

**CITY OF BUENA VISTA
PUBLIC HEARING AND
REGULAR COUNCIL MEETING
COUNCIL CHAMBERS
APRIL 21, 2022 – 6:00 P.M.**

MEMBERS PRESENT: Mayor Fitzgerald
Councilman Henson Councilman Cooper
Councilman Webb Councilman Staton
Councilman Coffey

MEMBERS ABSENT: Vice-Mayor Hickman

ADG #1: PLEDGE OF ALLEGIANCE AND PRAYER:

Councilman Cooper delivered the opening prayer.

ADG #2: PUBLIC HEARING:

Councilman Cooper read the following:

**BUENA VISTA CITY COUNCIL
PUBLIC HEARING
APRIL 21st 2022**

Pursuant to Code of Virginia Section 15.2-2204 and Section 15.2-1800, notice is given that the City Council of the City of Buena Vista will hold a public hearing to receive comment on the following matters.

1) Proposed sale of City-owned property near 31st Street and Catalpa Avenue:

Mr. Tom Roberts started by saying that in Council's packet they should have a staff report along with a copy of maps. One shows the location of the parcels and the other one shows the floodplain. The City acquired these parcels a couple of decades ago. He was speaking with the man that owns the adjacent land and he expressed he was interested in purchasing the parcels. He looked at the assessed value for the lots and came up with \$700.00 per lot for a total of \$2,100.00. He proposed that price to Mr. Whitten and he agreed. Mr. Roberts said he cannot think of a use the City would have for this land. We do not need it for infrastructure. It is

only a few of the lots we have down there. It makes more sense to keep the ones on the other side of the alley that are slightly to the south because that is where the actual creek bed is. Mr. Whitten will use these lots for more of his garden area and wood area.

Councilman Henson wanted to know if those lots are part of a FEMA project.

Mr. Roberts advised that none of the lots are FEMA. We did not use any FEMA funds to demolish any housing on these lots. There was a house there that was demolished about 15 years ago and he does not know where the money came from to demolish it. He said the center of the creek bed has changed some over the years. They did work on that street when they built the new bridge

2) Ordinance to revise the City policy on abandonment of public rights-of-way:

Mr. Roberts started the discussion by saying that they had talked about this subject at the last Council meeting. This includes the final text. To recap, the current formula for pricing for the rights-of-way is to look at the adjacent parcels and then look at the assessed value of the land per square foot. Then you make an average of those and then we calculate the areas to be abandoned using the area square footage. This can be a bit problematic because it is then up to him to determine which parcels are adjacent. The price per square foot can vary widely depending on what you are around and how the assessments work out. This proposal would be a flat \$0.75 per square foot. The one change is he added a second option. He read the following:

“The purchase price should be one of the following:

At the discretion of City Council (1.) \$0.75 per square foot; (2.) The fair market value established by an appraisal prepared by a licensed real estate professional. He is proposing that alternate valuation method to give a little bit of flexibility in case there are some situations where maybe there is a large section of rights-of-way we might be abandoning, and the real fair market value would be less than \$0.75 per square foot. This is just for giving some kind of alternate in case there were other options. He would like feed-back from Council on the alternate.

3) New schedule of fees for zoning permits:

Mr. Roberts said there are no changes since the last meeting.

4) Ordinance to revise the City’s tax incentive program for rehabilitated real estate:

Mr. Roberts said this item is new. He sent Council the staff report a couple of weeks ago and he will pass out some calculations(SEE CALCULATIONS IN MINUTE BOOK). He sent the following staff reports:

Rehabilitated Real Estate Tax Exemption

City Code Sections 16.82 through 135

DRAFT text

4/7/2022

DIVISION 3. REHABILITATED REAL ESTATE TAX EXEMPTION

Subdivision I. In General

Sec. 16-83. Purpose.

Pursuant to Code of Virginia 1950 § 58.1-3220 and 3221, the City hereby establishes the Rehabilitated Real Estate Tax Exemption, hereinafter referred to as "RRETE," as an incentive for rehabilitation and redevelopment of properties

within the City of Buena Vista. The exemption reduces the amount of tax owed on certain buildings that are rehabilitated, renovated, or replaced.

Sec. 16-84. Qualification requirements for the RRETE.

