



City of Hampton

22 Lincoln Street
Hampton, VA 23669
www.hampton.gov

Council Approved Minutes - Final City Council Work Session

Mayor Donnie R. Tuck
Vice Mayor Jimmy Gray
Councilmember Eleanor Weston Brown
Councilmember Steven L. Brown
Councilmember Linda D. Curtis
Councilmember W.H. "Billy" Hobbs
Councilmember Chris Snead

STAFF: Mary Bunting, City Manager
Cheran Cordell Ivery, City Attorney
Katherine K. Glass, CMC, Clerk of Council

Wednesday, April 24, 2019

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1 p.m. with all members of the City Council present.

Mayor Tuck recognized the Administrative Support Professionals of the City Council and City Manager's Offices on the occasion of Administrative Support Professionals Day. Mayor Tuck also specifically recognized Joy Mautz who recently achieved her certification as a Certified Municipal Clerk from the International Institute of Municipal Clerks.

Present 7 - Councilmember Eleanor Weston Brown, Councilmember Steven L. Brown, Councilmember Linda D. Curtis, Vice Mayor Jimmy Gray, Councilmember Billy Hobbs, Councilmember Chris Snead, and Mayor Donnie R. Tuck

DONNIE R. TUCK PRESIDED

AGENDA

1. [19-0144](#) Briefing on a Master Agreement for Regional Economic Development

Attachments: [Agreement](#)
[Presentation](#)

City Manager Mary Bunting introduced the item. She then introduced Senior Business Development Manager Steven Lynch. Mr. Lynch presented on the

proposed Master Agreement Memorandum of Understanding for the Regional Economic Development approach between the Hampton Roads Economic Development Alliance (HREDA) and participating Hampton Roads localities.

Ms. Bunting noted that Council will be asked to approve the document at the evening meeting.

Mr. Lynch provided an overview of HREDA, our regional economic development entity. He also announced that Hampton is a member of this organization whose mission is to assist prospective companies with finding suitable buildings or land in the Hampton Roads Region.

Mr. Lynch provided additional information about HREDA including a list of localities represented in the Alliance. He noted that HREDA exists to collaborate on effective uses of resources to meet the needs of the thriving business sector and exhibit our region on a collective basis.

Mr. Lynch spoke about HREDA's target industries. Those industries include: Corporate, professional and financial services; cyber security, defense, aerospace and aviation; food and beverage processing; gaming, modelling and simulation; healthcare and life sciences; manufacturing, robotics and industrial technology; maritime and supply chain management; and research institutes and intellect.

Mr. Lynch noted that HREDA also supports industries that are pursued by localities but may not appear on the core list.

Mr. Lynch shared some of HREDA's accomplishments over the past five years. It has helped respective cities place businesses in 1.6 million square feet of buildings and land; has participated in 21 projects; and has helped create 3,951 jobs. This represents a total Capital investment of approximately \$223 million.

Mr. Lynch shared some of HREDA's Hampton specific successes. These projects have brought jobs, Capital investments and usage of square footage of buildings in the City. The projects include: WayPoint (WPS Health Solutions), Liberty Source and Cosentino.

Mr. Lynch reviewed HREDA's model/business cycle used to build competitiveness and market prospects for localities (its process for economic development). He noted that HREDA partners with the Virginia Economic Development Partnership (State entity/liaison) to help localities generate leads.

Mr. Lynch shared that the Economic Development Department's role in the process

is to communicate with HREDA about the workforce; show HREDA what assets the City possesses to support their initiative; and ensure HREDA understands how they can seek out skilled employees.

Mr. Lynch showed a chart which lists HREDA's budget request from the 11 participating localities (HREDA members) and the respective amounts paid into HREDA to support their collective initiative. He clarified that each city, with the exception of Virginia Beach, pays 98 cents based upon its population. He noted that Virginia Beach is capped at \$400,000 because it has the largest population out of all of the member localities.

Mr. Lynch stated Council is being asked to not only support the agreement, but also the annual amount of Hampton's payment included in the recommended budget. He added that we rely on this vital entity because the funds we put into the cause get multiplied by the other jurisdictions' monies - this helps market the region and supports pursuing new businesses and new operations in the City of Hampton.

Mr. Lynch opened the floor for questions from those on the dais.

