rates for. It also talks about the revenue that's generated per penny on the various classes. It provides a schedule for making changes if the Board is contemplating any. I will mention that there was a new class of property that was created

[00:17:28] that would also apply to this tax year. It was effective for 2022, 23, and 24. That would allow you to set a separate tax rate on vehicles only, but it's limited to those years, okay?

[00:17:45] To give you an idea, the number of vehicles that we're assessing on an annual basis were up to about 375,000 vehicles that we have in the county. Computer equipment in a data center. The board of supervisors is authorized to set a separate tax rate on that equipment. Although there's information in the item and the budget about the revenue that's generated from that particular line item that's spelled out separately, the board has not taken advantage of that opportunity. I know that

[00:18:23] there have been discussions by current sitting board members and candidates for the board about setting a separate rate on this class of property. Presently, it's \$4.15, which is the rate that's on the general class of property that the board established for 2023. There is one locality that has taken advantage of that that is noted in the item, and that is in Ricoh County. They've set their tax rate at 40 cents. Ours is \$4.15. For the other localities, they tax their computer

[00:19:01] equipment and data centers at the same rate as their computer equipment, which is most often the same as regular business personal property. To give you an idea of the number of businesses that we're assessing property for, it's about 15,000. You'll recall the board lowered the rate on the general class of property last year for the first time since 1987 by 5 cents to 415. The various classes of property for which the board is authorized to set separate rates is spelled

[00:19:34] out in 5813506 and it includes a whole list of various types of property, cars, trucks, business equipment, aircraft, boats, and they vary based on capacity, weight, things of that nature. And I'll draw your attention to attachment two, and that's what contains information about the revenue that's generated per penny based on those various classes of property. And I'm happy to answer any questions that you have. I guess the main purpose of the information item is to begin discussions about

[00:20:11] making any changes if you're interested, and what the impact of those changes might be. Thank you. Thank you very much. Questions, I'll go to Supervisor Brisbane and Supervisor Leturneau.

[00:20:27] Thank you. So let me see if I can understand this. Right now we use a general class that includes businesses, computers and equipment, and data center computers and equipment, and cars. Correct.

[00:20:43] All under the same. All under the same. It sounds to me like you're saying we could actually split that in three, so it would be cars and, you know, vehicles, general business, and then just the data center. You could. Okay. And it sounds like you're recommending that.

[00:21:02] Are you recommending that? I'm not recommending anything. Okay. I'm giving you the authority that you have to set separate rates. The reason I'm presenting it is there's been much discussion lately about separate rates on computer equipment in a data center.

[00:21:21] Yeah. Well, I had some conversations with colleagues. I think it was King George that just approved a really big data center project. And I believe my colleague down there said theirs was like \$1.25, which, again, is significantly lower.

[00:21:38] What do you see as the benefit to doing that? What would you see as the benefit to splitting them up like that? Well, it depends on which direction you want to go, whether you want to raise it or lower it. Obviously, it's an incentive to the industry as a whole to lower that rate.

[00:21:57] Okay. If you raise that rate, obviously, it's a disincentive, and they might choose to relocate their equipment that's easily moved to another locality in order to take advantage of a lower tax rate.

[00:22:13] I will tell you, it's not my feeling that tax rates are the reason that any business locates anywhere. Right. I agree. I agree. But you compared Enrico and Ricoh County, you're saying they're the only ones in the state that separated out?

[00:22:29] That we're aware of. Do you have an understanding as to why they did that? Was it to incentivize the businesses? It's my understanding. Part of this incentivizing businesses. Okay. Okay. I will tell you, Prince William County set a lower rate on computer equipment. to entice data centers to come and then they realized that they needed to generate more money so that after they started coming they raised the rate i'm not sure the industry felt that they were treated properly after they arrived oh that's that's very interesting okay um and then so we would if we wanted to separate them out it would be an item that would have to come to finance

[00:23:09] first i don't know if this is maybe a mr hemstreet question it would have to come to finance first we would vote on it it would go to public hearing supposing all that happens how long do you think it would take your office assuming you're still in office how long do you think it would take to implement well one of the things you need to be aware of is any change that you might make in the tax rate affects the current adopted budget as well as next year's budget the county administrator might want to weigh in on that chair so the adopted budget by the board does not contemplate

[00:23:44] any tax rate changes for personal property or changes in classifications for tax year 24 okay well yeah that that makes sense but we could contemplate it for 25 oh i'm out of time sorry all right supervisor letourneau well we actually couldn't on vehicles right because the the code change that happened was only for tax year 22 23 and 24 i think what needs to be clarified here is you could make a change but it affects the current budget and you might want to figure out well how you would change sure i guess my point is if we wanted to create a separate class and a rate for

[00:24:19] vehicles we could only do that through tax year 24 the authority does not exist beyond that that is correct so until the general assembly makes this a permanent change in the code with you know that doesn't sunset then i don't really have any interest in going down this road because we could go through all of this create a separate rate on vehicles make them lower get everybody excited and then we have to raise them a year later and we'll have to explain that well the general assembly didn't extend the bill or pass a different piece of legislation or whatever so i don't want to do that personally i i think we've got a you know we need consistency do you need to

[00:24:56] talk to what i'm saying or i'm just going to clarify something but you're on the clock so all right when i'm done um all right so that was one thing um otherwise uh i mean sure it's always it would always be interesting to be able to look at the vehicle tax in particular, but this chart annually, the PPTR percentage chart, this should be taken up and put it on a billboard and driven around. Of course, nobody would understand it, but certainly at a minimum, anybody who runs for office should be required to stare at this chart because it shows that in 2012,

[00:25:36] we were getting 51 percent of everybody out there's tax bills were we were getting relief on from the state as part of their personal property tax relief program and in 2023 it was 33 percent and it actually went down to 27 then back up which i think is because of the changes in vehicle values correct yeah but you know for everybody out there who talks about tax relief and all this kind of stuff this is the

thing that needs to get fixed i do this every year and you know that you're tired of me saying it but but this is the thing that needs to get fixed because this was never indexed

[00:26:13] so a county with a lot of population growth was really unfairly punished for that population growth versus places that basically had not and are probably still getting about the same percentage that they've gotten for 20 plus years because this predates 2012 right this goes all way back to Jim Gilmore. So this is the biggest issue we have. And that would be the thing to fix if we could ever get anybody interested in fixing it. But unfortunately, it's sort of a zero sum game. And if they fixed it for Loudon, it would probably raise somebody's, you know, personal

[00:26:48] property tax bill somewhere else. And then, you know, that's why there's really very little interest in it. But it is really fundamentally unfair. And my time is almost up. But it wouldn't be it wouldn't be this item if i didn't say that so very good um supervisor briskman you might have oh i'm sorry um tim and then julie if you had any other question you wanted all right thank you so i was just going to clarify that the the board of supervisors you did make a specific decision with respect to vehicles when used vehicles the market was really high then in lieu of taking advantage of the three-year period that the commissioner just went through for setting a

[00:27:28] separate class for vehicles what you chose to do uh is to use a assessment percentage ratio assessment percentage ratio uh so you know for example the last tax year uh 22 was 80 percent of the value the 23 the tax ratio was 95 percent and then i'm assuming we'll go back to 100 for 24 but the board could set another ratio for 24 okay so that was my that was my question we could still do the percentage of valuation. Okay. We could do that any year we wanted to, right? We

