



Fairfax County Green Bank Ordinance Framework and Budget Estimates

Board of Supervisors Environmental Committee
October 3, 2023

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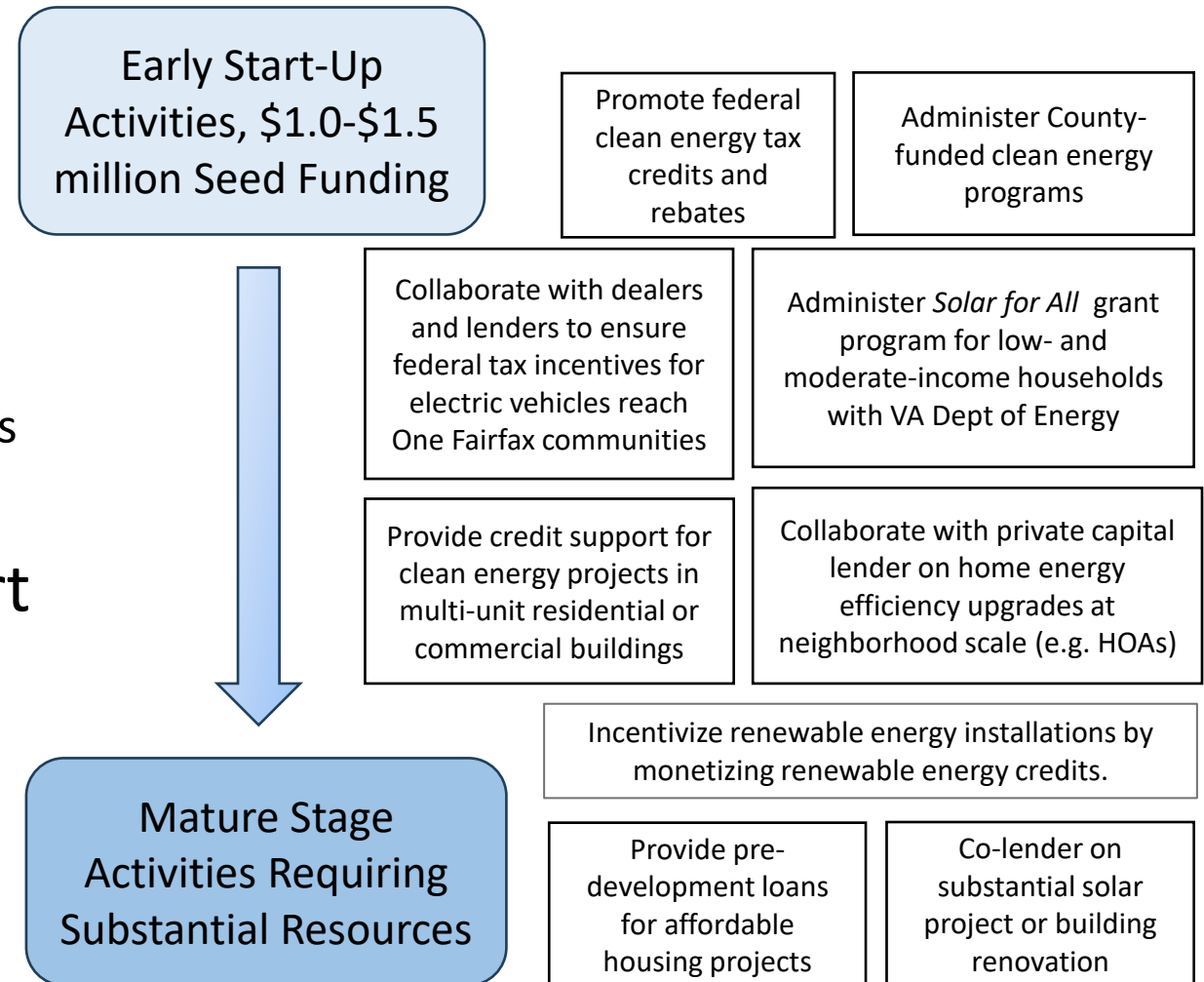
Green Bank Activities (with illustrative examples)

Stimulate Demand

- Marketing and advertising
- Educational efforts and programming
- Workforce training
- Intentional engagement through equity lens

Financial Investment and Support

- Consumer protection standards
- Provide funding; incentives
- Involve private lending firms in programs
- Loans; guarantees



Illustrative Budget Sketch for Green Bank

Draft Budget Expenses for Green Bank	Year 1	Year 2	Year 3
Staff Salaries and Benefits	\$ 160,000	\$ 300,000	\$ 500,000
Legal and Accounting	250,000	150,000	120,000
Insurance	25,000	30,000	40,000
Administrative / IT services	150,000	160,000	180,000
Rent and office expense	60,000	65,000	70,000
Marketing / Advertising / Fundraising	80,000	120,000	150,000
Consulting / Professional Services for Programs	80,000	200,000	400,000
Program Services	200,000	400,000	600,000
	\$ 1,005,000	\$ 1,425,000	\$ 2,060,000

These estimates drawn from other green banks launched begun in recent years (e.g., Philadelphia, Montgomery County)

Green Bank Start-up Documents

The July 18, 2023 discussion introduced the draft Ordinance, draft Articles of Incorporation, and draft By-laws.

