

VIRGINIA:

At a regular meeting of the Washington County Board of Supervisors held Tuesday, October 25, 2011, at 6:30 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Dulcie M. Mumpower, Chair
Odell Owens, Vice Chair
Phillip B. McCall
Nicole M. Price
Kenneth O. Reynolds
Joseph C. Straten
Thomas G. Taylor

Mark K. Reeter, County Administrator
Lucy E. Phillips, County Attorney
Mark W. Seamon, Accounting Manager
Alicia Roland, Administrative Assistant

ABSENT:

Naoma A. Norris, Executive Assistant/Recording Clerk

1. Call to Order

The meeting was called to order by Ms. Dulcie M. Mumpower, Chair of the Board, who welcomed everyone in attendance.

2. Invocation and Pledge of Allegiance

Supervisor Kenneth Reynolds gave the Invocation and led the Pledge of Allegiance.

3. Public Comment

The following individuals addressed the Board:

- Kathy Shearer

4. Approval of Agenda

Mr. Reeter explained the agenda was amended to add a closed session.

At this time, Ms. Price explained she attended the 5:00 p.m. Special Called Meeting of the Board, and due to work, she has to travel and excused herself from the rest of the regular meeting.

On motion of Mr. McCall second by Mr. Owens, it was resolved to approve the agenda with the following amendments:

Addition of New Item 10.a. – Closed Meeting

Closed Meeting pursuant to Virginia Code Section 2.2-371111(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding the matter of the pending lawsuit, BC Liquidation, Inc. v. Washington County, Virginia.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

5. Consent Agenda:

On motion of Mr. Owens, second by Mr. Straten, the Board acted to approve items a, b and c of the Consent Agenda as set forth below.

a. Approval of Minutes:

- 1. October 11, 2011 Regular Minutes**

b. Approval of Routine Financial Matters:

- 1. Request for Revenue Refunds – Washington County Sheriff’s Office – Animal Sterilization Fees**
- 2. Supplemental Appropriations – Washington County Sheriff’s Office and Washington County Circuit Court Clerk’s Office Grant Awards**
- 3. Payment of Bills – From September 11, 2011 thru October 11, 2011**
- 4. Budget Status Report – September 30, 2011**

c. Award of Bids and Approval of Contracts:

- 1. Award of Bid for Geographic Information System Consulting Services**

d. Authorization of Routine Business Matters:

There were no routine matters presented to the Board.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

6. Public Hearings:

- a. Public Hearing and Consideration of Adoption of An Ordinance to Amend the Code of County of Washington, Virginia by Adding a Subdivision to Chapter 58 to Establish a Partial Tax Exemption for Certain Rehabilitated, Renovated, or Replacement Commercial or Industrial Structures within a Specified Geographic Region of the County.

County Attorney Lucy Phillips addressed the Board and explained as part of the economic incentive package offered to K-VA-T to keep their corporate headquarters in the Town of Abingdon on the site of the former Johnston Memorial Hospital, the Board of Supervisors offered to adopt the proposed ordinance. The proposed ordinance would establish authority for an owner to apply for partial exemption (50%) from taxation on real estate on which any structure or other improvement no less than twenty (20) years of age has undergone substantial rehabilitation, renovation or replacement for a period of fifteen years, not to exceed a total credit of \$650,000.00 over the fifteen (15) year period. The partial exemption from real estate tax is permitted by Virginia Code Section 58.1-3221. The property owner would apply to the Commission of Revenue for the exemption to assure eligibility.

Ms. Mumpower opened the public hearing and invited comments in support of and in opposition to the proposed ordinance.

There being no comments, Ms. Mumpower declared the public hearing closed.

Discussions ensued among the Board.

Mr. McCall inquired about what buildings on the former Johnston Memorial Hospital site will be included in the demolition.

Ms. Phillips explained that she is unsure; however, the partial tax exemption will apply to K-VA-T's facility.

On motion of Mr. Straten, second by Mr. Taylor, the Board acted to adopt the following ordinance:

AN ORDINANCE TO AMEND THE CODE OF THE COUNTY OF WASHINGTON, VIRGINIA BY ADDING A SUBDIVISION TO CHAPTER 58 TO ESTABLISH A PARTIAL TAX EXEMPTION FOR CERTAIN REHABILITATED, RENOVATED, OR REPLACEMENT COMMERCIAL OR INDUSTRIAL STRUCTURES WITHIN A SPECIFIED GEOGRAPHIC REGION OF THE COUNTY

WHEREAS, Virginia Code section 58.1-3221 established that the governing body of any county may by ordinance, provide for the partial exemption from taxation of real property on which any structure or other improvement no less than twenty years of age has undergone substantial rehabilitation, renovation or replacement for commercial or industrial use, subject to such conditions as the ordinance may prescribe; and

WHEREAS, the ordinance may, in addition to any other restrictions as allowed by the statute, restrict such exemptions to real property located within described zones or districts for which boundaries shall be determined by the governing body; and

WHEREAS, having considered these powers and the benefit to public health, safety, and welfare that may be created by adaptive reuse and/or replacement of old commercial or industrial structures that may otherwise fall into disuse and disrepair, the Board of Supervisors of the County of Washington, Virginia, finds it in the best interests of the public health, safety, and welfare to provide for such partial exemption from taxation within a specified geographic area as allowed by state law.