- a) The use of the structure subsequent to rehabilitation, renovation, or replacement must be residential, commercial, or hotel/motel in character.
- b) The structure must be at least 25 years old if a residential or commercial use, and 35 years old if a hotel/motel use.
- c) Application for the RRETE must be made prior to commencement of rehabilitation, renovation, or replacement.
- d) The rehabilitation, renovation, or replacement work must increase the assessed value of the structure by no less than 25%.
- e) Building permits must be obtained for all rehabilitation, renovation, or replacement work.
- f) The property owner must be current in payment of all taxes, assessments, and fees due to the City
- g) The rehabilitation, renovation, or replacement may not be the result of rebuilding or repair after a flood, fire, or other natural disaster.
- h) The rehabilitation, renovation, or replacement of structures may not result in demolition of a structure that is individually listed on the Virginia Landmarks Register, or a structure that is determined by the Department of Historic Resources to contribute to the significance of a historic district listed on the Virginia Landmarks Register.

Sec. 16-85. Grant and term of exemption.

The RRETE is an exemption in an amount equal to the increase in assessed value resulting from the substantial rehabilitation, renovation, or replacement of a structure as determined by the

Commissioner of Revenue. An exemption may be conditionally approved, based upon a plan to rehabilitate a residential structure, but such exemption shall not be granted until the structure is substantially rehabilitated. For each structure that qualifies, the RRETE shall be effective for a period of five (5) years commencing January 1 for any work completed during the preceding calendar year at a descending rate of the five (5) year period as follows:

Year	1:	100%
Year	2:	80%
Year	3:	60%
Year	4:	40%
Year	5:	20%
Year 6:		0%

An increase in assessment occurring after the first year of the exemption shall not result in an increase in the exemption. In no case shall an exemption be permitted if the assessed value falls below the base value in any given year. The RRETE shall run with the land.

Sec. 16-86 Application and Fee

Application for the RRETE shall be made to the Commissioner of Revenue and shall be accompanied by a fee of \$50.

Sec. 16-87 through 135. - Reserved.

City Council Staff Report

4/7/2022

Synopsis

Revise and update tax incentive program for rehabilitating buildings.

Summary:

- Current tax incentive has not been updated since the 1980's
- Revisions would better match current market and economic development we want to target
- Once updated staff will advertise this to developers

Analysis

State code authorizes localities to create an incentive program for renovating buildings by exempting taxes on improvements for a certain period of time. Many localities have adopted ordinances to offer this. Essentially, this program freezes the assessment on your building at pre-renovation value for a period of time such as five years.

Over the last 15 years, the City has had two or three properties that took advantage of this program. Staff would like to promote this program as part of the City's package of incentives, but it needs to be reworked.

Purpose

The purpose of this incentive is to encourage property owners to invest in their buildings. It reduces the impact of increased taxes that result from renovating a building, making it easier for a property owner to put money into the actual renovation.

This incentive is specifically for renovating old buildings versus new construction. This program can help account for costs and uncertainty of renovating older buildings, and is a great incentive to encourage renovation of downtown buildings for new businesses.

This is one of the only incentive programs that can be used for single-family homes. Buena Vista has many houses that need major rehab, so this program could help improve our residential neighborhoods not just our downtown.

Current text

The current text, from 1982, is no longer a good fit. See attached. Issues with current text:

- Complicated with different tiers and rates depending on type and age of building
- Sets a very high bar for the increase in value to qualify (40% for residential, 60% for commercial)
- Houses must be 75 or 50 years old to qualify (different tiers of incentive)
 - Duration of ten years is very long—longer than needed to incentivize, significantly decreases City revenue, and longer than other localities
 - Includes industrial properties—potentially could result in hundreds of thousands of dollars of incentive with no performance agreement, opening the door to abuse.

Revised Text

The re-written text simplifies the program and incorporates some definitions and key provisions from applicable current state code. Summary of the program as proposed:

- Houses, multifamily, and commercial properties eligible
- Building must be at least 25 years old or 35 years old if a hotel/motel
- Renovation work must increase the assessed value by 25% or more
- Tax on the increase in value is exempt for 5 years at a decreasing rate(100%exempt first year, 80% second year, 60% third year, etc.

Mr. Roberts said this has been on the books since 1982 and has not been changed. The general idea is it reduces the tax if you are renovating both residential and commercial properties. This is a way to encourage private sector to renovate buildings. That is the general purpose of the Ordinance. It does that by basically freezing the assessed value of the building after improvements. IF the building is assessed at \$100,000.00 and after renovations it is assessed at \$200,000.00 it would freeze the assessment at \$100,000.00 for a period of time so you are paying less taxes than you would be otherwise. The current program has different tiers, different rates depending on the type of building, the age of the building. There is a rather high bar for the increase in value of the building in the current text. It sets a high bar for the renovation because you have to increase the assessed value by 40% for residential and 60% for commercial. Residential houses must be 75 or 50 years old to qualify (different tiers of incentive). The duration of the incentive is 10 years. He made a mistake on the calculation sheets. He only showed it for 5 years and not ten. The new text simplifies it by making newer properties eligible for the incentive: 25 years except for a hotel or motel and they must be 35 years old. It increases the assessed values.