[00:28:04] wouldn't have to, wouldn't have to be COVID be the reason why we did that. And we wouldn't need permission from the General Assembly to do that. Correct. Right. And we wouldn't need permission from the governor to do that either, would we? That's correct. That's correct. Yes. If I might ask Supervisor Materno through the chair, you don't want to do a separate vehicle, but what about a separate one for the data center equipment like to me that's separate things like we could do well leave the vehicles the same and then just separate out the data center equipment yeah well i assume you probably mean higher um i mean we are you know prince williams at a they're still

[00:28:40] in the dollar range for for data center so i think correct me but i think i think we have essentially the highest of any place that has a significant amount of data center so you know i i probably wouldn't do that but it's me you wouldn't separate it out no okay thanks not right now because i think unless you can do vehicle ultimately then it doesn't it's still really not what's the point i see okay thanks i did have another question go ahead what i meant to ask before i got carried away was um um this whole discussion was tied to the percentage of revenue we were getting from

[00:29:19] data centers and the board's desire to get below 50 on that so contextually and that's not really the commissioner's sort of area, it's more county administration, so finance. So we would need that sort of indication of where we're going with that, I think, in order to be able to make a decision on the tax rate. You know, we did, the reason we lowered the tax rate the time that we did was to adjust that sort of ratio. So in the previous forecast item that we received here, I believe that the indication was at the 415 level we would still be under 50 percent of our revenue coming

[00:29:59] from computer equipment is that is that still the case so the 50 percent refers to real property yes a real property portfolio well okay yeah all right when we are right is the everything else is the other

yeah okay so we are going to talk a little bit about the topic you just brought up as part of item number 10 which is on tonight's agenda which deals with a proposal to have a revenue stabilization fund uh you know our recommendation to the board has been to manage data center revenues in a little bit different way as opposed to using separate classifications

[00:30:37] which is using the tax rates the vast majority of our personal property tax income is from data center equipment so uh i don't you know i don't know what that would mean in terms of changes to your overall budget uh if you were going to entertain entertain a change to your classifications uh i think the staff i think you're kind of beyond what i asked i wasn't i was just asking how that ratio if that was going to be another issue for us getting into this budget year if we anticipate having that problem again we do have that problem

[00:31:16] again we will okay we'll talk a little bit about or an item 10 and then we will come back for board guidance on the budget in your November Finance Committee meeting. Okay. All right. Mr. Wirtz, one last question. The applied ratio, and you're recommending 95% this round.

[00:31:39] I noticed that, and thank you for these charts, Alexandria and Fairfax do 90%. Why do you think 95% makes more sense than 90% or 85%?

[00:31:55] The 95 that you're referring to is for this tax year, and the board already agreed with my recommendation. Our pool of automobiles is different than other localities, so you have to look at the specific type of property that is within each locality's bucket of vehicles, basically.

[00:32:17] I'll give you an example. When gas prices went up to \$5 a number of years ago, some of our large SUVs lost 50% of value in one year. So you have to look at the pool of vehicles to see what's the market doing to their value, and that's how the recommendation for 95 came about for this year.

[00:32:40] Now, we are going to come back in the spring with a recommendation. I don't know if I'll be making a recommendation relative to an assessment ratio or not. It could be because vehicle values may rain up that this is going to be the new standard of vehicle values.

[00:33:00] Maybe it's not just a one, two, or three-year thing. It could be a permanent state of used vehicle values. It's my understanding that the vehicle manufacturers are reducing the volume of vehicles in order to keep prices up.

[00:33:18] So we will have to see what the market does. That's very helpful. And thank you for clarifying that I guess we have a significantly higher percentage of large SUVs on the roads than, say, Alexandria. Okay.

[00:33:33] And electric automobiles, as a matter of fact. A huge number of Teslas. Okay. All right. We do. All right. Well, thank you for that. All right. No other questions. Thank you very, very much. Thank you. All right.

[00:33:50] We are now going to go to item four, quarterly report, capital improvement projects, first quarter FY24. And we've got Scott and Jim and Nancy.

[00:34:10] Thanks for coming. And Mark, thanks for coming. Great. Thank you. And good evening, Chair Umpstead, members of the board.

[00:34:27] We are here to present the quarterly report for the capital improvement program, capital improvement projects for the first quarter fiscal year 2024. And as you mentioned, other members from

DTCI are here to answer any questions you may have. As with previous quarters, I'll start out by highlighting the current market conditions.

[00:34:46] And I'll start by noting that we are seeing construction costs leveling off after the 30 to 40 percent increase from pre-pandemic levels. Although at the much higher cost, in general, we are seeing prices stabilize for steel and plastic components as well as asphalt and lumber materials.

[00:35:06] Notably, we are still seeing long delays for electrical equipment and some specialty products. That is all we really wanted to highlight for you this quarter, but we're happy to answer any questions that the committee may have. Thank you very much. Any questions, Supervisor Briskman? Thank you. I can follow up if you guys don't exactly know, but I was actually been curious about Bless Park, and there was a contract award, I think, for design in there, and I was just like, so that means that Bless Park isn't even, you guys haven't broken ground or anything on that yet?

[00:35:41] No, the design is complete. I believe the milestone, hopefully, has said for design completion was this quarter. Oh, this quarter. Okay. Oh, okay. So then when are we going to start? So we should be bidding it out in the next, call it month. We're working with procurement to get that out on the street.

[00:35:58] So we should be seeing bids come in, hopefully end of this year. Okay, and this is just for phase one, right? This is phase one, yeah. Okay, okay, thank you, I can't wait. Supervisor Letourneau. So we apparently have a bit of an issue with funding on the local fixed-route bus stop projects.

[00:36:16] So there's additional funding that's needed, and the amount listed here is \$3.9 million. But it looks like the total project cost is only \$4 million. So we're essentially requesting double. So that kind of caught my attention because that's a pretty sizable increase.

[00:36:37] You are correct. So when we initiated the ADA improvements to the bus stops, we took an educated guess at the level of effort that was going to be required for upgrading the bus stops.

[00:36:54] And what I'll say is it's changed pretty significantly since that time is the level of oversight and review of ADA compliance. And what that means is when we initially estimated the cost, we felt that we would be able to use GIS-level information to do a lot of our work and not have to go out and do actual survey.

[00:37:24] That has turned out not to be the case now, that there's a very much more oversight on actual ADA compliance to the point where we're essentially surveying most of the bus stops, and this is, you know, 250-plus bus stop locations.

[00:37:43] We've also found that we've had to work through with VDOT and primarily the town of Leesburg on how we are going to document the land rights that we obtain, and that, too, has gotten to the point where we do have to get actual survey boundaries in order to establish the easements that we're going to need for constructing these.

[00:38:08] So, you know, having gotten into and dug into the actual details of all these projects has created a much higher level of effort for particularly survey as well as documenting design such that we have to actually establish particular elevations throughout bus paths as well as part of the project is designing and constructing.

[00:38:38] I'll come back to you. Okay, sorry. No, it's okay. I'm getting the picture. I mean, I think it's much more complicated than what we thought it was going to be is the bottom line. And when you can't use GIS-

level data. Yes. No, the only thing I was going to say was just a congratulations for the North Star Boulevard segment that will be opening on October 19th.

[00:38:58] Of course, I will be there. I hope all of you will be there as well. But that is opening early, at least from when we've been planning over the last few years. So I just wanted to say, since I'm usually asking you questions about stuff that's late, I just wanted to say congratulations.

