



City of Hampton

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

Council Approved Minutes - Final City Council Work Session

Mayor Jimmy Gray
Vice Mayor Steven L. Brown
Councilmember Randy C. Bowman, Sr.
Councilmember Carolyn S. Campbell
Councilmember Michelle Taylor Ferebee
Councilmember Hope L. Harper
Councilmember Martha M. Mugler

STAFF: Mary Bunting, City Manager
Courtney R. Sydnor, City Attorney
Katherine K. Glass, MMC, Clerk of Council

Wednesday, February 12, 2025

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Gray called the meeting to order at 1:01 p.m. All members of the City Council were present.

Present 7 - Councilmember Randy C. Bowman Sr., Vice Mayor Steven L. Brown, Councilmember Carolyn S. Campbell, Councilmember Michelle T. Ferebee, Councilmember Hope L. Harper, Councilmember Martha Mugler, and Mayor Jimmy Gray

JIMMY GRAY PRESIDED

AGENDA

1. [24-0521](#) Budget Briefings - City Real Estate Assessments

City Manager Mary Bunting introduced the item which is a briefing on the City assessment process and a recap of FY2026 assessment roles. Typically, this presentation is given prior to the notice cards going out to the public; however, this year's presentation was postponed due to last month's snow storm.

Ms. Bunting introduced Hampton's City Assessor, Libby Griebel, to review the assessment process and the results of the assessment. She also provided the following information prior to Ms. Griebel coming forward: The assessment process is a legal process that looks at the market value of properties. It must legislatively be divorced from any political consideration about what tax bills are. In May, Council will set a tax rate that will fund the budget, and the City is required to give legal notices about the market value of properties in the January/ February time frame. Oftentimes, homeowners are alarmed when they receive their notice cards which

show an increase in their assessment and what their tax would be if the rate does not change. Each year, staff considers whether the tax rate should be lowered to make up the difference and by how much. In the last three years, Council has lowered the tax rate in response to the increase in assessments.

Ms. Bunting reminded everyone that today's presentation is about assessments, not the tax rate, and that information about the tax rate will be presented later during the budget cycle.

Ms. Griebel greeted those on the dais and encouraged the members of Council to ask questions during the presentation if needed.

Ms. Griebel reviewed the first portion of the presentation about transfers, assessment values, assessment notices and changes in assessments. In summary, between calendar years 2023 and 2024, there was a decrease in total transfers, qualifying arm length sales and foreclosures and an increase in home median sale price. For FY26, the total of assessed value is over \$22 billion, which is much higher than last year. Residential assessments changed with a significant value increase of 7.7%.

Mayor Gray asked what types of property make up the exempt category on the assessed value pie chart. Ms. Griebel explained that we have state, federal and City properties that fall in this category; it also includes schools. These are all exempt from taxation. She noted that she would speak more about disabled veteran exemptions later in the presentation.

At Ms. Bunting's suggestion, Ms. Griebel explained that fewer cards went out this year because cards were only sent to owners whose property value changed, however, owners whose value did not change may still appeal their value if they believe it is not accurate.

The next group of slides include maps of residential neighborhoods in the City and numbers associated with the FY26 change in assessment for each of those areas. Also included in this portion of the presentation is information related to assessment changes in various categories. In summary, the multi-family parcel count increased by seven, resulting in a 0.8% value increase; the commercial parcel count was reduced by 10, but resulted in a value increase of 2.1% due to some properties moving into a different property class; exempt assessments had a reduction of nine parcels, resulting in 1.8% value increase (examples of exemptions include Federal, State, City, Hampton Redevelopment and Housing Authority, City Schools, and classification and designation properties); there was no change with regard to the number of land use deferral parcels, however, the deferral value increased by 0.4%

(more money is being deferred because the assessed value increased slightly); there was no change with regard to the number of rehabilitation tax credit parcels, however, the tax credit increased by 2.4%; with regard to taxable value, the overall value increase was 5.7%.

Councilwoman Mugler asked for more information about the programs listed under taxable value.