NOW, THEREFORE, ON THE BASIS OF THE FOREGOING, and in the best interests of the public health, welfare, and safety, having held a public hearing for consideration of these matters, the Board of Supervisors of the County of Washington, Virginia (Board), hereby ordains the following:

- 1. That this ordinance shall become effective immediately;*
- 2. That should any section or provision of this ordinance be decided to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of any other section or provision of this ordinance or the Washington County Code; and*
- 3. That Chapter 58 of the Code of the County of Washington, Virginia, shall be amended by adding to Division 3, Real Property, an additional Subdivision, as follows:*

CODE OF THE COUNTY OF WASHINGTON, VIRGINIA (2002, as amended)

CHAPTER 58 – TAXATION

ARTICLE II – AD VALOREM

DIVISION 3. – REAL PROPERTY

Subdivision V. – Partial Exemption for Certain Rehabilitated, Renovated, or Replacement Commercial or Industrial Structures.

Section 58-131. Exemption Authorized.

- (a) Partial exemption from real property taxes is hereby provided in accordance with the provisions of this subdivision for real property devoted to commercial and industrial uses that is rehabilitated and which qualifies in accordance with the criteria set out in Code of Virginia § 58.1-3221 and this section.*
- (b) Qualification. Real property shall qualify for the partial tax exemption provided for within this subdivision when it meets the criteria set out in this section for the following: location within specified geographic boundaries, such property includes a commercial or industrial structure that*

meets the age of structure requirements, and the applicant for the partial tax exemption completes substantial rehabilitation of such commercial or industrial structure.

- (c) Geographic boundaries. The geographic boundaries for the partial tax exemption program described in this subdivision are the boundaries surrounding the former Johnston Memorial Hospital property within the Town of Abingdon, as more specifically described in Appendix B.
- (d) Age of structure. The age of structure requirement for the partial tax exemption program described in this subdivision shall be met if a structure on the commercial or industrial real property shall be no less than twenty years old.
- (e) Substantial rehabilitation. The substantial rehabilitation criteria shall be satisfied if a structure formerly used for a commercial or industrial purpose but which had fallen into disuse or disrepair has been restored, renovated, or rehabilitated in a manner that allows continued commercial or industrial use. (The use does not have to be the same type of use as that which occurred in the structure prior to the period of disuse or disrepair, but it must be for commercial or industrial use.) As used in this section, the term "substantial rehabilitation" shall include demolition and replacement with new structure(s) for commercial and industrial use even if such replacement structure is not on the same parcel on which the original structure is located, but is, instead, on an adjoining parcel within the geographic boundaries defined by this section. In the event that a replacement structure is built on an adjoining parcel, then the partial tax exemption credit, if any, shall attach to the parcel on which the replacement structure is built and there shall be no eligibility for additional credit for the parcel on which the original structure was located.

State law reference— Partial exemption for certain rehabilitated, renovated or replacement commercial or industrial structures authorized, Code of Virginia, § 58.1-3221.

Section 58-132. Amount and term of exemption.

- (a) Amount of exemption. The amount of exemption authorized pursuant to this section shall be the real property tax, as of the effective date of the exemption, on fifty percent of the qualifying costs. Qualifying costs shall include the cost of substantial rehabilitation, renovation, or replacement of the qualifying commercial or industrial structure, but such partial tax credit shall be limited to the extent that it shall not cause reduction of the real property tax below zero dollars. Qualifying costs shall not include expenses on the following non-exclusive list of non-qualifying costs: costs for items such as office furniture and equipment, desktop office computer systems, manufacturing equipment, rolling stock, legal fees, taxes, recording fees, interest, or other expenses unrelated to the construction costs necessary for substantial rehabilitation, renovation or replacement of the qualifying structure.
- (b) Term of exemption. The partial tax exemption shall be applied for each year of a fifteen-year period following the effective date of exemption, as defined in this subdivision, or such shorter time limitation on the length of exemption, as follows.
- (c) Shortened term of exemption. Notwithstanding the foregoing, the partial tax exemption shall be discontinued when either of the following events occur.
 - i. The accumulated sum of annually applied credits is \$650,000.00; or
 - ii. The property is conveyed from the owner who was originally approved for receipt of the partial tax credit, unless such conveyance is to a business entity related to the original applicant as (1) partial or whole owner of such applicant or (2) partially or wholly owned by such applicant.
- (d) Notwithstanding any other provision of this article, the partial property tax exemption credit provided in this subdivision shall be limited to a total maximum collective tax exemption credit of \$650,000.00 for all real property located within the geographic boundaries set forth in this subdivision. In other words, no additional partial tax exemption credits shall be awarded after the

total of partial tax exemptions to be accumulated over the full fifteen year period defined in this section will sum \$650,000.00 for the total land mass included within the geographic boundaries defined in this subdivision.