[00:39:17] Very good. Supervisor Sainz. Thank you. I got your email. Was it either Thursday or Friday regarding the W&OD Trail and Dominion? So we'll reach out to Dominion and see what we can do with that, what's going on there. You know, the safety center, we just had a soft opening this past Saturday at Sterling Fest.

[00:39:38] So the community was very excited and the Rankin Fowler very excited as well to finally go through their new digs and see everything for the first time. So those are very exciting, and I understand the next phase will be to, once everything is moved in, then we'll take down the temporary structure and complete the parking in the back.

[00:39:56] Is that correct? Yeah, that is correct. We're going to start running calls out of the new station and then be able to dismantle the old one and then put in the parking lot, and that's the last phase back there. And just out of curiosity, what are we going to do with that temporary structure? It will be stored for future use.

[00:40:13] Future use? Yeah. Okay, but it is storable. Okay, that's good to hear. So, yeah, I will follow up after I connect with Dominion and see where we go. But if we can, that was not good news to receive. So we will update you as soon as I hear back from Dominion.

[00:40:31] Thank you. All right. No other questions. Thank you all very, very much. We're moving on to item number 10, amendments to fiscal policy, the Revenue Stabilization Fund, and other general updates. And I've got down Tim and Megan.

[00:40:52] I don't see Megan, but we've got Caleb. Megan's online. All right. Okay, there she is. All right. And Elaine. All right.

[00:41:10] All right. Good evening. Thank you. I'm feeling a bit under the weather, so that's why I'm joining you remotely. So this evening, you have item 10 on your agenda, which is staff's recommendations on amendments to the board's fiscal policy.

[00:41:29] At the table this evening, as Supervisor Umstad just introduced, is Elaine Crawford, Acting Director, the Department of Finance and Procurement, Caleb White, Assistant Director for the Office of Management and Budget, as well as representatives from the county's financial advisor, PFM, Joanne Carter and Randall Bauer.

[00:41:48] They have been supporting the county in our formulation of strategies to mitigate the risk to the county's fiscal position associated with revenues from computer equipment. Ms. Carter and Mr. Bauer are here to assist staff in responding to questions board members may have about the research performed to support our recommendations.

[00:42:08] If you recall, staff presented recommendations on the creation of a revenue stabilization fund during the July Finance Committee meeting. During that meeting and in the accompanying staff report,

staff detailed the policy parameters that could be considered should the board wish to move forward with the creation of such a fund.

[00:42:28] Based on the July discussion, staff has prepared language to amend the fiscal policy to add the creation of a revenue stabilization fund. I will note that in the July discussion, staff had presented two alternatives for how to size the revenue stabilization fund.

[00:42:48] DEF has ultimately recommended sizing the fund to be 10% of the annual data center related real and business personal property tax revenue. This item also presents amendments to Section 11 of the fiscal policy, specifically to the criteria for establishment of special assessment districts, to clearly state the expectations that all debt issued under such districts shall be structured to be non-recourse to the county as intended in the policy.

[00:43:18] Before I conclude my opening remarks, I would like to request Ms. Carter speak to how the creation of a revenue stabilization fund may be viewed by the credit rating agency, through the credit rating agency lens. Great. Thank you, Megan. Good evening, everyone. It's good to be with you here today.

[00:43:36] So as we formulated our support for the staff's recommendation here, we did, of course, consider how a revenue stabilization fund policy would be viewed by the credit agencies. And our conclusion is that it would be credit positive for the county.

[00:43:52] The creation of an RSF is, frankly, what all AAAs do. You self-assess your risks, you know them better than anyone else, and you come up with strategies that will serve you over the long term to help smooth and mitigate those risks. We also note that the most recent feedback you all have received directly from the rating agencies is very favorable with regards to your existing level of reserves, and I'm referring to your 10% fiscal reserve there.

[00:44:20] So you're building from a place of strength. It's important to continue to maintain that level, the 10% level of your fiscal reserve, and basically by maintaining that level, the RSF would be additive on top of that. We also think that it's very important if you choose to proceed with this policy to be very clear with the agencies that this is a different type of reserve than your fiscal reserve.

[00:44:47] It's managing a very specific risk, and it's intended to be focused on the collection of data center-related real and personal property tax revenue. And so you intend to use it differently than what you have in the past for your other reserves.

[00:45:05] So we really believe that establishing this upfront dialogue with the agencies and then keeping them updated year over year, As you put this into practice, should you so choose to keep them aware of how you're using this new tool in your toolbox? I'm happy to address any other questions you have, and thank you for your time.

[00:45:24] Thank you very much. Any questions? If I could just conclude. Yeah, I'm sorry, Megan, go ahead. No, that's all right. I just wanted to conclude my remarks by saying the action recommended to the Finance Committee this evening would amend the fiscal policy to create a revenue stabilization fund, and further, the funding strategy to fill this fund will be presented as part of both the FY23 fund balance process discussion, as well as the FY25 budget development process, and that concludes our remarks.

[00:45:58] Okay, thank you very much, Supervisor Briskman. Wait, why would it be part of the fund balance discussion? Isn't this a separate pot? So the revenue stabilization fund does not have any funding

in it yet.

[00:46:14] And so the fund balance discussion would, staff is likely to recommend utilizing some year-end fund balance to put the funding into the revenue stabilization fund to start the revenue stabilization fund. Ah, yes. Okay. I recall.

[00:46:30] So what is, do we know what is the estimated, it sounds like staff's recommending 10% percent each year go in. So do you know what that is? What would that be this year? Do you know? Mr. Weitz, can you take that question? Yes. So as an example, for our most recently completed fiscal year, fiscal year 23 at the end of that year, 10 percent of the revenue from data center related real property and the computer equipment personal property in total was approximately

[00:47:05] \$735 million. So 10% of that would be a reserve of \$73 million. We anticipate moving into FY24 and 25 that that reserve range would be in the \$80 to \$90 million range. Do you think staff is going to recommend that size from fund balance? That makes me kind of nervous that we're thinking about \$80 million out of fund balance to start the reserve fund. No, there's, well, it's up to the board's discretion but I believe the recommendation that staff would present to you is to build that fund

[00:47:40] up over a number of opportunities rather than in one shot with fund balance. Okay okay and then I guess you know I noticed that there was no sunset to this if we do this there's no determined sunset but I was just wondering if we look at it the other way are we hamstringing ourselves to putting 10% in every single year when we might have a year that we don't want to put that 10% in?

[00:48:12] Like, is it going to be a vote every year or is it just going to be like an automatic 10%? Because I can see years where we have a constrained budget down the road at some point where we may not want to put that 10% in. So that's the one that worries me a little bit.

[00:48:27] The recommendations that we have in the item and for the fiscal policy amendments do not recommend a sunset. That recommendation is based upon primarily what Ms. Carter shared about the importance of showing that a triple AAA has mitigating strategies for volatility in their revenue sources. And so putting a reserve in place, but sunseting it was not the recommendation that we formulated with PFM.

[00:49:05] Of course, we will revisit the effectiveness of that stabilization fund over the years as we prepare to issue debt on an annual basis. But that recommendation is for that fund to be permanent.