Ms. Griebel shared information about the Rehabilitation Tax Credit Program, specifically that there are criteria that must be met when applying for it. She noted that other programs, including the Elderly and Disabled Tax Relief Program, the Veteran Tax Exemption and Deferred Tax Properties Programs are handled through the Commissioner of the Revenue's Office which would have to provide additional information.

Ms. Bunting noted that Interim Commissioner of the Revenue, Karen Bever, will come before Council in March to give a report on those programs, including the Disabled Veteran Tax Exemption Program. In addition, she (Ms. Bunting) will provide Council with figures related to those programs in advance of the presentation.

Ms. Griebel spoke about market conditions. For years, there have been increases in active listings, pending sales, settled sales and median sale prices. Housing inventory is increasing slowly and selling prices remain strong. High home prices are being driven by low inventory and it is a seller's market. Median sale prices have increased and mortgage rates are still elevated and hovering around 7%.

Next, Ms. Griebel listed some of the expectations for the housing market: Housing prices are expected to continue to rise slowly, but there will be a competitive market. Mortgage rates are likely to remain above 6%. There is a steady demand as the economy adds jobs. Would-be homebuyers are getting use to the elevated rates and rising sale prices. These factors also trickle into the rental market because of the expense of owning, however, there are also price-related factors to consider when renting, such as escalating rent.

Vice Mayor Brown asked about the sellers' market and a scenario in which someone sells their home and buys another home at a different rate. He indicated perhaps people are downsizing to keep more money in their pockets based on the economy.

Ms. Griebel explained that the seller's market means that sellers are likely to get more offers, potentially over listing price and buyers compete for properties because the inventory is low. She continued saying because rates bounce between 6-7%,

this seems to be an overall good interest rate considering many years ago, the rate was 18%. With regard to downsizing, Ms. Griebel shared that she has seen people do what Vice Mayor Brown described, but there has not been much of a decline in prices. In addition, people are now buying homes, renovating them and re-selling them at a higher price for profit.

Ms. Bunting shared that an MSN article listed our area in the top 10 hottest real estate markets in the country. She also shared some numbers with regard to how our area compares to other areas in the country in the housing market and noted that this means that investors and homebuyers see our area as an attractive area in which to invest. Ms. Griebel also commented on the article Ms. Bunting spoke of.

Ms. Bunting commented on how it is understandable that people typically do not want to pay more in taxes, but encouraged those whose assessments are going up to consider the positive side which is that their biggest investment, their home, is increasing in value and equity.

Ms. Griebel continued speaking about expectations. Some additional expectations include the potential for more movement in the market as buyers seem to no longer be holding out for lower rates, the high cost of home ownership will drive demand for apartments, the potential for more retail in suburban locations, revival in downtown and economic growth is expected to continue in 2025.

Ms. Griebel agreed with Ms. Bunting in that Hampton is being watched by investors as the allure of cities continue to grow. She also noted that we may see more demand once the Hampton Roads Bridge Tunnel expansion is complete and commuting becomes easier.

Ms. Griebel shared an image of the FY26 change of assessment notice postcard and key points about this year's card. Changes were made to the card as required by the Code, with the main change being related to a tax levy. The card also lists important dates including the deadline for the Office Review by the Assessor as March 10, and the deadline for Appeals to the Board of Review as April 10. Board of Review applications will be heard by the Board no later than June 30, 2025.

Ms. Griebel recommended that anyone with questions about their assessment call the office to be connected to the appraiser that appraised the property. Voice mail messages that are left will be responded to with a return phone call. Individuals may also find additional information at Hampton.gov/Assessor.

Lastly, Ms. Griebel announced that the Assessor's Office received its second

Certificate of Excellence from the International Association of Assessing Officers (IAAO), the first of which was received in 2011.

Ms. Griebel opened the floor for discussion, but first explained that values are not always based on other properties in the same subdivision, and in some cases, are based on sales from those in a subdivision with similar age, value range and construction. She again encouraged everyone to look at the information and call the office if something does not look correct so that an appraiser can come out to re-evaluate.