Section 58-133. Application; determination of eligibility; application fee.

- (a) Application to determine eligibility. As a prerequisite to qualify for partial tax exemption, the owner of the structure and of the real property on which the structure is located shall file with the county's commissioner of revenue, upon forms furnished by the commissioner, an application to qualify such structure for partial tax exemption pursuant to this subdivision.
- (b) A structure shall be deemed non-qualifying if demolition or rehabilitation has commenced prior to the commissioner's determination of qualification for the partial tax exemption, subject to the following exceptions.
1. If any property, for which an application for the partial tax exemption credit provided by this article is made, has been damaged or destroyed as a result of a sudden natural or manmade disaster prior to the application, then that property shall remain eligible for consideration for qualification. For purposes of this article, a sudden natural or manmade disaster shall include, without limitation, damage or destruction caused by fire, flood, windstorm, and explosion.
 2. If demolition or rehabilitation has commenced no more than six (6) months prior to filing an application and the owner provides to the Commissioner documentary evidence to prove eligibility as set forth in this Subdivision, then that property shall remain eligible for consideration for qualification. Documentary evidence may include, without limitation, photographs, historical records, or other documentary proof of location, age, and prior use of structure.
- (c) Determination of percentage eligibility. If a structure qualifies for partial tax exemption pursuant to this subdivision in accordance with the geographic boundaries and substantial rehabilitation criteria, but in terms of age qualification has some portion that qualifies and some portion that does not qualify, then the age of the structure and the amount of partial property tax exemption credit shall be determined by the respective square footage of those portions of the substructure of the structure being improved that age-qualify in proportion to that the portion that does not age-qualify. In such cases, the commissioner shall determine the percentage of such structure, based on square footage, that meets the age qualification and include a statement of such percentage determination on the commissioner's determination of eligibility, and the commissioner shall apply such percentage calculation to the partial exemption credit to determine the proportionate amount of credit that will be allowed based on the percentage of age-qualifying portion of the structure. Notwithstanding the foregoing, the Commissioner may make a de minimus determination that the percentage of structure that does not qualify under the age requirement is such that the deduction from the partial exemption credit as a result of such non-qualification shall be waived. This de minimus determination may be made if the percentage of non-qualification is equal or less than ten percent of the total square footage of such structure.
- (d) Expiration of eligibility determination. The commissioner's determination of eligibility shall be effective for three years from the date on which it is issued. In other words, once the commissioner has determined that an application describes an eligible project, the applicant has three years from the date of the commissioner's determination of eligibility to complete the substantial rehabilitation project and to submit to the commissioner a copy of a certificate of occupancy for the substantially rehabilitated structure and an application to determine the amount of the exemption, as described in this subdivision. If, within this three-year period, substantial rehabilitation has not been completed and the aforementioned documentation submitted to the commissioner, then to retain such eligibility an application to renew the determination must be filed with the commissioner prior

to the three- year eligibility period expiration date. In no event, however, shall there be more than two renewals of eligibility following the initial application on any structure.

- (e) The initial application to qualify for the rehabilitated structure tax exemption and any subsequent renewal application must be accompanied by payment of a fee of \$50.00 to be paid into the general fund of the county, which fee shall be applied to offset the cost of processing such application, making the required assessments, and making an annual inspection to determine the progress of the work.

Section 58-134. Effective date of exemption.

- (a) Prior to the effective date defined in this section, the owner of the property shall be subject to taxation upon the fair market value of the property as determined by the general reassessment prior to commencement of rehabilitation.
- (b) Upon the commissioner's determination of amount of exemption no later than December 31 of any calendar year, the partial tax exemption shall become effective beginning on January 1 of the next calendar year, which date shall be the effective date of exemption.

Section 58-135. Commissioner determination of amount of exemption after completion of substantial rehabilitation.

