

**Colonial Heights
City Council
Special Meeting
October 17, 2017**



Colonial Heights City Council Meeting

October 17, 2017



- 1. Call to Order***
- 2. Roll Call***
- 3. Declarations of Personal Interest***
- 4. Work Session On The Following Items:***

Colonial Heights City Council Meeting October 17, 2017

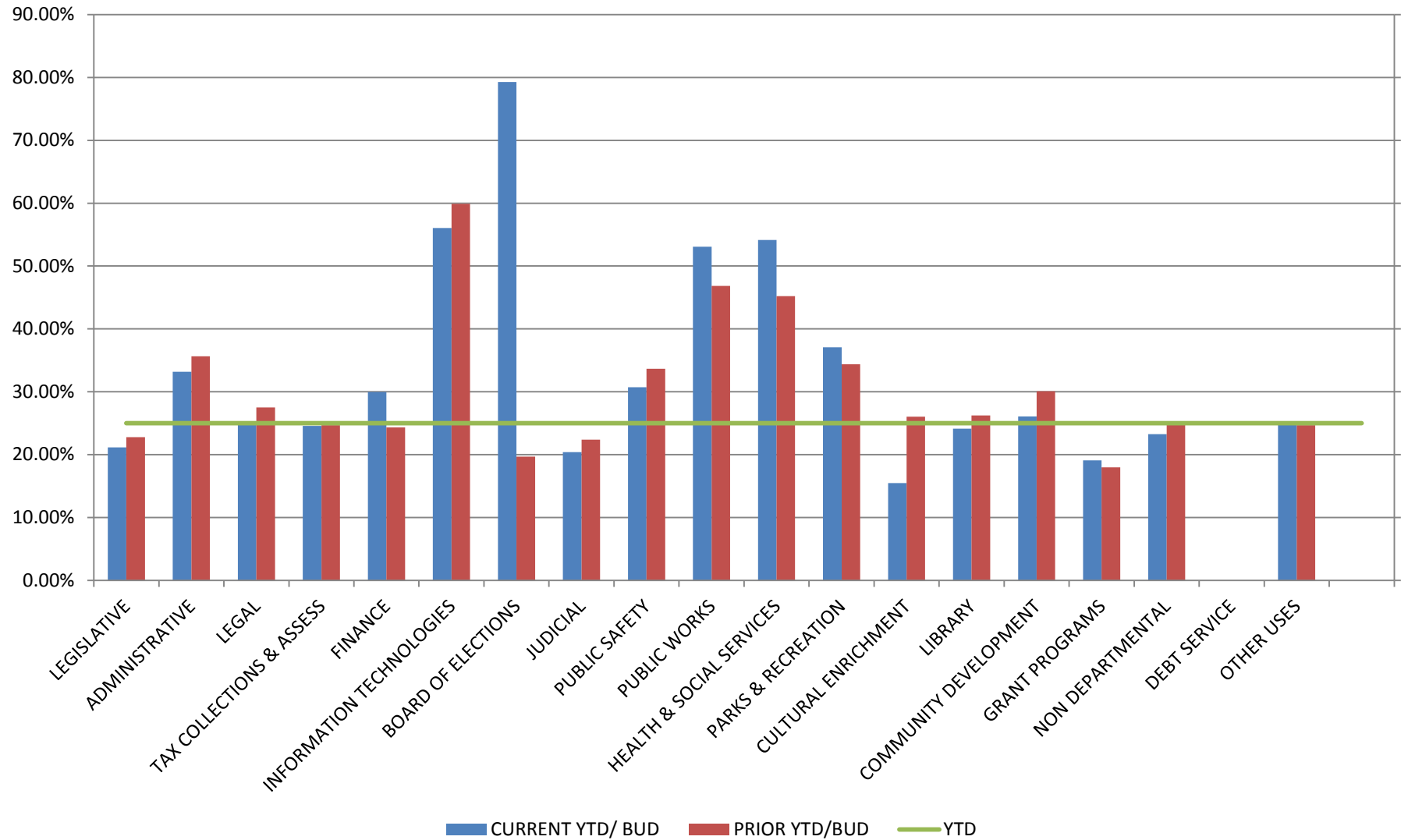


A. Presentation of Quarterly Financial Report

City of Colonial Heights
Quarterly Financial Report
Expenditures FY2017-2018 Through 9/30/17