Ms. Bunting made comments about this being a scientific, technical process backed by certification; state requirements that we get as close to market value as possible; and how we apply the assessment against the tax rate to get a budget for the City. She encouraged citizens who may not understand their assessment or have questions to make an appointment to review everything with the team and if needed, they will make the appropriate adjustments.

Mayor Gray asked Ms. Griebel to speak about the difference between the appraisal process for this purpose and the appraisal process used for the sale of a property.

Ms. Griebel explained that a fee appraiser is used for the sale of a property. They evaluate the property and compare it to the most recent sales that are as similar to the property in question on a specific date and time, whereas the Assessor's Office considers sales across a 12-month platform (from January 1 to December 31). She explained a bit more about the fee appraiser process to include that they have current January and February sales information, whereas, the Assessor's Office does not have that data because they use across the platform of 12 months. The goal of the City Assessor's Office is to get to market value and maintain equity so that everyone pays their fair share. Another key factor in the fee appraiser process is they create an adjusted value range based on three similar properties; if there are no sales, they look at other neighborhoods to analyze those sales and determine how closely they compare to your neighborhood. In summary, fee appraisal values and assessed values will be different because the Assessor's Office appraisal will not be as current as a fee appraisal value.

Ms. Griebel also shared a scenario in which a homeowner sells their home for a higher price after remodeling a kitchen, unbeknownst to the City. Once the City sees that sale price and determines why, it, in turn, increases the value of the home for the City's property record.

Mayor Gray asked if commercial appraised values have an impact on residential values.

Ms. Griebel explained that most people are concerned about commercial properties causing residential properties to decline in value, however, the office has not seen that. In addition, Commercial properties are valued differently, typically through the income approach. She also said that the buying market determines most of this and that she would need more details or an example to give a direct answer.

2. [25-0016](#) Virginia School for the Deaf and Blind Project Update

Attachments: [Presentation](#)

Ms. Bunting introduced the item which is an update on the engagement work that staff has been doing with the community and other stakeholders of the Virginia School for the Deaf and Blind. Also included in the presentation will be information about how to properly honor the neighborhood, the school and its history. Ms. Bunting introduced Hampton's Community Engagement Manager, Monica Meharg, to make the presentation.

Ms. Meharg greeted those on the dais and Ms. Glass and provided the following history about the property: The property was inherited by the City sometime between 2008-2010. Since that time, there has been a long ongoing process of what to do with the property. Today's presentation will focus on the work being done, the feedback staff has received and the plan moving forward.

Ms. Meharg provided an overview of the steps in the process which began in November of 2023, when staff prepared for engagement with the community and postured themselves to listen and create opportunities for dialog. Today, staff will present the findings from the engagement and will continue to craft what came out of the engagement efforts in the future.

Ms. Meharg shared a map of the project location which is in the Greater Wythe area on the border of the cities of Hampton and Newport News. She spoke about the preparation phase which considered the number of homes staff could engage with, local businesses and organizations staff could partner with and other stakeholders that could potentially be part of the process.

Next, Ms. Meharg spoke about community feedback. In-person feedback was received via community meetings, community walks and door-to-door engagement. An online survey also provided an opportunity for people to provide feedback. The goal of the community engagement was to keep the target area as informed and involved as possible. Specifically, staff was able to contact 110 of the 647 homes in the outreach target area. A few of these were also in the surrounding community. The feedback revealed some of the desired uses for the remaining parcels of land as greenspace, a museum, community garden, living classroom, neighborhood

center, sporting facility and senior housing. Most people supported greenspace mainly for a park to pay homage to the deaf and blind students that once resided there. Surveyors were also asked about other priority needs in the neighborhood. There was a lot of support for drainage and stormwater improvements and the need for safer roads, lighting improvements and public safety in general.

Ms. Meharg shared how staff refined the community ideas. An advisory group was formed with representation of various stakeholders to include people who live next to the parcel in the city of Newport News. The group strongly suggested moving in the direction which aligns with the majority of the survey responses and the desired uses listed above.

Ms. Meharg emphasized the importance of understanding the values of the community as this informs how to move forward into the design phase. The main values include honoring the legacy of the school, making it a regional attraction, ensuring safety, incorporating resilient building standards (water storage) and utilization, and ensuring appropriate funding allocation.