Councilman Coffey wanted to know if this will affect our revenues.

Mr. Roberts answered by saying there is no one participating in this program at this time. If we adopt the changes, it will increase the amount of the tax revenues that we will receive.

Mr. Tyree opined the good thing about this program is we will not lose money. We will already be collecting taxes on the original value of \$100,000.00. After the renovations, we will collect additional taxes on the new assessment. It will take a few years to show the increase. We will freeze at \$100,000.00 and up it 20% each year over a 5-year period.

Mr. Roberts explained the bold numbers at the bottom of the calculations are the difference in 5 years. Under the old program that column should continue going to 10 years, not just 5 years.

Councilman Henson wanted to know if Mr. Roberts had the answer to his question concerning the property going from industrial to commercial or residential.

Mr. Roberts said we would look at that after the renovation use in terms on how to classify it. If they are wondering why industrial buildings are not included it is because when there are big incentives worth a lot of money. It is better to attach those to real performance metrics. When speaking of performance metrics, he means the number of jobs created, the amount of sales tax generated, including lodging tax or machinery and tools tax. When they talk to industrial prospects and they say they are going to move their factory to Buena Vista, they want us to give them incentives. The questions we ask are how many jobs will be created, what the amount of sales tax will be, or machinery and tools tax, or what kind of revenue will they create for the City. An incentive really only makes sense if we are getting a return on our investment. We need to make sure we are using taxpayer money wisely.

Mr. Jamie Goodin said having worked with a number of developers and him being one himself, he supports this Ordinance. The real estate tax is one of many taxes.

The Public Hearing will be held in Council Chambers, City Hall, 2039 Sycamore Ave, Buena Vista VA 24416. The meeting begins at **6:00 PM on Thursday, April 21st, 2022**. Staff reports for each matter, and a copy of the Comprehensive Plan, are available from the Director of Community and Economic Development, Thomas Roberts, 2039 Sycamore Avenue, Buena Vista VA 24416 or (540) 261-8607 or troberts@bvcity.org or buenavistava.org/planning.

Councilman Cooper closed the public hearing.

ADG #3: APPROVAL OF THE AGENDA:

Councilman Henson made motion to approve the agenda, seconded by Councilman Coffey, carried by Council.

ADG #4: APPROVAL OF THE MINUTES FROM THE PUBLIC HEARING AND REGULAR COUNCIL MEETING HELD ON MARCH 17, 2022:

Councilman Coffey made motion to approve the above-mentioned minutes, seconded by Councilman Henson, carried by Council.

ADG #5: RECOGNITION/COMMUNICATION FROM VISITORS: Citizens who desire to speak on matters not listed on the agenda below will be heard at this time. Citizens who desire to speak on a specific item listed on the agenda, open for public comment, will be heard when that item is considered.

Mr. Bob Vassar of 65 Robindale Court, Buena Vista approached Council and wanted them to give him the definition of a single-family dwelling.

Mr. Roberts said he would check the City code to give him the exact wording.

Mr. Vassar wanted to know if anyone on Council had heard of a company called Err B&B. He said he takes it is a business since it on the stock exchange. He also wanted to know if Council is aware that there are numerous AB&Bs in Buena Vista scattered all over Buena Vista in residential areas. He wanted to know if they have to have a business license.

Mr. Roberts said we just adopted a new Ordinance last month for Short Term Rentals and AB&B's. They must register with the City, obtain a license, and pay lodging tax.

Mr. Vassar responded by asking if he could open a McDonald's on his land that he owns in Robindale Court. He wanted to know what the difference was between a McDonalds and an AB&B.

Mr. Roberts said the difference would be the frequency of traffic in that area.

Mr. Vassar asked Mr. Roberts if he would like to have his house in a neighborhood that every week there are vehicles with different license plates at a residence. He said there are camping trailers there also. Last week he went home and there were four young guys that rent a piece of property playing baseball out in the road. His house borders the National Forest. The AB&B is across the road from his house. He said no one mentions

there is private property between the AB&B and the private property. He and his neighbor have posted their property. He sees people walking down through his property all the time. He said someone is going to get hurt. Mr. Vassar said he is not going to sit there and pay what he pays for his property and have someone tell him where to go. He said he cannot see these people buying these properties in residential areas and using them for AB&B. He opined the City needs to look at this situation.

Mr. Roberts said a single-family dwelling is one family with two or more people related by blood. It can be up to four unrelated people in a residence. There should not be 8 to 10 people in 1 house unless they are biologically related. There are different regulations for AB&B's. He said he will check on the house that Mr. Vassar is complaining about.

