



## 2016 LOB Presentation Meeting Recap Tuesday, January 19, 2016

### Board Members Present:

Sharon Bulova, Chairman  
Penelope Gross, Mason District (Vice Chairman)  
John Cook, Braddock District  
John Foust, Dranesville District  
Pat Herrity, Springfield District  
Catherine Hudgins, Hunter Mill District  
Kathy Smith, Sully District  
Linda Smyth, Providence District  
Daniel Storck, Mount Vernon District

### Introduction (Edward Long, County Executive & Joe Mondoro, CFO)

- Mr. Long began by mentioning the recent favorable news regarding Moody's evaluation of the County <http://www.fairfaxcounty.gov/dmb/bonds/160119-nip-county-bond-ratings.pdf>
- LOBs cover memo from the County Executive: (<http://www.fairfaxcounty.gov/dmb/lob/2016/cex-memo-lobs-01-12-2016.pdf>)
- County Executive characterized process with two words: "discussion", "opportunities" and thanked staff who were balancing multiple processes while working on the LOBs.
- A discussion took place regarding that the LOBs survey be offered in hardcopy/written form, in addition to online, to accommodate those in the community who do not have easy access to online resources or who are not as comfortable with online applications.
  - Made available in the Libraries and input manually.
  - A question was raised about making the survey available to those whose primary language is not English.
- During a discussion on the County's Vision Elements:
  - "Human development" is not readily apparent and asked for written summary regarding alignment process. Joe Mondoro, CFO, responded that the information is in the LOBs Overview Volume (<http://www.fairfaxcounty.gov/dmb/lob/2016/overview.pdf>) and would send the link out again.
  - It was suggested that the Vision Elements, goals, and priorities be revisited. A joint retreat with School Board and separate BOS retreat were suggested as possible options.
  - Community priorities should be identified.
- A discussion took place regarding the identification of redundant services with FCPS and their involvement in the County's LOB process.
  - Staff explained that the schools were undergoing their own process
  - County LOBs process is intersecting with FCPS and that joint work is underway on several cross-cutting areas:
    - ✧ Transportation services
    - ✧ School Health services
    - ✧ Behavioral Health services

### Online Access (Bill Yake, DMB)

- See <http://www.fairfaxcounty.gov/dmb/2016-lines-of-business.htm>
- The various ways to access and drill down on the County's LOBs information was demonstrated.

*General Fund Revenues (Marcia Wilds, DMB)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/2016-lines-of-business-revenue.pdf>
  - The Real Estate Tax has grown as a proportion of the County revenues from 51% in FY 2001 to 64% in FY 2016 (slide #3) due to some other revenue sources declining
- Significant discussion took place on Real Estate Tax Relief (slide #4)
  - Questions were raised regarding the treatment of income and assets in the calculation and staff explained.
  - ? Supervisor Foust asked for information on the recent state changes.
  - It was mentioned that younger families also have income/asset issues in determining tax relief.
  - ⌚ Added as longer term issue for review
- A discussion took place regarding the Personal Property Tax
  - Re discussion on boats and aircraft and staff added:
    - ✧ Rate was reduced to 1 cent for boats and there was a small revenue loss.
    - ✧ Accounts with a tax bill less than \$5 do not get billed.
    - ✧ Tax is based on where the boat/aircraft is garaged/docked.
    - ✧ Boat trailer taxed at regular rate.
  - Questions were raised regarding people titling their car elsewhere to avoid the Personal Property Tax and staff responded that the County's own "tip line" is effective in resulting in 15% levy and collections of approximately \$2m/year.
  - A question was raised regarding the cost to administer Personal Property Tax. This will be provided at the next Legislative Subcommittee meeting as they will be considering legislation in the General Assembly this session.
- Business Professional and Occupational License (BPOL) Taxes
  - Most businesses exempt/pay flat fee for BPOL.
  - Questions were raised regarding the logic behind the BPOL Tax rates
    - ✧ ? Comprehensive review BPOL Tax rates requested, as well as benchmarking with surrounding jurisdictions
    - ✧ Any legislation being considered by the General Assembly regarding the shift from a gross receipts basis to a net receipts basis? This will be kept on the radar for the Legislative Subcommittee meetings.
- Communications Sales and Use Tax
  - Has declined over time.
  - ? Supervisor Foust asked how these revenues are distributed between funds
    - ✧ Staff explained that the Board approved the dedication of the revenue to support E-911 costs thereby eliminating the need for a transfer from the General Fund.
    - ✧ Discussion took place regarding direction of funds to the General Fund and a transfer to E-911 being part of the annual budget allocation discussions.
  - Cigarette Tax – A request was made for an update of the any related legislation being considered by the General Assembly and suggested that a review of alcohol consumption taxes be done.
- Charges for Services
  - ? Supervisor Gross asked what the revenue loss is associated with the compassionate billing policy for emergency transport fees. Also asked for clarification that the fees are considered as General Fund revenues and are not directed to support the Fire and Rescue Department directly.
  - ? Supervisor Foust asked where Sheriff Processing Fees are recognized.
- Discussion took place on the issue of county versus state code references on parking citations and whether or not the issue had been corrected to use county references wherever relevant to ensure the County received the associated revenue. Staff verified that officers are using county codes wherever possible.
- A question was raised why building permit fees are set to recover 90% of costs versus 100%. Staff answered that since fees cannot exceed the cost of services, the rates have been set at 90%.
- Meals Tax (slide #23)
  - Staff verified that the towns already levying a Meal Tax would retain that authority/revenue if a County Meal Tax was passed by referendum.
  - Are businesses compensated for their administrative costs incurred for levying a Meal Tax? Staff answered that this is an option the BOS could consider.