Vice Mayor Gray expressed concern about whether the agreement should be amended to reflect that each participant should be required to pay their fair share (private and public sector).

Mr. Lynch stated that the ultimate goal is to get to the 50/50 balance contribution between the private and public sector; however, it would not be necessary to amend the agreement should we not make that bench mark. He clarified that each city is being asked to provide prospects from the private sector which may want to become members of HREDA.

Ms. Bunting clarified that the point in question is whether Virginia Beach will be allowed to remain at \$400,000 or if its cap can be revisited as the private and public sectors step up and as we move toward the match.

Mr. Lynch added that while Virginia Beach currently has a cap, it may be called upon to pay additional monies in the future.

In response to Vice Mayor Gray, Mr. Lynch explained that "Site, Selection and Development" refers to site, development and consultants. He also clarified that HREDA does not put money into improving properties; instead, their funds are used for marketing properties.

Ms. Bunting added that some mega sites, such as the Magruder area in Hampton,

have been developed while others haven't. There have also been discussions at the Planning District Commission and Regional Managers' meetings regarding how regional cost sharing and economic generation sharing can be used. This caused a need for a group to lead that effort. HREDA has informally volunteered to take on the role of determining how to move from non-ready to ready sites and how to advance that idea regionally.

In response to Councilman Brown, Mr. Lynch noted that there are a number of projects HREDA has before us that will help Hampton's economic position; however, currently, those projects are considered confidential.

Mayor Tuck piggybacked on Vice Mayor Gray's concern and read an excerpt from the agreement regarding equal funding by private and public investors. He emphasized the importance of equality and that other localities will have to absorb the extra amount as a result of localities with capped amounts.

Ms. Bunting noted that she was unaware of Virginia Beach's \$400,000 cap and is uncertain if other managers are aware of the issue. She assured everyone that this topic will be pursued during an upcoming managers' meeting.

Presented by Steven Lynch, Senior Business Development Manager.

2. [19-0149](#) Budget Briefings: City Manager's Recommended FY 2020-2024 Capital Improvement Plan ("CIP") and Discussion on City Manager's Recommended FY 2020 Budget

Ms. Bunting introduced the item and noted that an open discussion regarding the Capital Improvement Plan (CIP) and the Operating Budget will take place at this session; however, the detailed presentation will be given at the evening session.

For the benefit of the public, Ms. Bunting provided the following information regarding the sequence of events: The CIP requires one public hearing and one vote. It is approved before the adoption of the budget, thus the hearing and vote this evening. The Operating Budget, which includes the first year of the CIP, legally requires one public hearing on a night for which there is no vote (tonight). This requires two readings due to the size of the appropriation and to allow the public adequate time to provide comments. A special meeting will be held May 1st for the first reading. A second meeting will be held May 8th for the second reading and vote. That will complete the operating budget portion. There are legal requirements regarding how to amend the budget; therefore, this afternoon's session will be used to seek feedback from Council regarding items Council would like amended and to answer questions about the budget and the CIP.

In response to Mayor Tuck, Ms. Bunting provided the below information regarding item 8 on the evening agenda titled "Public Hearing to receive citizens' comments relative to the proposed effective real property tax increase. The real property tax rate is proposed to remain at its current rate of \$1.24 per \$100 of assessed value".

Statement: Many years ago during the housing boom when housing prices were increasing rapidly across the Commonwealth, there was a General Assembly push to adopt a law which requires advertising and holding a public hearing to discuss the growth in real estate revenue and how it affects peoples' tax bill. All localities in Virginia are required to follow this guideline: if real estate revenue grows by more than 1%, the growth in real estate revenue must be calculated - if the locality uses that calculation to lower the tax rate, what would that rate be. The State requires localities to call the differential between that calculated rate and the rate being proposed an "effective tax rate increase" even if the tax rate is not being changed. It has been 13 years since we have had more than 1% growth in our revenue; and therefore, this is the first time in a long time the public has seen this ad in the paper for the public hearing.

Ms. Bunting clarified that this is not a proposal to change the tax rate this year; however, the ad was run, the calculation was prepared, and the public hearing will be held as a result of this State requirement. She reiterated that every locality with more than 1% real estate revenue growth was required to run these ads. We are pleased to see appreciable growth in our real estate revenue. She noted that these ads will appear again in the future and will include language provided by the State with additional clarifying language to minimize confusion.