Mr. Vassar said one person can rent the house and have 8 to 10 people there. He feels it is not fair to the citizens of Buena Vista. He was raised in Buena Vista and went to Parry McCluer. He left for 20 years and came back here to retire. He said he is getting tired of it and Council needs to do something about it. Last hunting season he and his wife were sitting on the patio and a gun shot went off. There is a no hunting zone in back of his home. Twenty yards from his house is a tree stand. On Sunday there was eight people on the Dinky Trail walking. A gun shot went off and if he had not grabbed his wife she would have fallen over backwards in the chair. The people came off the trail into his neighbor's yard and got on the back of a red pickup truck. Two more shots went off. He went up there and a resident of Buena Vista came dragging a doe out of the woods. He asked him what he was doing. He told Mr. Vassar that the landowner had given him permission to go through his property to get to the National Forest. You cannot hunt on National Forest on Sunday. He went back up there about 2 weeks later and there was a guy sitting in the tree stand again with a high-powered rifle. It is about one hundred yards from his neighbor's house, and you can see the upstairs of his house from the tree stand. A high-powered rifle will shoot over one thousand feet.

Councilman Cooper asked Mr. Vassar if it would be ok with him if they ask the City Manager to look into the tree stand and the hunting issue. Mr. Roberts is going to look at the AB&B. He thanked Mr. Vassar for bringing his concerns to Council.

Mr. Jamie Goodin gave Council an update on Main Street Buena Vista. He opined it has been going very well for the past 3 ½ months and he is satisfied in the progress thus far. In this pilot program they hope to establish a core group of people that can execute all the things we want to do sustainably. Most of the last 3 ½ months has been developing their boards and developing their volunteer network. They are trying to make sure the boards are well trained, energized, positive, and diligent. They are now getting to the point where they are all crushing it giving them time to do things. Mr. Goodin said as they may know the Main Street program has a multi plan approach of which the first is promotion. He encouraged Council to check out their face book pages . He opined they are quite

robust and full of positive stuff. Happenings in BV, old businesses, new businesses, citizen spotlights etc. One of their board members is doing a great job developing a committee to help her with that. They have a professional designed website and ongoing email campaigns to a growing audience to let people know what is going on. They send out press releases whenever they have anything to talk about. WDBJ7 came and covered them earlier this spring. In terms of events, they are partnering with the Farmer's Market which is a privately run LLC. The next goal is to get more live music as the weather gets warmer. They hope to make this the number one Farmers Market experience in the whole County this year. August 6th is the Battle of the Bands at GMP. They are partnering with the Buena Vista Arts Council in October for Mountain Day. They are hoping to help them optimize this event. They hope to turn it into a major fund raiser. They talked with Councilman Henson today and discussed having a flood protection event. He said a lot of business owners are asking him how to get the SVU students downtown. They are working with SVU administration and student government on a regular basis to plan some activities in the fall. They are working with the Halloween event and are planning to make the tree lighting much better this year. Photography and art are being put in vacant store front windows. In terms of business communications last night was their first meeting. There were between 15 and 20 businesses that showed up. He opined it was a very positive meeting. They talked about shared challenges and shared visions and some of their concrete plans and tried to address some of those challenges. He believes the board is quite a good representative of the community. They have their tax ID, and their by-laws are ready for approval. After working closely with Virginia Main Street attending seminars and taking them downtown for a tour last month, they are very excited about our vision and our work. We are part of their Steering Committee for their Statewide strategic work.

Councilman Coffey wanted to know the qualifications for being on the board and how the members were selected.

Mr. Goodin said basically it was by word of mouth and best judgement. Folks that seemed to have enough time and seem to have the positivity, vision, and diligence that represented parts of the community that they wanted to reach. It is really important to him that the board is not huge right away but will grow over time. What they do not want is people to be on the board and sit there quietly and then go home. They started small and all the committees will be opened to the public. He opined they cannot be one of those non-profits that takes on too big of a project too quickly with too many people.

Ms. Amanda Dollar, 2144 Oak Avenue, Buena Vista presented a marked-up version of the City's Ordinances concerning animals.(See the marked-up version in the minute book)

Councilman Cooper said to make sure he understands what Ms. Dollar is doing is presenting her marked up proposal of the animal Ordinances that she thinks should be changed.

Ms. Dollar said that was her intention.

ADG #6: REPORTS:

1.) Mayor:

None.