FD	DIV	----- TITLE -----	BUDGET	PERIOD EXPENDITURES	ENCUMB OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	CURRENT YTD/ BUD	PRIOR YTD/BUD
10		TITLE NOT FOUND	-	(11,753.15)	-	(34,073.09)	34,073.09	0.00%	0.00%
10	101	LEGISLATIVE	181,845.00	13,334.04	251.05	38,204.09	143,389.86	21.15%	22.77%
10	105	ADMINISTRATIVE	549,512.24	29,417.19	2,080.79	180,374.30	367,507.15	33.18%	35.63%
10	110	LEGAL	234,038.00	17,692.47	787.08	57,910.60	175,340.32	25.08%	27.52%
10	115	TAX COLLECTIONS & ASSESS	320,238.57	24,088.55	2,603.08	76,077.12	241,618.35	24.56%	24.68%
10	120	FINANCE	7,625,037.36	698,082.36	475,081.20	1,811,022.46	5,338,933.70	29.98%	24.34%
10	125	INFORMATION TECHNOLOGIES	277,335.97	13,603.69	104,834.69	50,667.66	121,833.62	56.07%	59.90%
10	130	BOARD OF ELECTIONS	136,155.00	8,174.56	80,656.24	27,286.83	28,211.93	79.28%	19.68%
10	135	JUDICIAL	4,937,968.68	349,024.32	88,629.32	918,324.50	3,931,014.86	20.39%	22.37%
10	140	PUBLIC SAFETY	8,732,465.93	619,421.05	554,626.69	2,134,585.51	6,064,143.38	30.72%	33.65%
10	145	PUBLIC WORKS	4,477,535.02	283,399.24	1,581,944.41	810,453.78	2,115,005.08	53.08%	46.85%
10	150	HEALTH & SOCIAL SERVICES	851,838.00	121,827.69	275,000.00	186,102.70	390,735.30	54.13%	45.22%
10	160	PARKS & RECREATION	1,508,712.33	95,550.31	234,087.29	328,778.94	955,646.10	37.07%	34.36%
10	165	CULTURAL ENRICHMENT	133,983.00	5,273.22	1,174.15	19,585.19	113,349.66	15.48%	26.05%
10	170	LIBRARY	643,032.98	47,055.36	3,281.00	151,947.65	487,804.33	24.14%	26.25%
10	175	COMMUNITY DEVELOPMENT	459,124.50	31,857.35	3,806.44	115,833.39	339,484.67	26.06%	30.08%
10	180	GRANT PROGRAMS	369,669.00	16,487.97	623.56	69,856.14	299,189.30	19.07%	17.98%
10	190	NON DEPARTMENTAL	603,634.00	12,415.18	2,909.06	137,394.40	463,330.54	23.24%	24.80%
10	195	DEBT SERVICE	4,091,394.00	-	-	-	4,091,394.00	0.00%	0.00%
10	200	OTHER USES	21,229,814.00	1,757,771.00	-	5,273,313.00	15,956,501.00	24.84%	24.67%
		GENERAL FUND TOTAL	57,363,333.58	4,132,722.40	3,412,376.05	12,353,645.17	41,658,506.24	27.48%	26.69%
40	420	RECREATION ACTIVITIES	162,300.00	10,247.07	34,226.73	40,019.31	88,053.96	45.75%	39.13%
60	601	GENERAL GOVERNMENT	3,750,816.00	87,060.89	4,156,668.40	87,904.88	(493,757.28)	113.16%	4.68%
60	610	RECREATIONAL FACILITIES	24,951.76	591,000.69	24,951.76	591,000.69	(591,000.69)	2468.57%	1.64%
60	620	STREETS & BRIDGES	984,525.11	(33,655.35)	376,987.78	112,742.97	494,794.36	49.74%	0.00%
60	630	UTILITY IMPROVEMENT	24,915.18	-	24,915.18	-	-	100.00%	0.00%
75	750	STORM WATER	419,385.00	17,289.09	1,803.43	60,017.72	357,563.85	14.74%	13.81%
80	810	UTILITIES	5,547,535.08	326,323.60	2,016,569.18	1,024,555.34	2,506,410.56	54.82%	53.80%
		TOTAL, ALL EXPENDITURES	68,277,761.71	5,130,988.39	10,048,498.51	14,269,886.08	44,020,571.00	35.62%	27.18%

**City of Colonial Heights
Quarterly Financial Report
Expenditures as Percent of Budget
FY2017-2018 Through 9/30/17**



City of Colonial Heights
Quarterly Financial Report
Revenue Collections FY2017-2018 Through 9/30/17