Ms. Meharg shared staff's recommendations and next steps moving forward. They involve working with the Hampton History Museum to capture the story of the school which will include panels translated in braille, and improved lighting, streetscape and sidewalks. Additional next steps in the process include collaborating with City departments to begin crafting a comprehensive future development plan, maintaining engagement to ensure that the project evolves with community needs, applying for grants, holding an unveiling ceremony on March 1, continuing to do community engagement and having the community involved in the decision making.

Vice Mayor Brown spoke about additional funding for the project and whether this has been designated as a historical site (foundation).

Ms. Meharg shared that staff has looked into grant opportunities and have discovered some historic preservation and playground purchasing grant opportunities. Hopefully, this will grow the \$1.5 million in funding for this project.

In response to Councilwoman Ferebee, Ms. Meharg also shared that a grant writer will not be hired as the City will do that work in-house.

Lastly, Ms. Meharg thanked the Virginia State School Hampton Alumni Association and other groups involved in the process for working with staff during the process which will lead to a final product that we all can celebrate together.

Ms. Bunting and Mayor Gray invited those in the audience who participated in this

work to stand to be recognized. Mayor Gray thanked everyone for their time and energy into making this project successful. He then opened the floor for discussion.

Several members of Council thanked Ms. Meharg for the presentation and also thanked those involved in the project.

Ms. Meharg provided the following information in response to questions posed by Council: Staff is preparing several recognitions as part of the unveiling ceremony. Historical pavers and markers recognizing Mr. Ritter and others will be incorporated in the plan. Plans are also underway for more community engagement. The total number of homes that have been reached has now increased to 155.

3. [25-0025](#) Briefing on Impacts to Federal Funding Impacts of Changes in Federal Priorities and Policies

Attachments: [Presentation](#)

Ms. Bunting introduced the item regarding the Federal funding impacts from various executive orders and policies that are being implemented at the national level. She emphasized that this is a factual conversation about the impacts, not a political (Democrat or Republican) conversation. She also spoke about the effect this may have on the local economy as people tend to change their spending habits when their jobs are at stake. She then introduced Interim Assistant City Manager, Hui-Shan Walker, to make the presentation.

Ms. Walker greeted those on the dais and provided the following background: With every administration since President Roosevelt, large numbers of presidential directives have become the norm, especially during the beginning of a president's term. Due to the number of directives being issued, staff began a tracking process in the City and have been closely monitoring and assessing the impact to City operations. One order of potential impact was an executive order which instructs the Director of Office and Personnel Management to coordinate the termination of all Diversity, Equity, Inclusion and Accessibility (DEIA) mandates, policies, programs, preferences and activities in the Federal government, and instructs all Federal agencies to terminate all DEIA offices and positions, to include, but not be limited to the Chief Diversity Officer positions, and to terminate equity-related contracts and grants. The order also directs the Office of Management and Budget to compile lists of DEIA and environmental justice activities to include Federal grantees who receive Federal funding to provide or advance DEI (Diversity, Equity and Inclusion), DEIA or environmental justice programs, services or activities since January 2021. Additional directives that we believe will impact the City are a policy which establishes a freeze on hiring executive branch civilian employees and calls for

Federal departments to submit a plan to reduce the workforce. The executive orders which establishes a council to assess the Federal Emergency Management Agency (FEMA) and make recommendations to improve and/or restructure the agency, to evaluate whether FEMA should become a support agency for state-run disaster management and an executive order expanding educational freedom and opportunity for families, which calls for the Secretary of Education to issue guidance on how Federal funding can be used to support private, public charter and faith-based alternatives to government-run K through 12 public schools.

Next, Ms. Walker elaborated on the impacts these Federal policy changes may have on local government. In summary, they may create delays and could possibly alter funding received through grants; they may impose new mandates that may require local implementation; they may cause other direct and indirect impacts to the budget; and they may change regulations that affect local services.