[00:49:20] To your question about years where we wouldn't want to put funding into the stabilization fund. Or the full 10%. Right. I will just say that you currently have a policy of adding funding to your fiscal reserve of 10% and that's done typically through the budget or the fund balance process. And in years that revenues are not growing, then there would be not a need to increase the amount that you're adding to that fiscal reserve, but staff's

[00:49:54] recommendations ultimately are that if you create this reserve that it's funded to its policy parameters. I think Tim might, or Mr. Hemstreet might have a comment. Tim. Thank you, Chair. I'm sad. The only thing I would add to what Ms. Burke said is that what we're proposing is a revenue stabilization fund. So it's not a reserve like the fiscal reserve. It is intended as a second step in our process of trying to address the volatility of personal property tax revenue from computer

[00:50:31] equipment. So if you recall, we have been off by as much as 10% in terms of our revenue projections on this revenue stream in a single year. And so the purpose of the Revenue Stabilization Fund is to try to address those challenges. Now, if we are very close in a year to our projections, we would likely not recommend taking any money out of the Revenue Stabilization Fund.

[00:50:58] However, if we were off by, say, 7% or 8%, we might recommend taking the equivalent of maybe 3% or 4% out of the revenue stabilization fund. So the intent would be to use this on a regular basis to kind of smooth out the collections that occur with this individual revenue stream.

[00:51:18] So, for example, we're going to overcollect in this fiscal year by a lot in terms of the personal property tax collected by computer equipment, Whereas the past year or so, we underperformed with respect to our projections and budget.

[00:51:36] So in those years where we overperformed, we would recommend putting funding towards the revenue stabilization fund. And in those years where we kind of miss the revenue projection, recommend to the board that you utilize this fund in order to kind of smooth out those revenue ups and downs that occur because of the nature of the personal property tax for computer equipment.

[00:52:00] So it's a little bit different from the reserve. It's intended to assist the board in kind of taking that revenue stream, which its growth is not a straight line. It's kind of an up and down, and kind of to smooth it out by using those years where you have additional money to fund the revenue stabilization fund and then those years where you don't to take money out to kind of smooth out your entire the board's revenue picture over time in any given year if that helps okay matt yeah so i mean i get the concept and all that stuff i think you answered i think what my question

[00:52:39] was going to be was are we going to have enough i mean are we going to be in one of those positive years which we are it sounds like to actually get this thing stood up because that seems like the hard part with this it's it's having surplus revenue in a given year that the board is going to have to make a conscious decision not to use, right? Yeah, so I think what's going to happen, Supervisor Letourneau, is in when we come back to you in November for fiscal or budget guidance, we'll likely recommend that a portion of your fund balance for fiscal year 23 be set towards

[00:53:14] starting the revenue stabilization fund. We are likely to also recommend a portion of your FY25 budget also go towards the revenue stabilization fund because of the performance of the overall revenue source and also to balance the 50 to 60 percent of the portfolio that we want to be real property without having to really impact negatively or adversely both your your your real property tax and your personal property tax rates so you're going to recommend that we put money from that actually into this as a as a mechanism to deal with that number i see correct

[00:53:54] and so it gives you another tool to kind of balance your tax rates without having to really really uh significantly lower one or raise the other what happens when we hit the 10 we're just going to stop putting money in yes because we will hit a time when we miss the revenue projection you will have to take money out of it yeah does this 10 grow with any interest or anything so our money is invested by the treasurer so those investments have to be done in accordance with virginia law those investments at this point in time are doing very well but if we go back

[00:54:28] four or five six years they weren't okay all right thank you very much all right we're moving on to item number 11 project labor agreement transportation pilot project i'm sure i'm sorry megan go ahead

there's a motion in the packet yes of course yes thank you all right

[00:54:56] I move that the Finance, Government Operations, and Economic Development Committee recommend the Board of Supervisors adopt the amendments to the fiscal policy as shown in Attachment 1 to the October 10, 2023 Finance, Government Operations, and Economic Development Committee action item.

[00:55:15] Is there a second? Second by Supervisor Letourneau. Any discussion? All in favor, please say aye. Any opposed, say nay. and that will pass five i'm sorry three four four zero one thank you with chair randall off the

[00:55:35] dais all right now item number 11 megan thank you hello good evening committee members with me tonight is nancy boyd director of dtci this is a follow-up item as a result of a board action taken at the september 19th business meeting at that meeting the board directed staff to not only

[00:56:11] proceed with a pilot PLA project for the government office building phase one, but they also directed to SLAPS to select a transportation pilot and bring it back to the committee for consideration. In review of the transportation projects in the current CIP, as noted in the item, there are 10 transportation projects that exceed \$35 million. \$35 million is the federal limit for PLAs, which is why we're using that as a target to start with. Upon review of those five of those projects are not planned to begin construction for several years and staff felt that the board or committee might not be interested in waiting that long

[00:56:49] to apply a project or a PLA to that project so upon review of the projects that were set to proceed to construction sooner rather than later staff has reviewed and selected the route 15 wide 15 widening project from White's Ferry Road as a potential candidate for the committee and boards consideration okay staff doesn't have any other information outside of what was in the item and we're here for questions all right any questions um supervisor letourneau so all right

[00:57:22] you all know what i think of this but beside that um isn't isn't this kind of a stretch for a pla because there's just there's not a lot of trades i know this particular project maybe has some bridge complexities and things like this but typically you would use a pla when you have a lot of subs and you have all sorts of electrical work and that kind of thing. I'm still having trouble understanding this application to road construction. Well, we evaluated, as Cheryl mentioned, we evaluated the projects we had in queue and picked the one that we thought was most readily suited. Yeah, but that's not to say it actually makes sense. That just means the board

[00:58:02] told you you had to do it. So therefore, of all the ones that we have to have, this is the one that maybe is the best fit. But isn't in general this kind of a square peg round hole? You know, we think that, you know, it's worth trying for, you know, if we're looking for a project to apply a PLA to.

[00:58:21] It has, you know, some level of complexity. It is of the right size. And as Cheryl mentioned, it's in that right time frame. So if we were looking for a transportation project, this is the one we recommend. Okay. I'll quit asking you uncomfortable questions. I'm glad that this is not anywhere near the Dulles District.

[00:58:38] All right. Okay. All right. But Supervisor Letourneau, you are correct. The board directed staff. That was not the direction staff initially wanted to go. So I know you're not blaming staff. And I appreciate your efforts to try to meet what the board majority recommended.

[00:59:03] I appreciate that very much. Supervisor Sainz. Thank you. So, yeah, this is a road project, so there's not much, to supervise Letourneau's point, much electrical work and all that other stuff.

[00:59:20] So, did we look at bridge building projects, like, for example, the WMD Trail Bridge project? Did that meet this criteria or no? I think that was in the criteria. I don't think it was on our short list for a couple of different reasons. Cheryl will look. But this one, you know, it does have a small bridge in it.

[00:59:36] It does have some context-sensitive roadside features that may, you know, include some specialized trades to be able to construct. It will have traffic control, you know, extensive traffic control. So there are some elements that will apply.

[00:59:52] Okay. Cheryl, do you have anything to add for my question? I do not, thank you. It was not on your list there? No, it was not. So when we went back to look at the project in the current CIP, that was not one of the ones that was identified for consideration. Okay. All right, thank you.

[01:00:09] All right, I'm going to make a motion. I move that the Finance, Government Operations, and Economic Development Committee recommend to the Board of Supervisors to direct staff to proceed with a pilot project, labor agreement project for the construction of Route 15, widening Whites Ferry Road to Montessor Road.