- (a) The owner of real property qualifying for partial exemption of real property taxes because of substantial rehabilitation of a structure shall submit to the commissioner upon completion of the substantial rehabilitation an application to determine amount of exemption credit, and such application shall include the following:
1. Copy of the Certificate of Occupancy issued by the County;
 2. Owner affidavit of qualifying costs on a form to be provided by the commissioner; and
 3. Affidavit of general contractor or project architect of qualifying costs on a form to be provided by the commissioner.
- (b) After receipt of the application to determine the amount of exemption credit, the commissioner shall issue to the owner a credit memorandum that states the qualifying costs, as certified by the owner, and the amount of partial tax exemption credit pursuant to this subdivision.
- (c) Real property tax fluctuations. The partial tax exemption credit to be applied annually for the term of the exemption shall be determined based on the real property tax rate on the effective date of the exemption, and this credit shall not be amended when the real property tax rate is adjusted from time to time.

Section 58-136. Fluctuations in market value.

- (a) Subsequent fair market value increase. In the event that the fair market value of a qualifying property increases after the first year of such substantial rehabilitation, renovation or replacement, the credit specified by this subdivision shall not be increased.
- (b) Subsequent fair market value decrease. In the event that the assessed value of a qualifying property decreases after the first year of substantial rehabilitation, renovation or replacement, the credit specified in this subdivision shall not be adjusted, with the following exception. It shall be capped, for each year of such reduced assessed value, such that the credit shall not reduce the real property tax levy on a qualifying structure below zero dollars. If no tax credit or only a reduced tax credit can be applied to the qualifying property due to such market value decrease, the unused credit shall not be applied to any other property or to real property taxes assessed in any other calendar year, and the property's eligibility for the tax exemption shall expire at the end of the fifteen year term or such shorter term as provided in this subdivision.

Section 58-137. Miscellaneous.

- (a) The credits against the real property tax enabled by this subdivision shall not affect any special district taxes or levies within the county. All ad valorem special district taxes or levies shall be computed on the full fair market value of all qualifying property.
- (b) Methods of evaluation. In determining the fair market value of a structure for purposes of assessment of taxes, the commissioner shall employ usual and customary methods of assessing real property.
- (c) Exemption not applicable to demolition of historic structures. Where substantial rehabilitation is achieved through demolition and replacement of an existing structure, the exemption provided in this subdivision shall not apply when any structure demolished is a registered state landmark or is determined by the state's department of historic resources to contribute to the significance of a registered historic landmark.
- (d) Condition of the property. Upon application to qualify for partial tax exemption pursuant to this subdivision, an applicant shall certify that the property that is the subject of the application, including the real property upon which the structure is located, shall be maintained in compliance with all Code requirements. Failure to properly maintain the property in compliance with all Code provisions shall be grounds for denial of the requested partial tax exemption.
- (e) This subdivision shall be applicable to assessments of qualifying commercial or industrial structures made on and after January 1, 2012.

Sec. 58-138. Limitations on amount and eligibility for partial tax exemption and tax credit.

- (a) Tax delinquency at time of application for qualification. No property owner shall be eligible to apply for qualification for the partial tax exemption credit provided by this subdivision if the property owner or any of its related corporate entities has delinquent taxes, penalties, or interest due the county on any of its tax accounts; however, the commissioner of revenue may restore eligibility upon payment in full of all such delinquent accounts.
- (b) Tax delinquency at time of application for determination of partial tax exemption credit. No property owner shall be eligible for the commissioner to make a determination of partial tax exemption credit upon completion of substantial rehabilitation of a qualifying real property if such property owner or any of its related corporate entities has delinquent taxes, penalties, or interest due the county on any of its tax accounts; however, the commissioner of revenue may restore eligibility upon payment in full of all such delinquent accounts.

Sec. 58-139. - Failure to pay real property taxes in a timely manner; forfeiture of partial exemptions and tax credits, and further qualification limitations.

- (a) No tax credit described in this subdivision shall be issued to the owner of any substantially rehabilitated, renovated or replaced structure if the real property tax on that property has not been timely paid on or before the tax due date of any year as required by county ordinance. Failure to pay the real property tax on improved real property in any year on, or before, the date on which the real property tax is due shall result in the forfeiture of any partial tax exemption credit that otherwise would have been applied to the real property tax due in that year and in any future year. In such cases, the property shall be removed from the partial tax exemption program and the annual real property tax shall be assessed on the full fair market value of the improved real property. Late payment of the real property tax on real property and any substantially rehabilitated, renovated or replaced structure thereon shall be subject to late payment penalties and interest in accordance with county ordinance. However, the Treasurer has statutory discretion to waive penalty and interest and is enabled by this ordinance to reinstate the tax exemption credit if the failure to pay the real property tax was not in any way the fault of the taxpayer.
- (b) Notwithstanding any other provision of this article, no improved property that has qualified for a tax credit in accordance with this article by means of substantial rehabilitation shall be eligible to

submit any application for further tax credits based on subsequent improvements during the pendency of the initial tax credit period.