Ms. Walker shared an example of how presidential directives are implemented: When the Office of Management and Budget memorandum was issued on January 27, the memo instructed Federal agencies to temporarily pause all activities related to obligation or disbursement of all Federal financial assistance and other relevant agency activities that may be implicated by the executive orders, including, but not limited to financial assistance for foreign aid nongovernmental organizations, DEI woke gender ideology and the green New Deal to allow agencies time to evaluate these programs and activities in order to ensure that Federal spending aligns with the law in the President's priorities. The memo further instructs that subject to program statutory authority, agencies were to modify unpublished federal financial assistance announcements, withdraw any announcements already published, and to the extent permissible by law, cancel awards already awarded that are in conflict with the administration priorities, and ensure adequate oversight of federal financial assistance programs and initiate investigations when warranted to identify underperforming recipients and address identified issues up to and including cancelation of awards. Several legal challenges were filed and following a temporary state order, OMB rescinded the memo on January 29. The White House then issued a statement indicating that the federal funding freeze and review would be remaining.

Ms. Walker spoke about potential impacts to grant funding. In summary, currently, a Federal funding freeze cannot legally be implemented due to rescission of the OMB memo (Office of Management and Budget) and legal injunctions that have been entered. In addition, Federal review to identify and make recommendations to eliminate Federal support of DEIA, environmental justice and similar programs or actions is ongoing.

Next, Ms. Walker shared some of the actions the City has taken to get ahead of this. Staff began tracking issuance of all Presidential directives, related documents and legal challenges; inventoried current grant awards; expedited reimbursement requests for expenditures already incurred; reviewed grant-associated contracts; performed ongoing assessment of level of risk based on current guidance and directives; sought written assurance from granting agencies; identified staff positions that are grant funded; reassessed existing directives that have impact to public buildings, public schools and DEIA programs and positions and their impact related to Federal funding; and tracked new directives and projected impacts to City operations.

Next, Ms. Walker spoke about funding impacts. In summary, those at high risk include the Environmental Protection Agency (EPA) and the Federal Emergency Management Agency (FEMA). Additional funding impacts include those to the Department of Justice (DOJ), the U.S. Department of Housing and Urban Development (HUD), the Department of Health and Human Services, the Corporation for National and Community Service, Department of Education, Department of Defense, U.S. Department of Transportation, Federal Highway Administration and NASA Langley.

Ms. Walker shared an extensive list of outside agencies that support our community and provide vital services to our residents. These agencies receive a significant part of their funding from Federal sources. Some of the agencies include the Boys and Girls Club of the Virginia Peninsula, the Children's Hospital of the King's Daughters Child Advocacy Group and the Food Bank of the Virginia Peninsula.

The next two slides provide figures related to the fiscal impact of these Federal orders and a list of Federally funded grant positions.

Ms. Bunting spoke about several of the impacted positions listed in the presentation that have real human service implications. For example, victim witness positions help people who have either witnessed a crime or been a victim of a crime - this work helps get criminal convictions. She elaborated more about needed programs and grants related to domestic violence and special education and the importance of these programs in our community. She also spoke about hard decisions that have to be made regarding which of these things to preserve and protect, even if we do not receive Federal funding to do that.

In response to Councilwoman Ferebee, Ms. Bunting spoke about the positions at the steam plant. She shared the process in which the City takes residential garbage to the steam plant which generates steam that powers facilities at NASA. She continued explaining that for years, NASA contracted the service with the City, but

approximately 3-5 years ago, leadership on the national level determined that these arrangements would move to grants. The 41 positions are partly paid for by the City and partly paid for with the grant from NASA. If we stopped generating the steam, NASA would have to determine another option that may not be sufficient to run the entire campus. The hope is that this will be one that we do not have to worry about, but there is potential for it since it is a grant versus a contract.

Ms. Walker returned to the presentation and spoke about other factors that could cause local impacts. Some of them include impacts to Federal facilities in the City, impacts to residents who are Federal employees and impacts that may occur if Federal pass-through funds are cut to the state.