[01:00:28] Is there a second? Second by Supervisor Bristman. Any further discussion? Supervisor Bristman. Thank you. Well, thank you, staff, for working on this. We really appreciate it. And I think it looks like a good project. I would disagree with my colleague to my left.

[01:00:46] I actually went to a ribbon cutting last week for the GW Bridge. And that was done completely with labor unions. The entire project was done with labor. And it came in seven months early.

[01:01:03] So I do believe that we have union labor in the state that can do these jobs and get them done on time and on budget, which has been the reputation of union projects across the nation. And I'm really looking forward to this project as well.

[01:01:21] I mean, we know that the PLAs prevent wage theft. They help with wage gap. That can sometimes happen as well. And they keep our projects on time and on budget. So I'm really happy about this.

[01:01:37] I'm looking forward to it. Thank you. Thank you. supervisor letourneau now i have to um so there was a project using union labor that was done without a pla that's kind of my point we don't have to do this to use union labor and yes there are some contractors but the largest ones that we've used and vdot typically do not so we'll see kind of where this goes in terms of who was the contractor does do you know who the

[01:02:12] contractor was. Okay. I'd be interested following up on that. Because anyway, it's all about competition. I mean, it's the bottom line. So I'm glad that a project came in early, as the North Star project is as well. But you don't have to have a PLA to try to prevent wage theft. You don't have to have a PLA to use union labor. And in fact, I think it's great when we're using union labor on a lot of projects. They do a great job. So that's not really the issue. The issue is the level of regulation that you put on it and the mandate that you put on it. But be that as it may,

[01:02:48] I shall lose this vote as I have been consistently. So I'll not belabor the point. We appreciate your sticking up for your beliefs, however. Okay. All in favor, please say aye. Any opposed nay? Nay. Okay.

So that is three ayes, one nay, and one off the dais, Chair Randall. Thank you both very, very much. All right, item number 12, the Lovettsville Recycling Center

[01:03:20] Relocation. Bernie Brown. Well, good evening, Chair Umstead, members of the committee. Thank you for giving us the opportunity to speak this evening. I will say that we have nothing additional to add for the item itself, except to highlight that this is the first expenditure of the disposable bag fund for environmental purposes. We did expend funds associated with the SNAP program and providing bags for those participants, but we are certainly in support of this and would

[01:03:59] request your consideration. All right, thank you very much. Questions? Supervisor Sainz. Yes, and the item notes using \$275,000 from the plastic bag tax for this and then remainder 505 from a different fund how much is left and the in the in the fund after this um if this vote goes through there's there's roughly 785,000

[01:04:34] available currently so okay we there's plenty to pay for the remaining part of the construction if we were to move well do we have any and I don't know maybe you don't know this answer but do we have any other projects possibly we could use funds or? Supervisor Sains, as we mentioned the last time when we discussed this, the objective is to use this for particular projects, and that's a question that you're going to, that don't have the county depend on the source, because if this tax actually works as it's designed, it'll be a diminishing fund, because people will stop using plastic bags, there will be no tax, and the

[01:05:13] funding, the taxation will go away. So we're being very strategic about the projects that we do employ these funds for so the seven hundred and how much are we using for this one seven hundred and seven hundred and eighty thousand right so the portion that we're actually using for this will will take a large portion of it but then we'll build it up for um uh additional um electric electronic recycling programs uh additional events such of that nature that we're that we're already scheduling uh to add but we're gonna we're gonna add specific projects that do not uh cause the programs become relying upon that okay and then the clarify against we're going to use 275 first

[01:05:50] and then 505 later on for that total amount of seven correct whatever okay gotcha okay i was reading it wrong originally okay and that's that's if that amount is necessary it could likely be well below that what's the total amount now in the fund uh it's roughly 785 000 up to up to september okay yeah because that's because we there is a delay in receiving the funds yeah that's correct Okay. All right. Thank you.

[01:06:16] All right. Supervisor Brisbane. Thanks. So I'm sorry to repeat the question, but after this project, how much will be left in the plastic bag fund? Well, if we were to spend the \$780,000, then currently there would be roughly a little over \$5,000 left.

[01:06:36] But we are earning, with the plastic bag tax, we're earning roughly \$50,000 to \$70,000 a month in revenue. It just seems like so much money to build something like this. And it's giving me just a little bit of heartburn because I know which part of the county actually probably paid the plastic bag taxes.

[01:07:05] I mean, seriously. So I would like to just put in a word for future projects. I was excited when I thought we had 700 in there, but now I guess we're using it all.

[01:07:23] So, you know, we've asked about glass recycling in the eastern part of the county several times. And it seems to me, as I recall, I can't remember how much those glass recycling bins were. And I know

that we would have to have some maintenance and those sorts of things from your department to do those glass recycling bins.

[01:07:41] But, you know, I don't like to say things that are going on in my own garage on the dais very much. But the glass is stacking up like higher than my car right now in my garage because it is like a 20 to 25 minute drive from my house to get to a glass recycling bin.

[01:07:58] And I know that there's probably a lot of people in the county who wouldn't do what I'm doing. And then I mean, I think it kind of messes up when messes you guys up when someone throws their glass in with the other stuff. Right. So anyway, go ahead.

[01:08:15] I didn't want to I didn't want to interrupt. So lots of good questions and answers for that one, if I may. please so um so uh your your question is very timely and it may have been rhetorical but we are currently in the design phase for the one loudon uh glass recycling and supervisor glasses area which is the step in that right direction um there's a lot of that we have to do a site plan amendment that for the for the master master site plan for one loudon to accomplish that but that is coming um to your point the primary one of the primary um movers of of this particular relocation of the site is to provide glass to this community because they don't have it there.

[01:08:53] I read that. I did read that. So it is really looking at that equitable distribution. We do not know where the tax revenue comes from within the county. Obviously population matters but we are objectively looking at trying to create an equal opportunity for all the citizens of Loudoun for glass throughout the county. Thank you. To be continued.

[01:09:19] All right. Back to you. Supervisor Sains, did you have a follow-up? Oh, follow-up before I make the motion, Madam Chair. Yes, if staff can at some point give us another update, formal or informal, however you want to do it, of maybe to Supervisor Brisbane's point in question of other possible projects that we could use the plastic bag tax fund once we replenish it again.

[01:09:46] Or if it does even get replenished, because I know the last time I looked at the numbers, they were going down a little bit. so yes sir thank you all right like to make a motion like to make a motion uh move the finance government operations economic development committee recommend that the board of supervisors authorize the reallocation of the existing relocation excuse me of the existing lovetsville recycling center to the lovetsville community park and authorize the use of 275 000 from the disposable plastic bag tax fund as appropriated in the fiscal year 2024 adopted budget and to recognized and transferred disposable plastic back tax fund revenue in the amount of \$505,000

[01:10:25] to the newly created Lovitzville Recycling Center relocation project in the Capital Projects Fund. Is there a second? I'll second. All right. Any opening? Nope. Okay. Any other comments?

[01:10:40] All right. Call for the question. All in favor, please say aye. Aye. Any opposed, say nay. and that will pass uh one two three four four zero one with chair randall off the dais thank you very much both of you all right we're moving on now to item 13 non-profit organizations request for proper property tax exemption by designation and we have commissioner wirts and is it mr drake

[01:11:16] Yes. Welcome. Hello again, Madam Chair. Yes, I've got Rob Drake with me here. He's one of my new deputies in the office. He oversees tax exemptions and deferrals in the office. I'm really glad to have him and he's going to answer all the questions that I don't know the answers to. I'm here with Supervisor Letourneau's favorite item of the year. You're welcome.