**APPENDIX B – GEOGRAPHIC BOUNDARIES FOR PARTIAL TAX EXEMPTION—
COMMERCIAL OR INDUSTRIAL STRUCTURE REHABILITATION**

The Geographic Boundary criteria for real property eligibility for the partial tax exemption described in Chapter 58, Article II, Division 3, Subdivision V shall consist the areas, as described below, and further identified in the Table of Tax Parcel Identification numbers, which numbers may be amended from time to time, but in the event of amendment of tax parcel identification numbers, the boundaries shall not be amended except by ordinance but shall, instead, include the real property as defined by the tax parcel identification numbers as of October 25, 2011.

Commercial/Industrial Rehabilitation Area description:

Partial tax exemption, pursuant to Chapter 58, Article II, Division 3, Subdivision V, shall be available only for property that meets the eligibility criteria, including without limitation, location within the geographic area described as follows: All of those lots, as listed in the Table of Tax Parcel Identification Numbers in this Appendix, and shown on that certain plat of survey entitled in part “JOHNSTON MEMORIAL HOSPITAL, 351 NORTH COURT STREET, ABINGDON, VIRGINIA,” prepared by Tony F. Holbrook, L.S. No. 001453 of Genesis Professional Services, P.C. dated September 26, 2011, and recorded in the Clerk’s Office of the Circuit Court of Washington County, Virginia, in Plat Book 63, at Pages 95 and 96, and to which reference is hereby made for a more particular description of the property.

Table of Tax Parcel Identification Numbers

The Geographic Boundaries for Partial Tax Exemption for Commercial or Industrial Structure Rehabilitation shall include the following parcels identified by their parcel identification numbers assigned by County of Washington, Virginia, on or prior to October 25, 2011:

<u>005-6-1A AB</u>	<u>012-1-34 AB</u>	<u>012-4-3 AB</u>	<u>013-1-2 AB</u>
<u>012-1-32AA AB</u>	<u>012-1-35 AB</u>	<u>012-4-5A AB</u>	<u>013-1-3 AB</u>
<u>012-1-32B AB</u>	<u>012-1-36 AB</u>	<u>012-4-5 AB</u>	<u>013-1-5 AB</u>
<u>012-1-32 AB</u>	<u>012-1-37 AB</u>	<u>012-4-8 AB</u>	<u>013-1-8 AB</u>
<u>012-1-33 AB</u>	<u>012-4-1 AB</u>	<u>013-1-1 AB**</u>	-

****Note that Parcel 013-1-1 AB includes areas east and west of Court Street.**

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

7. General Business:

a. Actionable Items:

1. Consideration of Resolution of Support for IDA Application for Tobacco Commission Mega Site Grant Funds for Sewer Infrastructure at Oak Park: Center for Business and Industry

County Economic Development and Community Relations Director Christy Parker accompanied by Washington County Service Authority (WCSA) General Manager Robbie Cornett addressed the Board regarding improvements to sewer infrastructure at Oak Park.

Ms. Parker explained the Industrial Development Authority intends to seek grant funding through the Virginia Tobacco Commission's Mega Site Grant Program. The funds will be used for wastewater infrastructure improvements to Oak Park to allow for wastewater to be pumped from Oak Park to the Town of Abingdon's wastewater treatment plant on Vance's Mill Road. This project is one of the recommendations from the Western Washington County Wastewater Study of which the Board adopted the recommendations earlier this summer. The improvements will result in sewer capacity for Oak Park of 500,000 gallons per day, and will significantly improve the marketability of Oak Park to prospective industry. Ms. Parker said the Phase III grading project at Oak Park is completed and there are now three wonderful, large industrial tracts. This project will provide sewer capacity necessary to market the new tracts.

Mr. Cornett provided a review of the wastewater infrastructure improvement project. The project will be completed in two phases and have total costs of \$7,099,347.00. Phase I will total \$3,206,647.00 and be funded through loan funds applied for by the WCSA from the U. S. Department of Agriculture Rural Development. The first phase includes a pump station in the vicinity of Spring Creek and Old Jonesboro Road, along with force main and gravity flow lines from that point to the Abingdon plant. Phase II totaling \$3,892,700.00 would include a sewer lift station within Oak Park, force main gravity flow lines out to the Spring Creek pump station. The Tobacco Commission's Mega Site Grant funds will accomplish Phase II.

Mr. Cornett distributed to the Board copies of a Resolution adopted by the WCSA Board of Commissioners that mirrors the Resolution presented to the Board for consideration. He said the WCSA will reserve 500,000 gallons per day of wastewater capacity for Oak Park alone.

Discussions ensued among the Board and Mr. Cornett.