Ms. Walker summarized the presentation as follows: Elimination of DEIA and environmental justice funding will have a direct impact to multiple grant awards and will be affected by multiple legal challenges filed. Staff continues to monitor the possible fiscal impact. Current guidance to departments is to expedite reimbursement of unreimbursed expenditures. The City is determining policy direction on spending of current grants before incurring more costs that need to be submitted for reimbursement. Staff continues to work to determine which programs are essential and should be prioritized, regardless of the status of Federal funding. Staff is working to identify alternative funding sources and is working to track memorandum that will be forthcoming from various Federal offices to provide the plans, reports and actions called for in the presidential directives. Staff is also tracking legal actions that are being filed that will impact timelines or implementation.

Ms. Walker and Mayor Gray opened the floor for discussion. Several members of Council thanked Ms. Walker and staff for the report and the work they have done with regard to this situation.

Discussion took place among staff and the members of Council. The following summarizes the discussion.

Ms. Bunting spoke about staff's position which is to receive Council's reaction to what is taking place. Her opinion is that there will be catastrophic affects for laying off those in important positions like the victim witness position, so there needs to be a balanced approach as opposed to all or nothing. With regard to capital projects, she explained that in some cases, staff is working on the safe side by putting through small dollar amounts and seeing if they will get reimbursed. This will avoid putting a large amount of money at risk. In the case of other grants that are in the higher risk category, like the \$20 million grant from the EPA to deal with resiliency and flooding in the Aberdeen Gardens area, this could potentially fall in the area that he defines as green New Deal or climate change and is an example of something

that would be risky to spend money on. Ms. Bunting also spoke about the City's healthy Fund Balance as an option to fund some of these critical positions in the short-term until the courts sort everything out. With regard to capital projects, she reiterated that it may be best to use the risk assessment approach described above and repeated that her best recommendation is to be cautious, but keep Federally funded grant positions going, otherwise, there is potential for a major negative impact to the community.

With regard to timely reimbursements, Ms. Bunting shared that some agencies have reported that they are not receiving timely reimbursements, but she is unaware if that is affecting the City. Hampton's Finance Director Karl Daughtrey spoke more on the topic stating that all of the payments have come in with regard to the CDBG (Community Development Block Grant) and HOME Programs. Staff has submitted reports for late January and February regarding other grants, but have yet to receive them, but an update is expected soon.

Ms. Bunting made a few additional remarks about the importance of residents knowing that we as Hamptonians pull together in tough times to support each other.

Mayor Gray agreed with the City Manager's approach to support those programs that affect the community until we know more and hopefully will get indication before the budget season is complete.

Ms. Bunting spoke about funding for the firing range at Fort Monroe. She explained that department heads that have federal capital projects and/or operating projects were asked to find out from agencies if we are allowed to spend and if those funds will be reimbursed. She announced that the firing range project at Fort Monroe is being supported by the Defense Department through the Community Infrastructure Program and staff received confirmation that it is okay to continue to spend and to expect reimbursement. In other cases, clear direction has not been received and in some cases, the City has received notice not to spend. Staff is trying to react to the guidance received from each individual agency.

Deputy City Attorney Brian DeProfio reported that there has been no update with regard to Hampton Roads Transit.

REGIONAL ISSUES

There were no regional issues to report on.

NEW BUSINESS

There were no items of new business.

CLOSED SESSION

4. [25-0023](#)

At 3:10, a motion was made by Councilmember Martha Mugler and seconded by Councilmember Michelle Ferebee, that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman Sr., Vice Mayor Brown, Councilmember Campbell, Councilmember Ferebee, Councilmember Harper, Councilmember Mugler and Mayor Gray

5. [24-0396](#)

Consideration of Appointments to the Hampton Animal Response Team Advisory Committee (HARTAC)

CERTIFICATION

6. [25-0022](#)

Resolution Certifying Closed Session

At 5:40 p.m., a motion was made by Vice Mayor Brown and seconded by Councilmember Mugler, that this Closed Session - Certification be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman Sr., Vice Mayor Brown, Councilmember Campbell, Councilmember Ferebee, Councilmember Harper, Councilmember Mugler and Mayor Gray

ADJOURNMENT

The meeting adjourned at 5:40 p.m.

Donnie R. Tuck
Mayor

Katherine K. Glass, MMC
Clerk of Council

Date approved by Council _____