[01:11:43] here for you. Okay, PLA ranks up there too. This is an item that's going to bring forward applications for tax-exempt organizations that are desiring an exemption from property taxes, whether it be real or personal or both. This year we had eight applicants who filed by the deadline.

[01:12:11] Two were granted an exemption by classification by my office automatically. I had one organization that did not own any property. So it was denied. And so I'm bringing forward five applications for consideration. And those organizations that are being brought forward are A Farm Less Ordinary, A Place to Be, Loudoun Club 12, Society for Imaging Informatics in

[01:12:42] Medicine, and United Charitable. There is an estimate in your item of the foregone revenue. If these organizations had been granted an exemption for this year, it would have been \$7,500 in local property taxes would have been forgiven.

[01:13:05] Only one of these organizations currently owns real property in the county, and that is Society for Imaging Informatics in Medicine. In order to adopt an exemption by designation, the board would be required to draft an ordinance, hold a public hearing, and then adopt an ordinance.

[01:13:27] And I'm happy to answer any questions you might have about the applicants this year. All right. Supervisor Sains. Thank you, Chair. Well, correct me if I'm wrong, but a farmless ordinary in a place to be, haven't they been around for a period of time already?

[01:13:50] They have been around for quite some time. So why are they just now asking or applying for this now? They probably were not aware. A lot of organizations mistakenly believe that if they are granted a 501c3 status from the Internal Revenue Service, that they're exempt from local property taxes.

[01:14:08] But that is not the case. There are different processes that organizations need to go through in order to be granted an exemption. So there's a process for an exemption from income taxes from the IRS. Before my time, so why now, though? Because they've been around for a period of time, unless, again, correct me if I'm wrong, unless they just started.

[01:14:27] I don't believe that the amount of property that they had was significant. Okay. And then, okay, all right. And they all have property and doing business in the county, is that correct? Correct. All right, thank you.

[01:14:44] You're welcome. Supervisor Letourneau. So I have two categories of how I vote on this. I abstain because I think this is not a good process and not a good thing to do, or not that it's not a good thing to do, but a good way to do it. But I also sometimes vote no on specific applications because I think even if I did support it, they would not meet the criteria.

[01:15:05] And what I, you know, my kind of line is an organization that is providing some sort of benefit to the county. So I don't want to, and I'm not trying to disparage anybody's organization, so I'll say that up front. It would be helpful if in the item there could be more of a description of the actual applicants.

[01:15:24] It's all back in the, you have to really dig through these, there's like hundreds of pages of 700 pages of stuff here. All I'm really looking for is like, give me the bullet points on the Society for Informatic Imaging.

[01:15:43] Because that just, that sounds like a, I don't know what it is. Yeah, it sounds like a sort of a nonprofit for some sort of medical. Supervisor Letourneau, it is a professional association of imaging

informaticists, scientists, developers, vendors, imaging IT experts, and clinicians committed to improving patient care through imaging-derived data.

[01:16:15] It's patient care. It's in the health industry. Yeah, and I mean, I'm sure that's very noble, but I don't think that's providing sort of a direct benefit like a nonprofit does to county citizens. That's, you know, sort of a, and if, you know, if we go down this road, I've always said, you just actually said it, I think there was a lot of organizations that if they realized they could do this, would do this, especially if we opened it up that, that broadly, you know, almost every sort of association of any kind could say, well, you know, so we have in the past

[01:16:50] not granted some of these for that reason. I still think we should probably do that by policy as opposed to individual decision but um nevertheless I may suggest to those that are inclined to vote for the item that that one may be um you know that may be a bit bit much um and we should in the item that goes to the board maybe have some some of this court of sort of synopsis um you know we're happy to move some of that information up into the item versus right in an attachment that would be good just little summaries and then you know again I'm not

[01:17:26] disparaging anything but if you look several of these organizations have employees that are making you know half a million dollars or plus when you go digging through all this stuff back here so you know our our couple thousand bucks is not a lot but it just is kind of a to me doesn't really sit well okay supervisor briskman thank you um to supervisor letourneau's point I love United Charitable. I mean, they're in my district. But can you explain by any chance what direct

[01:18:01] impact they have on Loudoun? Because it's my understanding they manage funds for maybe other organizations that, and they invest funds for people, I believe. And then they're like an advisor to where philanthropists could give their money. So that doesn't necessarily mean that the philanthropists are giving money in Loudoun County. That's somewhat close to what they're doing. I would liken them to the United Way with the Community Foundation of Loudoun and Northern

[01:18:39] Fauquier counties. Okay. I would say that they are close. They provide services similar to what those organizations do. In response to the question about do they provide services exclusively to Loudoun County residents, they said no, and they don't track that information either. Okay.

[01:18:59] Yeah, I mean, because, I'm sorry, the one that you just said that's loud and fuck here. Community Foundation. Community Foundation. I mean, they, like, give local grants. Correct. I don't know that United Charitable gives local grants.

[01:19:14] They don't track the people that are served by the locality where they're located. Okay. Okay. So what I recommend is that we do a motion that mentions a farmless, ordinary, a place to be, Loudoun Club 12, and United Charitable, and we vote on those, and we not vote in that motion on the Society for Imaging and Informatics and Medicine, and then if someone wants to

[01:19:51] make a motion to include them, we could go that route. I'm sure I was actually inclined to possibly take out United Charitable, to be honest with you. All right, okay. And just do the Farm Less Ordinary, a place to be in Loudoun Club.

[01:20:08] Okay, all right. I don't know. Okay, let's see how that one goes. So the motion is, I move that the Finance, Government Operations, and Economic Development Committee recommend to the Board of Supervisors to refer the application submitted by a Farm Less Ordinary, a place to be in Loudoun Club 12.

Madam Chair, can I interrupt just for one second? Yes. Their application for United Charitable indicates that since they moved to Loudoun in 2022 that they've

[01:20:48] distributed \$53,600 to different charities in Loudoun. Okay. So they do provide assistance to organizations in Loudoun. Does that change anybody?

[01:21:04] May I? Supervisor Brisman? Yeah, because that's just donating contributions, right? That's not... Similar to the United Way. In 2022, a total of \$53,600 was distributed to different charities in Loudoun.

[01:21:24] Correct. And so, see the list of local charities supported in that year, which I don't see where that is. But, again, that doesn't change anything. I can give you an idea. You'll recognize some of their names. Loudon Care, Cornerstone Chapel, Mosaic, Virginia, Reston Bible Church.

[01:21:51] How long have they been around, Madam Chair? 22. Go ahead. How long have they been around? 2022. No, how long have they been around or in operation, excuse me? I know they've been here since 2022, but as far as in existence, their exemption letter is dated 2016 from the IRS, but they could have asked for it a number of years after they've been in existence, at least 2016.

[01:22:23] So they've been in operation possibly since 2016. Yes. And as far as we know, they've only donated the \$53,000 in 2022. Yeah, I'm with Chair Sains, I think. Yeah, I stick with my motion. Okay, all right.

[01:22:38] So let me thank you. You're welcome. I apologize for interrupting. No problem. Let me restate. I move that the Finance, Government, Operations, and Economic Development Committee We recommend to the Board of Supervisors to refer the applications submitted by a farmless ordinary, a place to be, and Loudoun Club 12.