FUND	1ST SUBTOTAL	----- TITLE -----	BUDGET	PERIOD RECEIPTS	YEAR TO DATE RECEIPTS	AVAILABLE BALANCE	CURRENT YTD/ BUD	PRIOR YTD/BUD
10	4100	GENERAL PROPERTY TAXES	23,360,747	105,021	312,590	23,048,157	1.34%	1.12%
10	4200	OTHER LOCAL TAXES	18,422,564	1,498,413	2,041,064	16,381,500	11.08%	11.48%
10	4300	LICENSE PERMITS & FEES	3,958,787	92,662	346,333	3,612,454	8.75%	4.38%
10	4400	FINES & FORFEITURES	457,500	25,594	40,381	417,119	8.83%	7.30%
10	4500	USE OF MONEY & PROPERTY	301,000	27,804	78,768	222,232	26.17%	45.61%
10	4600	INTERGOVERNMENTAL REVENU	7,099,598	1,003,958	1,228,341	5,871,257	17.30%	16.12%
10	4700	CHARGES-CURRENT SERVICES	2,488,316	154,243	298,351	2,189,965	11.99%	13.13%
10	4800	MISCELLANEOUS	1,274,822	(4,032)	16,469	1,112,261	1.46%	4.48%
		GENERAL FUND TOTAL	57,363,334	2,903,662	4,362,296	52,854,946	7.60%	7.38%
40	4500	USE OF MONEY & PROPERTY	3,000	-	-	3,000	0.00%	0.00%
40	4700	CHARGES-CURRENT SERVICES	168,000	14,785	61,624	106,376	36.68%	32.90%
40	4800	MISCELLANEOUS	-	-	50	(50)	0.00%	0.00%
60	4600	INTERGOVERNMENTAL REVENU	342,500	114,487	114,487	228,013	33.43%	0.00%
60	4900	NON-OPERATING INCOME	-	-	-	-	0.00%	24.86%
75	4700	CHARGES-CURRENT SERVICES	400,300	39,451	66,023	334,277	16.49%	0.00%
80	4700	CHARGES-CURRENT SERVICES	5,088,493	478,195	887,653	4,200,840	17.44%	18.04%
80	4900	NON-OPERATING INCOME	4,000	76	816	3,184	20.40%	41.80%
		TOTAL, ALL REVENUE	63,369,627	3,550,655	5,492,950	57,730,585	8.67%	8.65%

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***B. Discussion Regarding
Residential Rehabilitation Tax
Exemption***



RESIDENTIAL REHABILITATION TAX EXEMPTION

CITY COUNCIL WORK SESSION 10/17/2017



INTRODUCTION

- Planning Commission asked City Staff to research Residential Rehabilitation Tax Exemptions. The goal motivating this research is to find an effective tool that incentivizes the renovation and revitalization of residential housing stock.
- City staff presented the research to Planning Commission in March 2017.
- First: overview of how Residential Rehabilitation Tax Exemptions work.
- Second: criteria and components within the Tax Exemption.
- Third: interviews with two localities on their Tax Exemption program.
- Fourth: look at Colonial Height's previous Tax Exemption program.
- Fifth: logistics in implementation and next steps.
- Lastly: Staff recommendations.

OVERVIEW

CODE OF VIRGINIA

- § 58.1 – 3220.
Partial exemption for certain rehabilitated, renovated or replacement residential structures

OVERVIEW

HOW DOES IT WORK

- Application
- Assessment conducted before work, or baseline assessment used
- Assessment conducted after work is completed
- Amount of tax exemption is determined (a few ways to calculate this)
- The exemption runs for a set period of time
- The exemption runs with the real estate



CRITERIA

SELECT ELEMENTS IN RESIDENTIAL REHABILITATION PARTIAL TAX EXEMPTIONS



CRITERIA

AGE OF THE STRUCTURE

- State Code – “no less than 15 years of age”
- ≥ 15 yrs (Chesapeake, Chesterfield)
- ≥ 25 yrs (Charlottesville, Chesterfield, Portsmouth)
- ≥ 40 yrs (Henrico, Fredericksburg)
- ≥ 50 yrs (Lynchburg, Danville)