*Community Development Context (Rob Stalzer, Deputy County Executive)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/e1616-ppt.pdf>
- Rob Stalzer, Deputy County Executive, “Plan to do, not plan to plan”
- Work guided by Economic Success Strategic Plan (ESSP) (<http://www.fairfaxcounty.gov/success/strategic-plan-facilitate-economic-success-2015.pdf>)
- Bikeshare initiative represents what the County is trying to do and the kind of places we are trying to create.
- Past success does not guarantee future success

*Economic Development Authority (EDA) (Gerry Gordon, Robin Fenner)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/e1616-ppt.pdf>
- Residents cost government, businesses make money
- Not satellite offices, representatives, cost approximately \$0.6m
- Objective to fill 20mil square feet of office space
- Northern Virginia Community College will become increasingly important, for every 1 IT person hired, need 4 2-year graduates support work
- It was pointed out that Cvent started in Fairfax County.
- A question was raised regarding the Transient Occupancy Tax and if it funds EDA. Staff answered that the additional revenues are dedicated to tourism, not EDA.
  - ? Chairman Bulova asked for a description of the Transient Occupancy Taxes requirements.
- Discussion took place regarding what complicates the recruitment of businesses to Fairfax County harder?
  - Dr. Gordon answered that transportation and housing prices are factors in companies considering relocation from Fairfax, but not in recruiting since competing with markets that have these same issues.
  - Must change perceptions about being slow.
- ? ⌚ Significant discussion took place regarding development of metrics that assess EDA’s success at expanding the commercial tax base (Supervisor Foust).
  - Dr. Gordon explained that the commercial % of the Real Estate Tax base is driven by factors on residential side. Urged focusing on what is controllable.
  - A discussion on regional collaboration took place where Dr. Gordon articulated that it is difficult when all have different needs, there is collaboration, in particular, with small businesses.
    - ✧ Collaboration is important and questions were asked about branding. Dr. Gordon responded that branding is expensive.
- ? Supervisor Hudgins asked how does EDA’s funding compare to surrounding jurisdictions?
  - Dr. Gordon responded that the County really does not have any peers, so comparisons are difficult (land use in some agencies, etc)
  - Montgomery County is similar, but since there is still so much more vacant land, it is still not a good comparison.
- It was pointed out that Fairfax County does not offer cash incentives to companies to locate here
- Supervisor Gross
  - Reputation of EDA not universally positive
  - ? What are commercial office vacancy by area (Baileys)
  - ⌚ How can we repurpose these spaces-what are ideas (like vertical school)?
- There was significant discussion regarding the role of EDA
  - Involvement from EDA in workforce development
  - Involvement with the Small Business Commission
  - ⌚ It was suggested that it may be time to establish another Blue Ribbon Commission to take fresh look at economic development and EDA’s mission as the existing is 40 years old (1976).
  - It was commented that EDA is the County’s marketing and business arm, and that there are revitalization and workforce resources elsewhere
  - It was suggested that school use of commercial office space be considered and that the County should be looking at specialized education and more cosmopolitan models.
  - County must define what we want to sell and work with EDA as well as other institutional partners (airports, Northern Virginia Community College, etc) to market the County.