[01:23:00] As shown in attachment, one of the September 12, 2023 Finance, Government Operations, and Economic Development Committee action item to a future public hearing for consideration of an ordinance granting the requested property tax exemptions.

[01:23:20] Is there a second? Second. Second by Supervisor Sainz. Discussion? I'll just simply say, you know, because it might feel differently, we have now until the board meeting to give us some more detailed information.

[01:23:36] All right. Supervisor Letourneau. Yeah, so I'll take the opportunity to say I think this type of discussion is probably why we should have a policy around who gets these grants and what the criteria is. And I always say, like, if we have this discussion about one of these organizations, I feel kind of badly for them because we're kind of up here in real time sort of parsing through it.

[01:23:58] And, you know, and it's not their fault they apply. We allow anybody to apply. So, you know, we could we could sort of eliminate that if we had criteria up front and they knew kind of what we were looking for. So, you know, if I if I'm still on the board next term, maybe I'll work on something here.

[01:24:16] And, you know, or, you know, or I'll, you know, work on something and suggest another way to do this kind of thing. or we can sequence it into a nonprofit item that we have or something. So it's not this. Okay, very good.

[01:24:33] Anybody else? All right, all in favor, please say aye. No, we're not going to let you. Don't worry. We'll catch you. We'll catch you. I'm not getting a lot of sleep there. All right. Any opposed, say nay. And

any abstentions?

[01:24:50] All right. Okay. All right. So that will pass three. with Supervisors Sains, Brisman, and myself voting yes, nobody voting no, Supervisor Letourneau abstaining, and Chair Randall absent off the dais.

[01:25:09] All right, thank you both very, very much. Okay, so we move now to item 14, the FY 2025 Budget Development Capital Improvement Program Transmittal of Town Project Requests.

[01:25:25] And as everybody's sitting down, Supervisor Kirshner called before the meeting began and wanted to make sure that he urged his support for the Round Hill project, which is their, I think, new water tank.

[01:25:47] All right, Caleb. Good evening. Good evening again, committee members. just to quickly orient you to the item that's in front of you each year requests from the towns are solicited for capital projects for the annual capital improvement planning process as part of develop budget development staff repairs recommendations to the board regarding these projects based on a number of factors including funding availability in a year a project's readiness to proceed, potential to leverage other funding sources, et cetera.

[01:26:26] So what's included in this item are all of the requests for capital improvement program funding from the towns in FY25. This information is being provided to the finance committee for your awareness. If there is any specific feedback or direction on projects that the committee has and would like to provide staff, that would be welcomed.

[01:26:51] In the absence of specific directions, staff will attempt to identify funding for eligible town requests as availability allows and would present these recommendations as part of the FY25 proposed budget. I'm joined tonight by two members of our capital budgeting team, Sandy Hayes, who's our capital budget manager, And Catherine Miller, who's a senior management analyst, can be happy to answer any questions about these projects.

[01:27:21] Anyone have any questions? Supervisor Letourneau? Yeah, I just wanted to say, specific, the big ticket one here is 15 and Edwards Ferry, and I don't deny the need for that.

[01:27:37] But I've really got to stand up for Route 50 and Loudoun County Parkway. We've got to do that project before we take on another interchange in this corridor, This seven corridor has gotten, you know, upgrade after upgrade after upgrade, which is fantastic, and I'm happy for them, but we've really got to start doing this in the southern part of the county now.

[01:28:00] So I would not want to go down the road of starting this project or giving that expectation that it was going to be a higher priority than the project that's in the CIP, somewhat, a little bit of, for Route 50. So I did want to say that.

[01:28:16] Otherwise, in terms of priorities, I probably would prefer some of these missing links over some of the other things just because I think those are probably more tangible and needed improvements. Not that the others aren't, but they, you know, we've kind of historically tried to address missing link type of projects throughout the county.

[01:28:38] And the towns, of course, are part of the county, so we should be consistent in that. We've had all kinds of discussions about things like lighting, and, you know, we have kind of a process around sidewalks and things like that. But anyway, so that's just if you wanted some feedback, there you go.

[01:28:56] Very good. Supervisor Briskman. Thank you. Yeah, that kind of, the Route 15 bypass and Edwards-Ferry Road interchange caught my eye as well because I feel like there's already so much in the queue for that widening of that road.

[01:29:13] why isn't the interchange included in that? I'll jump in briefly. It's, I mean, it's significantly separated from the widening project for 15 North. Okay. So it's the interchange.

[01:29:32] It is a huge project. It's over a hundred million dollars and it would go from Edwards Ferry near Kohl's, Costco, Target, down to Fort Evans near the Outlet Mall. And it would reconfigure all of that. I didn't have a visualist. I thought it was somewhere else. Okay, now I'm tracking. Okay. And is it already in a CIP somewhere? Is it already in a plan somewhere? Are they just asking for it?

[01:30:01] It doesn't appear on the county's list as it does not have an asterisk on this list, which is what the ones already in our CIP would have. Oh, okay. But the town has been advocating for it for quite a few years.

[01:30:18] It is generally considered this project will probably not be completed for 15 years. So are they just trying to like bank money for a project that's not on the books? Are they, is it for the design?

[01:30:35] Is it like? It's on their books. It's on their books. It's on Leesburg's books. Yes. Okay, Caleb, yeah, this one, 20 million gives me a little heartburn because I'm just not sure where the project is in the process.

[01:30:50] I'm not sure, like, if it's going to sit there for 20 years without it being used for anything. I'm just not comfortable with that 20 million. Just to clarify a few things, this is a project that is currently planned. It is a town project in the town's capital improvement program and not connected with any other existing county projects.

[01:31:13] Okay. Okay. Do they have a time horizon for it at all? Or do they do a page for each project like we do where it says, where it says design is this year? And yes, it's in the town CIP. It's included in the attachment to the item, including their page and their CIP. So right now they have previously funded as well as funding plans from 24 to 28 in their CIP. 24 to 28. Okay. But we don't

[01:31:47] know what specifically they want the 20 million for. They did tell us exactly what they wanted it for, but in their request, but we can get back to you on that more specifically. Okay, I'm out of time. I might have another round. Okay. All right. I guess back to you, Supervisor Brisbane. Okay, thanks. So I guess I don't, what's the amount that we normally allocate to town projects in a normal

[01:32:23] budget year. This is, this total is 37 million, almost 38 million. That's the request. I mean, I don't, I don't think we've necessarily ever allocated that much. I'm trying to get a gauge on, go ahead, how much we normally, or how much have we in the past, or. If I could take that question. Megan. Oh, hi, I forgot you. Hi. Hi, sorry. I'm in from above. There is not a typical amount of funding that we have necessarily provided to towns. The guidelines that the

[01:32:59] board has established for us is typically projects that are related to transportation or pedestrian construction because we can leverage our NVTa 30% for those improvements. I believe the largest project that you have provided funding for is for the town of Leesburg for the Evergreen Mills road widening project, but the request for Route 15 bypass funding is the largest project that we've received requests for. Okay, do you have last year's there?