2.) City Manager:

Mr. Tyree started his report by advising there was a Finance/Budget committee meeting on Tuesday. He said the public hearing on the proposed budget will be May 5th. He said there will not be a tax increase or water/sewer increase this year. There will be a Parks/Rec meeting on April 27th at GMP. They had a meeting in Richmond with the new DEQ director that went very well. Mr. Kearney talked to the engineer about the application. He said they are working with DEQ, and the application should be here next week. While the meeting was very positive, they could not make any guarantees.

3.) City Attorney:

Mr. Kearney said there were some surplus funds from the last tax sale, and we should be receiving around \$35,000.00 this year.

4.) Council Committee/Representative:

Councilman Henson said he has spent more time at the park in the last couple of weeks than he did at home. They met with Chad Coffey from RARO who will be here at the next Council meeting to talk about the ball fields. They spent a good amount of time looking at the ball fields to see what needs to be done to each one. They also talked about travel ball and softball tournaments and playground equipment. There was a travel ball tournament at the park last weekend that turned out fantastic. A survey was sent out asking what was lacking at Glen Maury Park and the number 1 thing was there is nothing for the kids to do. Councilman Henson said that Jason and Ed are working on a 3 year and a 5-year plan for the park. He said there are carnivals and park events coming up. The annual Guns/Hoses softball game will be held in August.

ADG #7: CONSIDER APPOINTMENTS TO VARIOUS BOARDS, COMMISSIONS, AND COMMITTEES:

THE BOARD OF ZONING APPEALS:

MR. ART FURLER'S TERM WILL EXPIRE ON 12/31/25. THIS IS A FIVE-YEAR TERM AND THE 17th TIME IT HAS APPEARED ON THE AGENDA.THE TERM WILL BEGIN IMMEDIATELY. MR. FURLER HAS MOVED AND IS UNABLE TO CONTINUE TO SERVE:

ADVERTISED THE NEWS GAZETTE JULY 7, 2021, AND MARCH 2, 2022: POSTED ON SOCIAL MEDIA: MICHAEL OHLEGER

Councilman Henson made motion to appoint Michael Ohleger to the Board of Zoning Appeals, seconded by Councilman Webb, carried by Council.

WE HAVE AN OPENING ON THE BOARD OF ZONING APPEALS. THIS TERM WILL EXPIRE ON 12/31/23. THIS IS THE 3RD TIME THIS HAS APPEARED ON THE AGENDA. THE TERM WILL BEGIN IMMEDIATELY:

ADVERTISED THE NEWS GAZETTE MARCH 2, 2022: POSTED ON SOCIAL MEDIA: NO APPLICANTS

This will be carried over to the next Council meeting.

OLD BUSINESS:

None.

NEW BUSINESS:

NB #1: ~~MR. GHAD COFFEY TO UPDATE COUNCIL ON RARO:~~

NB #2: EDWARD ARMENTROUT TO GIVE AN UPDATE ON THE CHANGES AND PROGRESS AT GLEN MAURY PARK:

Mr. Armentrout was unable to attend the meeting. Public Works Director Corey Henson gave the update.

Mr. Henson started the report by advising he has been working with Fred Roscher, the NEI consultant for the electrical engineering firm due to the dire need of the electrical upgrades at the upper campground at GMP. Mr. Roscher said the campground is very unsafe due to no wire nuts on the wires, no switches, no breakers. He would like to know what is underground because they have power failures all the time. He has the report from the

engineer. Fred Roscher said he would work this weekend to get the campground back open. Mr. Henson said it will likely be 2 to 2 ½ months before it can be opened back up. That is replacing all the electrical and if they run into some water or sewer lines that need to be fixed, that will be done also. He will come on Sunday to measure to see how much wire he is going to need to make the repairs. Mr. Henson said he should have a fixed price by Monday or Tuesday of next week.

Mr. Tyree said he will get that information to Council as soon as we get the final cost. He will put it on the agenda for discussion at the next Council meeting.

Councilman Webb asked Mr. Henson about supply and demand for the repair of the water and sewer lines.

Mr. Henson said the sewer pipe is almost impossible to get right now. He talked to C&C last week and they have been waiting on six" and eight" pipe for 6 months.

Councilman Webb asked Mr. Henson if he thought they should go ahead and put an order in so we will have it when we are ready to start working on the lines.

Mr. Henson said they can put an order in, but it will probably be next winter before we would receive it.

Councilman Webb said we need to get on somebody's books now to get the material.

Mr. Henson said he has some supplies in stock they can use now. If we are going to do the lower part of the campground, we can use what he has.

Councilman Webb said he is talking about the rally field campground. He opined if we order in bulk, we will get a better deal.