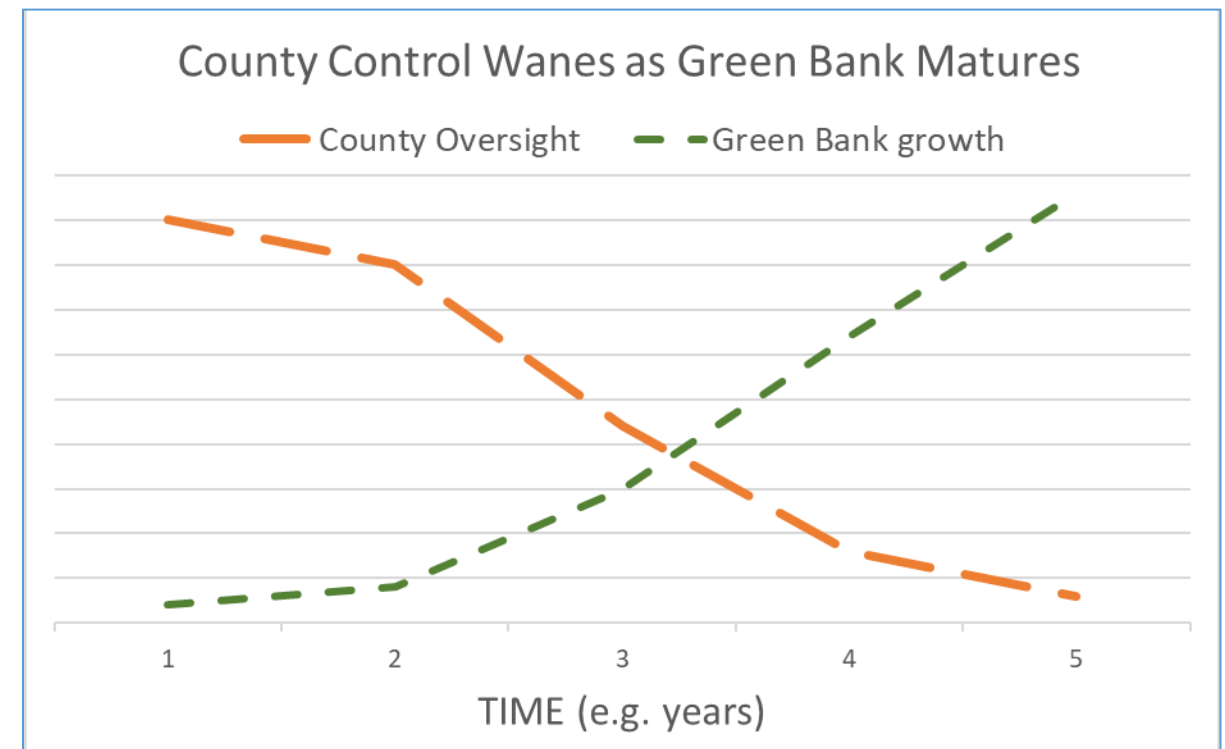
A Memorandum of Understanding with the entity will contain additional details.

Summary:

- Independent 501(c)(3) entity
- Established to benefit Fairfax County, without preventing future regional activity
- Minimizes legal and financial risk to Fairfax County government; loans provided from future lender(s), not the County
- Legal name cannot use 'bank'
- A public body for some purposes like VFOIA
- Annual reporting to the Board of Supervisors

Start-up Documents Address Risk Through County Control

- County funding required initially while seeking outside / federal funding; long-term goal is to become truly independent
- County control presents risks, real and perceived
- Long-term county control presents corporate governance questions
- County branding and control offers credibility but may inhibit regional participation



BOS guidance sought on several questions (1 of 2)

1. Role in selection of Board of Directors?

Recommendation: Initial appointments made by County Executive; voting members of Board of Directors are self-perpetuating thereafter, non-voting members always appointed by County Executive.

2. Board composition?

Recommendation: Minimum of 5 voting members, maximum of 9 voting members, diverse expertise. Two (or more) county staff (e.g. from Finance and Environmental Depts) are non-voting members.

3. Require “Fairfax County” in legal name of entity?

Recommendation: Do not require entity to have Fairfax County in name when incorporated; Board of Directors may amend organization name.

BOS guidance sought on several questions (2 of 2)

4. Role regarding review or approval of amendments to articles of incorporation or by-laws?

Recommendation: BOS (or County Executive) receive advance notification of amendments sixty (60) days prior to occurrence.

5. Extent of BOS review of lending activity?

Recommendation: Require entity to obtain authorizing resolution from BOS prior to purchasing, guaranteeing or incurring any indebtedness.

6. BOS ability to remove a member of the Board of Directors?

Recommendation: The Board of Directors is independent. After initial appointment, the election and removal of voting Directors is by the Board of Directors itself. The County will retain at least two non-voting directors (County employees) on the Board of Directors.

Framework Ordinance

Staff welcome guidance on these recommendations to help move the start-up documents forward.