- Suggested clarification of EDA’s mission building upon work of Economic Advisory Council (EAC).
- Dr. Gordon explained that EDA does interact with the County via the EAC and there are personal interactions between EDA and county staff around specific issues.
- EDA’s job more than putting a body in an office; the County wants smart, qualified people and that this is part of the branding piece.
- Must look at economic development as a region
- Economic development is about making jobs for those that are here, involves workforce and lower skill jobs
  - ✧ Dr. Gordon explained collaborations with SkillSource etc.
  - ✧ ⓘ It was suggested that EDA highlight those partnerships more and articulate EDA role in broader mission to make Fairfax County exceptional place to work and live.
- Dr. Gordon was asked if he had any insight on the possibility of another base realignment. He explained that such decisions will be dependent on the new administration, so it will be a while. He expressed certainty that Ft Belvoir will be recipient again.

*Private Public Partnerships (P3) (Rob Stalzer, Scott Sizer, Carey Needham, Katayoon Shaya, Barbara Byron, Tom Fleetwood, Hossein Malayeri)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/2016-lobs-overview-p3v2.pdf>
- ? Supervisor Herrity asked where P3’s budget information and metrics were presented and suggested that needs not be created when there is an opportunity (Mt Vernon High School, Northern Virginia Training Center).
  - Mr. Stalzer explained that the costs/metrics are embedded in the agencies that come together to do the work but that some project costs focusing on staff costs could be gathered.
  - It was suggested that that 1-2 page project summaries include project purpose, budget info, and anticipated benefits
- Supervisor offices be kept the loop, as issues tend to “disappear” for a long time.
  - Mr. Stalzer answered that projects are just difficult/complex and that procurement makes full transparency difficult, but staff is looking for ways to increase transparency.
- The need for a prioritized list of potential uses was raised.
- It was asked if legislative changes were needed to facilitate process. Staff answered that such changes were not necessary.

*Introduction to the Department of Public Works and Environmental Services (DPWES) (James Patteson)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/introduction-dpwes-ppt.pdf>
  - Approximately 29% of workforce eligible to retire which presents challenges and recruitment difficult at lower pay grades since expensive to live in Fairfax County. Staff is recruiting at high schools and training programs aimed at “come for a job stay for a career”
  - Linked to workforce discussions and need to have technical training at NVCC
  - Outreach to FCPS regarding technical skills/trades mentioned
- Construction of the Residences at Government Center will provide affordable housing options for the workforce.

*Land Development Services (DPWES) (Bill Hicks)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/g2531-ppt.pdf>
- Leadership is important, want to ensure consistency across the county
- Don’t have good data on the building plan review side-reference to length of time in queue slide #18
- Inspections done next day-very timely
- Site plan inspections not customer driver, more regulation driven
- Goal #3 of Economic Success Plan (ESSP) integral
- General processes work, but when problems arise to the BOS level, there are often linguistic issues that should be dealt with at staff level. Suggested that staff communicate with less jargon/technical language
  - Staff agreed about the importance and explained that staff is engaging in more face to face interactions
  - Suggestion that community be referenced more in LDS LOBs.
  - Comments from the public on services are shared via the monthly “Land Development Update”

- LDS is making progress with industry concerns, but concerns raised that process can be adversarial. This should be a focus going forward.
- ⌚ LDS staff was asked to compile a list of areas where flexibility is needed to improve the process.
- Board staff should be involved in the training academy since they are an important part of the land use process

*Office of Commercial Revitalization (OCR) (Barbara Byron, Liz Haag, Tracy Strunck)*

- <http://www.fairfaxcounty.gov/dmb/lob/2016/g0202-ocr-ppt.pdf>
  - ⌚ More opportunities to learn about land use process be available. Link to LDS Training Academy and consider as part of Neighborhood College Program.
  - ⌚ It was asked if investments can be measured in particular areas. Ms. Byron explained the difficulties which is why the focus is on assessed value, but staff will investigate.