CRITERIA IMPROVEMENTS

- State Code – “undergone substantial rehabilitation, renovation or replacement for residential use”
- Increase value >10% (Chesterfield, Chesapeake)
- Increase value >15% (Charlottesville)
- Increase value >20% (Henrico, Fredericksburg)
- Increase value >25% (Danville)
- Increase value >40% (Lynchburg, Portsmouth)
- But no more than 100% (Henrico)
- Does not increase square footage by more than 15% (Danville, Fredericksburg)

CRITERIA

PARTIAL TAX EXEMPTION CALCULATION

- State Code –
 - (i) equal to the increase in assessed value,
 - (ii) percentage of increase in assessed value, or
 - (iii) an amount up to 50% of cost of rehabilitation

CRITERIA LENGTH OF EXEMPTION

- State Code – “no longer than 15 years”
- 7 years (Henrico, Charlottesville)
- 10 years (Portsmouth, Chesapeake, Ashland)
- 15 years (Chesterfield, Danville, Lynchburg)



CASE STUDIES

A LOOK AT TAX EXEMPTION PROGRAMS IN TWO LOCALITIES



CASE STUDY

CITY OF LYNCHBURG

- Interviewed: Mr. Steven Boyer, GIS Systems Analyst, City Assessor Office
- Three different programs: residential and multifamily, commercial or industrial, and vacant lots
- ≥ 50 years of age
- Increase assessed value $\geq 40\%$
- Length of Exemption - 15 years
- \$125 application fee
- Work must be completed in two years
- Inspected before and after
- Must not be delinquent on taxes
- Only one exemption at a time

CASE STUDY

CHESTERFIELD COUNTY

- Interviewed: Mr. Carl Schlaudt, Revitalization Office
- > 25 years of age. Additionally, 15-25 years of age considered if real estate assessment reflects an above normal (10% or greater) physical depreciation.
- Length of Exemption - 15 years
- Increased assessment value \geq 10%
- For multifamily, must not increase sq ft by more than 30%
- Only applies to the first 200% increase in sq ft
- May apply within 12 months after filing date of building permit application
- Any year in which the market value of real estate decreases below the base value, no credit shall be provided



PREVIOUS REHABILITATION EXEMPTION PROGRAM

PREVIOUS COLONIAL HEIGHTS TAX EXEMPTION PROGRAM



COLONIAL HEIGHTS PREVIOUS TAX EXEMPTION PROGRAM

- Adopted 1999 and residential portion discontinued in 2009
- 10 year tax exemption equal to increased caused by rehabilitation
- Single Family Residential:
 - ≥ 25 years of age
 - Increase assessed value must be $\geq 25\%$
 - Max amount of partial exemption is \$100,000
 - May exceed square footage of original structure by no more than 100%
- Multi-family Residential:
 - > 25 years of age
 - Increase assessed must be $\geq 40\%$
 - Max amount of partial exemption is \$500,000
 - May exceed square footage of original structure by no more than 50%
 - No single family to multi-family conversions
 - No increase in the number of units



NEXT STEPS

LOGISTICS TO CONSIDER IN THE DEVELOPMENT AND IMPLEMENTATION OF A TAX EXEMPTION PROGRAM



NEXT STEPS LOGISTICS

- What office will administer which aspects of the program?
- Do those offices have the capacity to do so?
- Choosing between a more or less restrictive program.



STAFF REPORT

POLICY RECOMMENDATION BY STAFF



STAFF RECOMMENDED POLICY

Applicable Candidates:

- **Minimum Age of Structure: 25 years**

(Same as previous program, Portsmouth, Charlottesville, and a threshold in Chesterfield)

- **Minimum Increase in Assessment Value: [20%]**

(Same as Henrico and Fredericksburg. This is higher than Charlottesville, Chesterfield and Chesapeake to encourage more significant renovation. This is 5% lower than the previous program.)

Exemption Terms:

- **Length of Exemption: 10 years**

(Same as Portsmouth, Chesapeake, and Ashland but 3 years longer than Henrico for competition/incentive purposes. Same as previous program.)

- **Terms: Equal to the increase in assessed value with no maximum cap**

(The housing stock in CH has a small square footage. In order to retrofit the housing stock to meet market demand, a significant increase in size may be required. The zoning code will ensure homes will not be overdeveloped and will not disrupt the integrity of the neighborhood. Previous program had a cap.)

STAFF RECOMMENDED POLICY (CONTINUED)

Additional Recommendations:

- Must apply within [7 business days] of pulling a building permit and before work is [substantially completed].