[01:33:39] Last year's. Yeah, the CIP for the FY24 adopted for the Town of Leesburg their Evergreen Mill Road Widening, which is a different project that Ms. Burke was referring to. The board approved \$1.5 million dollars for that in 24 and in 23 three million dollars was approved for that project okay but what i'm trying to get at is last year in our budget the towns gave us a request and then we decided what we were going to transfer how much total did we transfer like what was the bottom

[01:34:13] line last year on transferring to towns do we know we do um we just have to do some quick math It was 8.357, but that included their local distribution. So, excuse me once in a while. Supervisor Bristman, to add some context to the town request, I believe last year we received requests that were \$30 to \$40 million, and the board did not fund any new town requests last year.

[01:34:49] Okay. And added some additional funding to projects that had already been funded to cover increases in costs for those projects. So the amount of funding that you added to your CIP last year was very limited.

[01:35:05] That's right, we had a tight, that's right. Okay, all right. I don't know how to do a motion, but there's some thing. I'm okay with like the sidewalk links and stuff like that, but the 20 million and the 3.6 million, that gives me a little heartburn. So I don't think we have to do a motion tonight.

[01:35:24] I think staff's just trying to get feedback from us. Oh, okay, good. Sure, sure. Julie, if you have, okay. So from my perspective, there are some projects that I think are fairly critical, but I don't know the details.

[01:35:48] For example, the town of Hamilton, their phase two sewer relining, that's an \$800,000 project. Is that, to me, water and sewers, one of the critical services that governments need to provide, is that something that staff would also view as critically important?

[01:36:10] Or do you think this is something that town could fund on its own? We are looking for your recommendations and preferences, of course. Typically for town projects, we look to leverage NVTa 30%, which focuses on transportation and pedestrian-related projects.

[01:36:33] So this town of Hamilton Phase 2 sewer lining would not qualify for the NVTa 30% funding. So we would just have to leverage a different type of funding if we were interested in looking into this project. All right. Unfortunately, we don't have any rural advocates here tonight.

[01:36:53] I also think the town of Round Hill and the water storage tank, that's a \$3.7 million project. I would think that would be pretty important.

[01:37:12] I know Supervisor Kirshner asked that we consider that a priority project. Does staff agree with that? Caleb, Tim? So I think for the Round Hill project, based off the criteria the board gives us, which is impacts to county residents, we would probably rank this one higher just because if you look at the Round Hills water and sewer system, the majority of their customers do not live in the town.

[01:37:48] So they are county-only residents as opposed to round-tail residents, which are round-tail and county residents. And so that has a significant impact on their water and sewer rates, which most of them can't vote on because they're not in the town.

[01:38:06] So we would probably, based on the criteria, look at that positively. Based off the committee's comments, we'll take a look at the Hamilton sewer project as well, particularly since it looks like they are on a consent decree so the board does have precedent in supporting some of the smaller towns on those

such as the town of hillsborough who was in a similar situation a few years ago and then we'll take a look at the road projects all right i mean i'm looking hillsborough's other request this year is for a bike hike and pedestrian comfort station

[01:38:44] I personally don't view that as high a priority as the water tank for Round Hill or the sewer relining for Hamilton. On Leesburg's requests, I agree with Supervisor Brisbane and Supervisor Letourneau.

[01:39:09] \$20 million is a very, very large request, and I don't know that the county would have that kind of funding. The other Leesburg requests, we've had discussions of, in the past, the Church Street sidewalk missing link, which I believe they intend to be the section from Market Street down to the county garage.

[01:39:34] In the past, discussions with staff have indicated that county staff would not really get a big benefit out of that. Is that still our impression?

[01:39:53] We'd have to get back to you on that specific question. All right, okay. And then we've got a couple, well, King Street improvements and North Street improvements. Can we find any nexus between benefits to county residents and these particular Leesburg projects?

[01:40:16] We would have to get back to you on that one as well. All right. Then we go to Lovettsville, shared use path. That's a high price.

[01:40:32] That's \$4 million. The community park path, pedestrian lighting, 198,000. The South Loudoun Street School sidewalk, 1.5 million, 1.5 million. South Berlin Turnpike shared use and school path lighting, 757,000.

[01:40:52] East Broadway sidewalk, 233,000. I think one or two of our colleagues up here indicated an interest in trying to connect missing links i don't know could we get a sense of how critical these are to public safety are they niceties or are they essential are people being hit um by traffic now

[01:41:23] and would this make it safer for them to walk um a few of these projects are related to um safe routes to schools including the uh lovettsville community park path pedestrian lighting as well as um the town did uh let us know that the north berlin tour bike shared use path that there was um a death recently um associated with this uh development area so um while we haven't gotten further information on that from the town they did let us know that that would be

[01:42:00] a critical safety? So if it's a critical safety issue, you guys have probably already put this in the packet, but I'd like to highlight that. And anything that would make it safer for kids to get to school and back, I think could be a priority. Percival also has a G Street sidewalk improvement. That's almost 2 million, or no, that's 1.2 million. I think that was school-related

[01:42:33] as well. Yes, the sidewalk would run along the Blue Ridge Middle School's rear property line. Okay. That's just my personal take on it. If it's public health, like water and sewer, or if it's pedestrian safety and student safety, those for me would be my particular priorities.

[01:42:59] I don't really speak for anyone else. Supervisor Sains. Thank you, Chair. I was just going to ask if the Chair would be open to it, if we can ask the staff to possibly rank the different projects. Yeah. Well, either per town or collectively weighing all of them and just presenting to us so we can look again and kind of go from there because I don't think we're going to approve all of them, of course, but, you know, just to see what their perspective is.

[01:43:29] And they probably might need some guidance. Are you comfortable with looking at water and sewer and pedestrian safety as major criteria for ranking? Yes. Okay. Is that something, Caleb, Tim, you think could be done?

[01:43:48] Sure. I guess my question would be, you know, We typically try to fit whatever we can in years where we are not up against our debt capacity, which means, you know, they're typically small numbers, which is why the staff was alluding to a few million dollars over the six-year plan for towns.

[01:44:11] I'm assuming you still, because remember, your CIP is constrained. You don't have enough capacity to bring as many new projects into the CIP as you would want. So is the committee asking us to change the prioritization that you previously gave us, which is county projects and existing county projects and new county projects still come before town projects, right?

[01:44:34] We're still just kind of fitting in pieces of town projects as we have the capacity to do so? My read would be that the committee is probably comfortable with prioritizing county projects, But if there is adequate funding available for town projects, that we would prioritize according to safety, especially school safety, and then water and sewer.

[01:45:06] Anybody else? Okay. We don't need a vote on this. So do you guys have a little bit of what you were looking for? Okay. Caleb? I just did have an answer to an earlier question on the town of Leesburg's project at Route 15 and Edwards Ferry Road. So in the town's information they submitted to us, to the question about how they would use the requested \$20 million, they have indicated that they want to use this as a portion of a local match for a U.S. Department of Transportation grant that they anticipate

[01:45:45] applying for so are they looking for 20 million from us and then they're there so we would provide the entire match at the local level is that what they're requesting or are they saying they'll pick up some of that so what they indicated is they're applying for a grant of approximately 105 million dollars that has a required local match of 40 million dollars what they are proposing is that would be split 20 with the county 20 with with the town from the information they submitted

[01:46:16] Okay. Well, I'm very mindful of Supervisor Letourneau's concerns that we haven't done as much for Route 50 as we have for Route 7. I still think \$20 million would be hard to find.

[01:46:33] You guys good? Okay. All right. All right. With no further business to conduct, I call this Finance, Government Operations, and Economic Development Committee meeting adjourned. Thank you. All right.



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