Mr. Henson said that Mr. Roscher ordered one hundred electrical boxes for the campground. They will be 50, 30, and 20 amps. This is going to be done in five phases. They can put some of this stuff in the ground and have it ready to hook up later on. Mr. Henson said he has not had a discussion with anyone about the sewer lines in the bottom campground.

Councilman Webb said that most of the Council members have discussed it and they feel as long as we have the ground torn up for the electrical, we should install water and sewer lines if needed.

Councilman Coffey wanted to know if they have anything from Dominion Power letting us know what we need.

Mr. Henson said he does have that information from Dominion. All of the transformers will have to be upgraded in the upper campground. Some may have to be upgraded at the lower campground. Dominion is responsible for the breakers.

Councilman Webb said it would be Dominion's responsibility because they are not supplying enough power for what we need.

Councilman Coffey said we are having problems with the wiring that is in the ground.

Councilman Webb told Councilman Coffey that is not what he meant. If we do not have enough power and we put all new stuff in the park, Dominion Power needs to upgrade.

Councilman Coffey said he agrees with Councilman Webb. He referenced the picture of the wiring on top where they had two big lines going in and they had a wad of black tape on them. He opined someone should have been fired for that. That was a death trap.

Mr. Henson said they do not know how much more of that is in the ground and that is why when it rains it keeps shorting out.

Councilman Coffey said he understands they do not have the proper lines in the ground. He said all of the lines in the rally field need to be updated.

Mr. Henson said he really wants to see this work get done. They need for Dominion Power to let them know what they need.

Councilman Henson thanked Mr. Henson for working with Edward and Jason. They all deemed it is something that should have been done 25 years ago. He wanted to know what is needed for the upper campground.

Mr. Henson said he does not know what needs to be done there as of yet.

Councilman Henson said up on top they have about 75 to 80% on full hookup. While they have the ground dug up, he opined they should go ahead and make the rest of the campground full hook up.

NB #3: FIRST READING OF AN ORDINANCE TO REVISE THE CITY POLICY ON ABANDONMENT OF PUBLIC RIGHTS-OF-WAY:

Ms. Wheeler read the following Ordinance:

Public Right of Way Abandonment Policy
Final 4/15/2022
ORDINANCE

BE IT RESOLVED, that from the date hereon as a condition to the vacation or abandonment of a public right-of-way or easement the following will apply:

- 1) Except as provided herein the abutting landowner(s) must purchase the right-of-way or easement in accordance with the terms hereof:
 - a) The purchase price shall be one of the following, at the discretion of City Council:
 - i) \$0.75 per square foot of land to be abandoned.
 - ii) The fair market value established by an appraisal prepared by a licensed real estate professional.
 - b) The price of the City's property must be paid within thirty (30) days of the enactment of an Ordinance of vacation or abandonment and prior to any abandonment or vacation being effective, unless otherwise authorized by resolution of City Council
 - c) The above methods of price determination for an abandoned or vacated right-of-way easement shall not apply to any federal, state, or local governmental body.
- 2) The City may retain an easement for utilities.
- 3) The applicant shall pre-pay a fee set from time to time by City Council.
- 4) The applicant will submit either a new survey or a copy of the City Plat indicating the exact roadway to be closed, the number of square feet within same and the value of the property in accordance with the formula outlined above.
- 5) If the area of land abandoned or vacated does not create a lot conforming to the applicable zoning, the applicant shall, by deed, vacate such lot lines or parcel boundaries as necessary to combine the abandoned or vacated area with existing lot or lots.

BE IT FURTHER RESOLVED that from the date hereon the following factors will be considered in an abandonment or vacation of public rights-of-way or easements:

- a) The agreement or disagreement of the adjoining landowner(s)
- b) The intended use of the property, which the applicant will outline in writing.

- c) The potential future use of the right-of-way by City and the potential impact its closing may have on the general welfare of the citizens.
- d) Such additional factors as may be appropriate to partition request.

William H. Fitzgerald, Mayor

ATTEST:

Dawn Wheeler, Clerk of Council

DATE:

NB #4: FIRST READING OF AN ORDINANCE TO REVISE THE CITY'S TAX INCENTIVE PROGRAM FOR REHABILITATED REAL ESTATE:

Ms. Wheeler read the following Ordinance:

• **City Code Text Amendment**
Ordinance Text
City Code Sections 16.82 through 135, Rehabilitated Real Estate
Tax Exemption

AN ORDINANCE to adopt a revision to Chapter 16, Article II, Division 3 of the Code of Ordinances of the City of Buena Vista (Section 16.82 through 16.135), regarding an exemption for certain rehabilitated real estate.