(Localities that require application before building permit report difficulties with program utilization. Oftentimes, homeowners learn about the value of the program through contractors and then opt to enroll in the program and expand the scope of the project in light of the incentive. Chesterfield allows for enrollment within 12 months of building permit since the value of word-of-mouth has been an overwhelming successful marketing tool. Since CH is not nearly as large as Chesterfield, allowing a small grace period may overcome the challenges presented by the same day required application while still providing the benefit of word-of-mouth from contractors.)

- Work must be completed in two years

(C.H. has experienced some renovations that have stretched on too long. This is to encourage completion on a reasonable timeline. Same as Lynchburg).

- Must not be delinquent on taxes.

(Standard language.)



QUESTIONS



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C. *Discussion Regarding Mobile Food Units and Alcohol By Permit At Special Events*

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Use of Alcohol by Permit Only at Limited Special Events on Public Property

Draft definition:

Limited Special Event Definition – A limited special event shall be defined as any event held on public property that is not conducted as part of the normal business or organizational purpose or function, and that provides cultural enrichment, promotes economic vitality, enhances community identity and pride, and/or provides opportunities for fundraising for the community's nonprofit agencies. These can include but are not limited to: festivals, music festivals, concerts, celebrations, shows, sports events, pageants, historical reenactments, and other entertainments, dramatic presentations, fairs, and fund raisers.

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Use of Alcohol by Permit Only at Limited Special Events on Public Property

Draft fees:

Fees: A permit must be obtained from the City to hold a limited special event on public property when alcohol is part of the event. There is a \$100 nonrefundable application fee to the applicant/sponsor to be paid at the time of the filing of the application. Additional fees may include actual expenses for required services provided by affected City departments.

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Mobile Food Unit Permitting for Special Events on Public Property

Draft definition:

Special Event Definition - A special event shall be defined as any event held on public property that is not conducted as part of the normal business or organizational purpose or function. These can include but are not limited to: road races, festivals, music festivals, concerts, celebrations, tours, shows, sales, block parties, sports events, pageants, historical reenactments, carnivals, and other entertainments, competitions, dramatic presentations, fairs, customer appreciation functions, fund raisers, and other outdoor gatherings.

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Mobile Food Unit Permitting for Special Events on Public Property

Mobile Food Unit Definition - A food establishment contained in a wheeled vehicle that is readily moveable, including but not limited to trailers, trucks, and vans; and is licensed by the Department of Motor Vehicles and has a valid permit from the environmental health division of the Chesterfield/Colonial Heights Health Department. These units are also known as food trucks.

Fees: A mobile food unit special event permit shall be required when mobile food units will be part of a special event on public property. The mobile food unit special event permit fee is \$50 per event per day.

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Mobile Food Units on Private Property

Options:

- Permit for Special Events on Private Property (for certain type of events)
- Regulate through Zoning – Possibly restrict to certain zoning districts for Private Property

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D. Discussion Regarding Mobile Food Units and Zoning



ZONING & MOBILE FOOD UNITS

OCTOBER 2017 - CITY COUNCIL WORKSESSION



PREVIOUS PRESENTATIONS AND ACTIONS

Mobile Food Units

- Introduction to Mobile Food Units – July 2017 Council Work Session
Goal: Provide general overview of mobile food units and the regulatory pathways.
- Mobile Food Units & Farmers Markets – October 2017 City Council Meeting
First reading of Ordinance No 17-25
- Mobile Food Units & Zoning – Today
Goal: Determination whether to further explore permitting mobile food units on private property

MOBILE FOOD UNIT REGULATORY PATHWAYS

Pathways to Permit Mobile Food Units

- On-Street, Sidewalk, or Public ROW
- Private Property
- Public Property
- Farmers Market
- Special Events on Private Property

MOBILE FOOD UNIT REGULATORY PATHWAYS

Pathways to Permit Mobile Food Units

■ ~~On-Street, Sidewalk, or Public ROW~~

■ Private Property

■ Public Property

■ Farmers Market 

■ Special Events on Private Property

DEFINITION OF “MOBILE FOOD UNIT”

As defined per Ordinance No. 17-25

Commercial Use Type: Mobile Food Unit

A food establishment contained in a wheeled vehicle that is readily moveable, including but not limited to trailers, trucks, and vans; and is licensed by the Department of Motor Vehicles and has a valid permit from the environmental health division of Chesterfield/Colonial Heights Health Department. These units are also known as food trucks.

ZONING

Permitting on Private Property



WHAT ZONING DISTRICTS?