On motion of Mr. Straten, second by Mr. McCall, the Board acted to adopt the following Resolution:

RESOLUTION 2011-43

WHEREAS, the Washington County Board of Supervisors and the Washington County Service Authority (WCSA) Board of Commissioners jointly procured The Lane Group Incorporated to study the provision of public sewer service to western Washington County; and

WHEREAS, The Lane Group's report and recommendations were adopted by the Board of Supervisors, the WCSA Commissioners, and the Washington County Industrial Development Authority (IDA) Board of Directors in 2011; and

WHEREAS, The Lane Group's report recommended a phased approach to meeting the public sewer needs of the service area including Oak Park: Center for Business and Industry (a Mega Site) ; and

WHEREAS, The Lane Group has identified a two-phased project that would provide 500,000 gallons per day of sewer capacity for Oak Park: Center for Business and Industry, where no sewer capacity presently exists, at a total cost of \$7,099,347; and

WHEREAS, the WCSA Board of Commissioners has committed to construct Phase 1 (of the two phase project) at a total project cost of \$3,206,647; and

WHEREAS, the WCSA Board of Commissioners is willing to reserve the 500,000 gallons of sewer capacity for tenants and/or future tenants Oak Park: Center for Business and Industry, subject to suitable funding for the Phase 2 project which has an estimated cost of \$3,892,700; and

WHEREAS, the Virginia Tobacco Indemnification and Community Revitalization Commission Mega Site Grant Program has been established to address utilities needs at Mega Sites, such as Oak Park: Center for Business and Industry;

WHEREAS, the IDA has determined that improving sewer capacity for Oak Park is a critical need and will significantly enhance the IDA's ability to recruit new industry to Washington County;

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of Washington County, Virginia that the Board hereby supports an application by the Washington County Industrial Development Authority to the Virginia Tobacco Indemnification and Community Revitalization Commission Mega Site Grant Program in the amount of \$3,892,700 which will enable the Washington County Service Authority to construct the necessary sewer infrastructure to serve Oak Park: Center for Business and Industry with 500,000 gallons per day of sewer capacity

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

2. Consideration of Resolution Regarding Relief from State Mandates

Mr. Reeter explained resulting from the 2011 session of the General Assembly, Governor Bob McDonnell has announced the formation of a Governor's Task Force for Local Government Mandate review. The initial meeting of the Task Force is scheduled for Monday, November 7, 2011 at 1:00 p.m. at the Virginia Housing Center in Glen Allen, VA. The Virginia Association of Counties (VACo) is encouraging localities to weigh in with the Task Force with respect to mandates that local governments feel are onerous that need modified or eliminated. VACo leadership has provided the Task Force with a list of mandates they feel are most burdensome. The proposed Resolution basically is a restatement of

VACo's position. Mr. Reeter stated he included language in the proposed Resolution that the state provides funding for local administration of erosion and sediment control programs.

Mr. Reeter next explained he asked several affected agencies to weigh in on the mandates. With respect to the Comprehensive Services Act (CSA) mandate, CSA Program Director Andre Richmond has analyzed VACO's recommendations on the CSA mandates and provided a report on how they affect Washington County.

Discussions ensued among the Board.

Mr. Owens asked in regards to the CSA mandates that language be added to the Resolution to request the contract term for the executive directors of community services boards to be increased from one year to four years. He explained a one year term places a burden on community services boards. It also makes it difficult to attract new directors.

Mr. Taylor requested language in the Resolution to ask the Task Force to look at the state's Personal Property Tax Relief Act (Car Tax) to phase the complete return of the personal property tax to counties and cities.

On motion of Mr. Reynolds, second by Mr. Taylor, the Board acted to adopt the following Resolution with the requested revisions:

*RESOLUTION 2011-44
RECOMMENDATIONS TO THE TASK FORCE
FOR LOCAL GOVERNMENT MANDATE
REVIEW*

WHEREAS, Governor McDonnell has announced the creation of a Task Force for Local Government Mandate Review, appointed to review state mandates imposed on localities and to recommend temporary suspension or permanent repeal of such mandates, and

WHEREAS, Governor McDonnell has urged local officials to provide the Task Force with a list of state mandates that they believe should be modified or eliminated, and

WHEREAS, the Virginia Association of Counties (VACo) has also provided the Task Force with a list of burdensome mandates, especially unfunded ones, which the state dictates to counties as identified by VACo's leadership, and

WHEREAS, the Board of Supervisors of Washington County, Virginia (Board) concurs with the list as provided by VACo and desires to inform the Task Force of the Board's position on both the VACo-identified mandates as well as other specific mandates the Board finds particularly onerous;

NOW, THEREFORE, BE IT Resolved by the Board of Supervisors of Washington County, Virginia that the Board herein identifies those state-imposed mandates which it strongly encourages the Task Force for Local Government Mandate Review to consider for modification or elimination:

Aid to Localities: Reverse the \$120 million biennial reduction in aid to localities.

Line of Duty Act: Delete local funding requirement for Line of Duty benefit.