WHEREAS, the purpose of this tax exemption program is to incentivize private capital investment in existing buildings in the City of Buena Vista, and the parameters of this program need to be updated to suit current market conditions,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF BUENA VISTA, VIRGINIA, that after a duly called public hearing, in accordance with the general welfare of the citizens of Buena Vista, Chapter 16, Article II, Division 3 of the Code of Ordinances of the City of Buena Vista is hereby revised as follows in the attached Exhibit A.

This ordinance shall be effective 30 days following adoption by City Council.

William H. Fitzgerald, Mayor

ATTEST:

Dawn Wheeler, Clerk of Council

DATE:

Councilman Cooper ran some numbers trying to figure out exactly what it would be. He appreciates Tom putting together this schedule. He is trying to figure out what would be a financial incentive to someone to make an upgrade on a property they would not otherwise make. He said if he bought a house, and he is ok with the kitchen. What would incentivize him to upgrade to something he would love that would make the house more valuable and reselling it ? What would incentivize him to upgrade to something he loves or just leave it as something he can live with ? Under the current guidelines for residential, if he had a \$120,000.00 home, he would need to put at least \$48,000.00 into that home. The home has to be at least 50 years old. If he put the \$48,000.00 into the home under the current formula and it was a 50-year-old structure, the tax savings to him over 5 years would be \$3,144.00. Then when you adjust the present value because a dollar today is worth more than a dollar tomorrow, then really it is worth \$2,511.00. That is a 5.2% incentive or return on his money. He is trying to think of this as an investment. If we are using it intending it as a tool to get people to invest money that they may not otherwise invest. We have to give them a reason to put their money there rather than somewhere else. That is almost a 5 ½% return. He opined that is reasonable. If he had a 75-year-old home and he makes the same investment, then that will be a savings to him in taxes of \$6,288.00 over 10 years. In today's dollars the savings would be \$4,200.00. That is almost a 9% return with the current

proposal. On the proposed formula he would need to put \$30,000.00 into his home if he had a \$120,000.00 home. That is a 25% improvement which would equal \$150,000.00. This would give him a tax savings of \$393.00 the first year; \$314.00 the second year. The total incentive for five years would be \$1,179.00. In today's dollars it would be \$990.00. That is a 3.3% return. Basically, at that point he should put his money almost anywhere else than his home. If he is doing this as an investment. That is his concern. His question is if we want to incentivize people to invest in their homes and commercial property; he is thinking primarily homes. Our housing stock is very outdated. Do we want this to incentivize people to make improvements that they might not otherwise do, or do we want this program to be something that people can get a little bit of money back for something they were already going to do. He opined the current program is too complicated. He worries about the new formula basically taking away any real financial incentive to do something you would not have already done. He wanted to know if that is what we are trying to accomplish.

Councilman Henson said at the Business Solution meeting yesterday they talked about downtown improvements and also talked about going out into the neighborhoods adjacent to downtown. They talked about what incentives they could offer to help residents do improvements to their homes.

Councilman Cooper said he thinks that is another avenue we could totally take. This would not help people who do not have the money to upgrade. He is also looking at whose home value has not dramatically increased over the last 2 years. He opined that even the worst properties are selling for way too much. If someone is sitting on that fence about whether to do an upgrade or not, right now is the time for them to take out a home equity loan. Do the upgrade and get some savings on taxes to help offset the cost of the upgrade. Councilman Cooper said in the current program you have to put in 40% of the homes value. If it is a \$100,000.00 home, you would have to invest at least \$40,000.00. If you have a \$100,000.00 home, it is unlikely you would have \$40,000.00 in cash to upgrade your home. It is much more likely that you may have \$25,000.00 or you can get a hold of \$25,000.00. He loves that we are lowering the threshold. Then the question is if he has \$25,000.00 and he was not going to put it in his home and he could put it somewhere else and make 8 or 9% versus 3%, would you make an upgrade or invest the money.

Councilman Henson said we need to work the word "encouragement" into the new program to encourage people to make the investment.

Councilman Coffey opined if a person is not going to get a benefit of 3 to 5% you might as well keep the money in your pocket or buy yourself a camper.

Councilman Cooper said he is worried a person is not going to do it if they had not already planned to do so.

Mr. Kearney said this was originally designed to have for old buildings and not residential. He said you can look at tweaking it especially for residential. In today's market if you put in \$20,00.00 you may increase the value of your home by \$50,000.00.

Councilman Cooper wanted to know if the current and the proposed program is not applicable to housing unless it is in a commercial property.

Mr. Kearney said it was originally set up for vacant or dilapidated buildings. If you are wanting to incentive homes and giving them a break, then we can look at that.