Zoning Considerations

Colonial Heights Zoning Districts:

RL

RM

RH

BB

GB

PUD

Use Types	ZONING DISTRICTS						Requirements
	B-1	B-2	B-3	M-I	ES	IC	
							34 - <u>xxxx</u>
Mobile food units	P	P	P	P	P	P	
Movie theaters		R*	R			R	*<6 screens

POINT OF REGULATION

Zoning Considerations

Private Property

Property Owner obtains
Zoning Permit

Regulation is
place-based.

Mobile Food Unit

Vendor obtains Zoning
Permit.

Regulation not specifically
place-based, but can be.

Dependent on other mobile food unit regulations, for example,
if a locality also permits mobile food units on Public ROWs.

STANDARD REQUIREMENTS

Zoning Considerations

- Vending shall only take place from inside the unit.
- Unit shall not be left unattended while vending.
- Sign regulations
- Must comply with noise code.
- No liquid waste discharge except in an approved sewerage system as permitted by law.
- Trash receptacles must be provided and trash must be removed and properly disposed of. Public receptacles shall not be used for compliance.
- Legally parked.

ZONING REGULATION DECISIONS

Zoning Considerations

- Hours vending may take place
- Maximum length of time of continuous vending
- Table and chair set-ups

PLACE-BASED REGULATORY OPTIONS

Zoning Considerations

Regulating Number:

- Parcel
- Gross square footage of building
- Square footage of parcel
- Address/business on parcel
- Parcel must have primary structure
- Construction sites?

Location on Parcel Regulations

- Distance from residential property
- Distance from front door of any restaurant unless consent letter

DISCUSSION

Common concerns and debates



DISCUSSION OVERVIEW

Common concerns

4 Regulatory Policy Areas

- Public Health
- Public Safety
- Public Space
- Economic Activity

Case Study: On the Go – Insights into Food Truck Regulation in US Cities (Harvard School of Government)

DISCUSSION OVERVIEW

Common concerns

4 Regulatory Policy Areas

- Public Health
- Public Safety
- Public Space
- Economic Activity

Case Study: On the Go – Insights into Food Truck Regulation in US Cities (Harvard School of Government)

SOURCE OF REVENUE

Economic Activity

- Back in 2012, the US food truck industry broke the \$1 billion revenue mark (in fact it reached \$1.5B that year)
- Food truck industry is one of the strongest food service areas, the industry grew 8% a year from 2011 to 2016. But the industry is reaching a saturation point in many cities, with annual revenue growth expected to slow to 3 percent through 2021 (IBISWorld, November 2016).
- Localities collect:
 - Business License Fees
 - Zoning/Food Truck Permit Fees
 - Sales Tax

ENTREPRENEURISM

Economic Activity

- Food trucks are the “start-ups” of business in the restaurant industry.
- Allow chefs to test market areas, recipes, and clientele.
- Small, local restaurateurs a chance at competition.
- Will your locality be a “business incubator”?

Appleman, Jake. *From Food Trucks to Brick-and-Mortar*. CBRE. November 2015.



FAIR COMPETITION

Economic Activity

economic philosophy continuum

Regulating Competition:

- Distance
- Maximum continuous hours
 - Permitted hours

“No property taxes,
no rent,
NO FAIR!”

“Lower overhead, no
utilities, less employees,
it’s an unfair advantage!”

“Why do food trucks
get to defy the law?”

“We pay personal property tax,
sales tax, and rent when on
private property!”

“Utilities are gas, batteries, and
generator. Don’t forget storage
fees.
Rain, sleet, and snow means
business is a no go!”

“We have even more laws!
Health dept, business licenses,
zoning permits,
for every locality!”

ARE FOOD TRUCKS STEALING CUSTOMERS AND REVENUE?

Economic Activity

About half of the consumers participating in NPD's foodservice market research survey said they would have obtained their meal or snack from a fast food restaurant if they had not patronized the food truck.

Another 20 percent of respondents said they would have skipped the meal altogether, implying their visit to the food truck was spontaneous or unplanned, according to NPD.

The top reasons consumers gave for using food trucks related to availability of "interesting" foods and convenience.

“For now at least, food trucks need not be viewed as a threat to restaurant demand nationally,” says Bonnie Riggs, NPD restaurant industry analyst. “However, in markets with a developed food truck presence, QSR operators may wish to take note of the benefits food trucks offer, such as different and fresh food, especially as a means to build their snack business and/or protect lunch traffic.”

THANK YOU



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5. *Adjournment*

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