Public Education: Review the Standards of Learning, the Standards of Accreditation and other administrative regulations to bring them into sync with the current Standard of Quality, and to delete state educational mandates that exceed federal requirements.

Comprehensive Services Act (CSA): Make the CSA program subject to the Administrative Process Act, return local CSA service rates to the FY 2006 level, increase the state match for certain youth programs, permit longer-term contracts for local community services board directors and establish financial incentives for local governments that foster regional contracting for provider services.

Constitutional Officers: Fully fund the state's obligations for mandated constitutional officers.

Equal Tax Authority: Equalize county taxing authority to enact local excise taxes including the cigarette tax, admissions tax, transient occupancy tax and meals tax with that of cities and towns.

Public Safety: Increase state funding for state prisoners housed in local jails..

Election Administration: Increase state funding for the local election administration.

Courthouse Construction: Remove the mandate for localities to build and maintain court facilities if, in the sole opinion of the local circuit court, localities do not meet current requirements.

Environmental Protection: Increase funding for Chesapeake Bay clean-up and delete local monitoring requirements in the Chesapeake Bay Preservation Act, and provide state funding for local administration of erosion and sediment control programs.

Personal Property Tax Relief: Phase the complete return of the personal property tax to counties and cities.

BE IT FURTHER RESOLVED that the County Administrator is directed to distribute this Resolution to the Task Force for Local Government Mandate Review, the Virginia Association of Counties, and Southwest Virginia's delegation to the Virginia General Assembly.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

3. Consideration of Withdrawal of Request to Abandon Portion of Grosses Creek Road (State Route 606) Discontinued from Maintenance by the Virginia Department of Transportation

Ms. Phillips explained earlier this year, the Board considered a request from Mr. Brian Martin to request the Virginia Department of Transportation (VDOT) abandon a portion of Grosses Creek Road (State Route 606) which lies entirely on the property he and his wife own. This is a situation where Mr. Martin has an unused footbridge on his property, and a right-of-way exists but is not maintained by VDOT. The right-of-way is still open to public traffic. Mr. Martin requested the Board make a request to VDOT to abandon the right-of-way. She further explained that the Board authorized her to proceed with Mr. Martin's request. The first step of the process is to send a letter to VDOT to request their position. VDOT's response was negative; they did not want to abandon the footbridge. Subsequently, discussions were held with Mr. Martin and VDOT. VDOT agreed to give Mr. Martin permission to put up a gate to allow him to control dusk to dawn access to the property, so no night time vehicular access to the footbridge is permitted.

Discussions ensued among the Board.

Mr. McCall asked if daytime vehicular access would be permitted.

Ms. Phillips explained that it would, and Mr. Martin does not have a problem with this.

Further discussions ensued.

It was consensus of the Board that the minutes reflect that Mr. Martin's request to abandon portion of Grosses Creek Road (State Route 606) discontinued from maintenance by the Virginia Department of Transportation is withdrawn from further consideration.

b. Information Items:

1. Presentation by Highlands Community Policy & Management Team

Mr. Andre Richmond, Program Director for the Comprehensive Services Act for Bristol and Washington County (CSA) addressed the Board and introduced Dr. Christopher Qualls, Chair of the Highlands Community Policy and Management Team (CPMT). Dr. Qualls provided a PowerPoint Presentation on the activities of the CSA. The following is an overview of the presentation:

- The CSA is a 1993 Virginia Law that provided for the pooling of eight specific funding streams used to purchase services for high-risk youth. These CSA pool funds are returned to the localities with a required state local match and are managed by local interagency teams. The purpose of the act is to provide quality, child-centered, family-focused, cost-effective, community based families services to high-risked youth and their families.
- The local interagency team is the Highlands Interagency Consortium which covers Bristol City and Washington County. It is composed of: three family assessment and planning teams; two in Bristol and one in Washington County; the Program Managers Team; and the CPMT.
- The mission of the CPMT is the Highlands Interagency Consortium seeks to empower families to meet their needs through the innovative delivery of effective and highly-integrated services.

- There community representation includes Department of Social Services, schools, Highlands Community Services Board, juvenile justice (court services unit), parent representative, Bristol Youth Services, private provider, Health Department, local government representatives.
- CSA's mandated population is: children in foster care, children who are at imminent risk of going into foster care (foster care prevention) and children receiving special education services. There are limited funds for non-mandated youth.
- The number of youth served in Fiscal Year 2011 is 125 children and families. There were 79 males and 46 females with the average age being 10.9 years.
- Washington County CSA expenses by service from July 1, 2010 – June 30, 2011 was reviewed. The average cost per child in services is \$8,622.00.
- The CSA Program was allocated \$1,623,271.00 in Fiscal Year 2011, with the expenditures for Fiscal Year 2011 being \$1,195,939.00. The required local match was \$509,089.00. The Program finished under budget at \$427,332.00, which meant a savings in the local match of \$133,416.00. Dr. Qualls noted that the CSA for Bristol and Washington County has been able to keep costs below the state average for other CSA Programs.
- Information was provided on the quality of care and cost savings.