Councilman Cooper said he loves the idea. The tax assessments are way below at this time. If he increases the tax assessment by 25% under the new proposal and he qualifies for additional tax dollars, you are absolutely right especially in today's market. What is nice for the City is long term will yield higher taxes when the houses are sold. Every time a house sales is a benefit to the City. It is his understanding that it plays into the assessments. What he loves about this concept is it does not reduce any money we are currently receiving. If we are currently getting \$2,000.00 off a property, we will continue to get \$2,000.00 from that property. What is great is we do not have to spend any money. Over time it will increase our revenues in multiple ways. If we extend it to residential our housing stock as well as our commercial buildings will be a lot more attractive.

Councilman Coffey opined we will need to educate the public on this new program.

Councilman Cooper said that is another reason he likes the direction we are going with Tom's proposal is it is much simpler. He had to read the current one about five times as he was building this calculator to make sure he was getting it right. The new one was easy, and he was done with it.

Mr. Bob Vassar wanted to know what incentive he would have to keep up his property when there are AB&B's all around.

NB #5: RESOLUTION FOR SALE OF CITY OWNED PROPERTY NEAR 31ST STREET AND CATALPA AVENUE:

Ms. Wheeler read the following Resolution:

RESOLUTION – R22-06

WHEREAS, in order to increase the tax base of the City, Council believes it is in the best interest of the citizens of the City to convey three (3) surplus parcels of City owned property, near Catalpa Avenue and 31st Street, specifically Lots 3, 4 and 6 in Block 35, Section 6, as shown on the map of the City of Buena Vista, to Ron Whitten, the adjacent property owner, for the sum of Two Thousand One Hundred Dollars (\$2,100); and

WHEREAS, prior to any conveyance of City owned real estate a public hearing is required by Virginia law to receive citizen input and comments; and

WHEREAS, a public hearing on the proposed conveyances outlined above was duly called and held on April 21, 2022, shortly after 6:00 p.m.

NOW THEREFORE BE IT RESOLVED after a public hearing at which time the citizens of Buena Vista were given the opportunity to comment on the proposed conveyances Council for the City of Buena Vista authorizes the conveyance of Lots 3, 4 & 6, Block 35, Section 6, owned by the City to Ron Whitten for the amount of Two Thousand One Hundred Dollars (\$2,100) and authorizes Jason Tyree as City Manager to sign a Special Warranty Deed conveying the property to Mr. Whitten.

William H. Fitzgerald, Mayor

Attest:

Clerk of Council

Date of Adoption

Councilman Henson wanted to know what was wrong with Lot #5.

Mr. Kearney said that Habitat owns Lot #5.

Councilman Henson wanted to know the status on the RFP's we had for the three sites.

Mr. Roberts said we did not receive the response that we hoped to receive from that request of proposals. They did not select any contractors and did not sell any of those properties. They are trying to decide if they want to put them out again or what to do with them.

Councilman Coffey suggested we offer the sites to the public with the previous stipulations.

Mr. Roberts said he will bring this issue back to Council.

Councilman Cooper said if they are rethinking the project he wanted to know if they will come back to Council with a plan.

Councilman Webb wanted to know how Mr. Roberts came up with the price for the lots that were sold to Mr. Whitten.

Mr. Roberts advised there two properties the City owns. The larger one has ten lots and then there is another single lot. We never updated the assessment on the parcel that has one lot after the house was demolished. The land assessment is \$8,500.00 on the single lot which is more than buildable lots other places in the City. He went with the assessed land value of \$7,000.00 for the larger parcel that has ten lots which equals \$700.00 per lot. The total is \$2,100.00.

Mayor Fitzgerald made motion to adopt the above Resolution, seconded by Councilman Henson, carried by Council.

NB #6: RESOLUTION TO ADOPT REVISED SCHEDULE OF FEES FOR ZONING PERMITS:

Ms. Wheeler read the following Resolution:

RESOLUTION – R22-07
UPDATE TO ZONING PERMIT FEE SCHEDULE

WHEREAS Article 10 of the Buena Vista Land Development Regulations states that, “City council may from time to time adopt a schedule of fees for applications, permits, and other actions and deliverables related to planning, zoning, and subdivision,”

BE IT RESOLVED that the Council of the City of Buena Vista hereby adopts the attached revised zoning fee schedule.

William Fitzgerald, Mayor

ATTEST:

Dawn Wheeler, Clerk of Council

Date

Councilman Coffey made motion to adopt the above Resolution, seconded by Councilman Henson, carried by Council.

ADJOURNMENT: There being no further business, Councilman Cooper closed the meeting.

Dawn M. Wheeler
Clerk of Council

William H. Fitzgerald
Mayor