Mayor Tuck opened the floor for discussion from those on the dais to include input regarding desired amendments to the budget.

Councilwoman Curtis requested an amendment for consideration regarding additional funding for the Downtown Hampton Child Development Center (DHCDC).

For the benefit of the public, Councilwoman Curtis provided the following background information about DHCDC: It has been an important factor in our community since 1969; it is one of the top 7% of preschools nationwide; it is the number 1 rated preschool in Hampton serving approximately 200 children annually (81% of these children come from families just above the poverty line); and it is the only sliding scale tuition facility available on the Peninsula.

Councilwoman Curtis suggested that we support this agency considering one of Council's strategic priorities is family resiliency. She also acknowledged that

Hampton City Schools worked with DHCDC to prepare data which supports the great work of DHCDC. She added that Hampton City Schools supports the idea of additional funding for this organization because it is a proven source of success for children entering Hampton City Schools.

Ms. Bunting noted that there was an administrative oversight regarding the amount in the budget and the recommended budget should have referenced a higher amount of funding for the DHCDC.

Councilwoman Snead spoke about removing the cap on the length of time that programs can receive funding from Hampton's Youth Violence Prevention. She requested approximately \$16,000 in funding for the programs, such as Community Builders Network, who may not be ready to phase out on schedule. She also requested additional outside agency funding for the Marching Elites in the amount of \$25,000.

Councilman Brown asked whether funding for DHCDC is for construction of a classroom. Councilwoman Curtis replied that it is for equipment, supplies, materials, salaries, benefits, etc. and not construction.

Councilwoman Snead requested a chart (before the next meeting) showing how much this budget supports public safety initiatives. Ms. Bunting indicated that she would like to also include what is being done for the entire workforce in the proposed budget.

Mayor Tuck asked his peers to consider holding another \$100,000 in addition to the percentage which already goes to the Capital Improvement Budget to fund special projects which may come up during the course of the year.

Additional discussion took place among those on the dais and Ms. Bunting. The main topic of discussion was usage of funds in the Operating Budget, the Capital Budget and contingency as they relate to the budget and unanticipated expenses which may occur.

Assistant City Manager Brian DeProfio clarified that for FY20, the recommended budget includes \$1, 220,429 for contingency, a nearly \$86,000 increase above the amount for FY19.

Presented by Mary Bunting, City Manager. Ms. Bunting explained that the full briefing would take place this evening during the City Council's legislative session so that more of the public is able to attend or view on television or on-line.

REGIONAL ISSUES

Mayor Tuck indicated that there is a ribbon cutting for the Hampton Roads Bridge Tunnel expansion project taking place tomorrow.

NEW BUSINESS

There was no new business.

CLOSED SESSION

3. [19-0129](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.1, .3, and .8 to discuss appointments as listed on the agenda; to discuss or consider the disposition of publicly held real property in the areas of the Magruder corridor, Downtown Hampton, and Coliseum Central where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the city; and to consult with legal counsel employed by the City regarding recent General Assembly legislation related to gaming and Federal, State and Local housing regulations requiring the provision of legal advice by such counsel.

At 1:45 p.m., a motion was made by Councilmember Linda Curtis and seconded by Councilmember Chris Snead, that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Weston Brown, Councilmember Brown, Councilmember Curtis, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

4. [19-0103](#) Consideration of appointments to Board of Review of Real Estate Assessments
5. [19-0112](#) Consideration of appointments to Parks & Recreation Advisory Board
6. [19-0142](#) Consideration of appointments to Thomas Nelson Community College Board of Trustees

CERTIFICATION

7. [19-0118](#) Resolution Certifying Closed Session

At 4:06 p.m., a motion was made by Councilmember Billy Hobbs and seconded by Councilmember Chris Snead, that this Closed Session - Certification be approved. Councilwoman Brown left earlier during the closed session. The motion carried by the following vote:

Aye: 6 - Councilmember Brown, Councilmember Curtis, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

Absent: 1 - Councilmember Weston Brown

ADJOURNMENT

Contact Info:

Clerk of Council, 757-727-6315, council@hampton.gov

Donnie R. Tuck
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____