This concluded Dr. Qualls presentation.

Discussions ensued among the Board, Mr. Qualls and Mr. Richmond.

Ms. Mumpower thanked Dr. Qualls for the presentation.

Scriver's Note: The PowerPoint Presentation referenced above is included as Minutes Exhibits Item 2011-10-25-A.

2. Presentation on First Quarter FY 2011-12 Accomplishments by County Administrative Division

The County's Administrative Division department managers presented a PowerPoint Presentation on the First Quarter Managers' Accomplishments for the period July 1 – September 30 of this fiscal year for their respective departments. Reports were received from the following departments:

- County Administration
- Solid Waste Department
- Budget & Finance Department
- General Services Department
- Information Systems Department
- Recreation Department
- Building and Development Services
- Department of Zoning
- Economic Development and Community Relations Department
- County Attorney

- Emergency Services Department

The managers were commended by the Board for their outstanding presentation and team work.

Scrivener's Note: The PowerPoint Presentation referenced above is included as Minutes Exhibits Item 2011-10-25-B.

At this time, County Director of Emergency Management Pokey Harris provided an update on the April 27-28, 2011 Disaster Recovery efforts.

8. Board Member Reports

Mr. Reynolds said he is pleased with county employees and the progress being made. He is happy with the public information meetings and department head presentations, and appreciates the managers keeping the Board of Supervisors informed. Mr. Reynolds pointed out David Kidd's (County Engineer/Building Official) efforts with the Washington County Fair. Mr. Kidd provided the inspection for the amusement rides.

9. Board Information and Reminders

Mr. Reeter reviewed the following Board Information:

- Recessed Joint Meeting of the Board of Supervisors and Washington County Industrial Development Authority, Wednesday, November 9, 2011, at 5:00 p.m.
- Rescheduled Regular Board of Supervisors Meeting – Wednesday, November 9, 2011, 6:30 p.m.
- Monroe District Public Information Meeting (Thomas Taylor) – November 1, 2011 at the Meadowview Community Center at 6:30 p.m.
- Jefferson District Public Information Meeting (Nicole Price) – November 29, 2011 at the Hayter's Gap Community Center at 6:30 p.m.
- VACo Preliminary Legislative Agenda for the 2012 General Assembly Session
- Community Development Block Grant (\$750,000.00) Awarded for Glade Spring
- Southwest Virginia Legislative Breakfast, November 21, 2011, Appalachian School of Pharmacy in Oakwood, VA
- Ribbon Cutting Ceremony for Alpha Natural Resources' New Corporate Office Building, November 28, 2011, 3:00 p.m. (reception and tour of building begins at 1:30 p.m.).

10. Closed Meeting:

- Request to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding the matter of the pending lawsuit, BC Liquidation, Inc. v. County of Washington, Virginia**

On motion of Mr. Owens, second by Mr. Straten, the Board acted to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding the matter of the pending lawsuit, BC Liquidation, Inc. v. County of Washington, Virginia. It was further resolved to include County Administrator Mark Reeter, County Attorney Lucy Phillips and Economic Development and Community Relations Director Christy Parker in the Closed Meeting.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

A ten minute recess was taken by the Board prior to convening in Closed Meeting.

b. Reconvene in Open Meeting and Certification of Closed Meeting

After returning to the meeting, the Chairperson noted that upon motion of Mr. McCall, second by Mr. Reynolds and favorable vote, the Board of Supervisors reconvened in open meeting. The Chairperson called for any participant in the closed meeting(s) who believed that there was a departure from the requirements of the Virginia Freedom of Information Act during the closed meeting(s), to state the substance of the departure that they believed took place. No members of the Board responded to the Chairperson's call for statements.

On motion of Mr. Owens, second by Mr. Straten, the members of the Board certified the closed meeting(s) in accordance with the requirements of the Virginia Freedom of Information Act. By vote in favor of this motion, each member certified that the closed meeting was conducted in conformity with Virginia law, and that only public business matters lawfully exempted from open meeting requirements and identified in the motion by which the closed meeting was convened was heard, discussed, or considered in the closed meeting.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

9. Adjourn or Recess

On motion of Mr. Straten, second by Mr. Reynolds, it was resolved to recess until 5:00 p.m. on Wednesday, November 9, 2011 for a joint meeting with the Washington County Industrial Development Authority.

The vote on this motion was as follows: (6-0)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

Prepared by:

Naoma A. Norris, Recording Clerk (from video of Board of Supervisors meeting)

Approved by the Washington County Board of Supervisors:

Dulcie M. Mumpower, Chairman