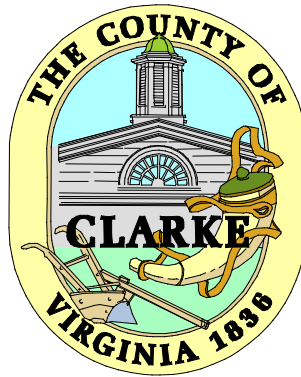


Clarke County Economic Development Advisory Committee



July 17, 2019
Regular Meeting Packet



County of Clarke Economic Development Advisory Committee

Jim Barb, Chris Bates, Christy Dunkle, Christina Kraybill, Bev McKay, John Milleson, Elizabeth Pritchard, Lee Sheaffer

Agenda

1:00 pm, Wednesday, July 17, 2019

Meeting Room AB Berryville / Clarke County Government Center
101 Chalmers Court, 2nd Floor, Berryville, Virginia

1. Call to Order
2. Adoption of Agenda
3. Approval of Minutes: May 15, 2019, Regular Meeting
4. Review Transient Occupancy Tax Recommendation to Board of Supervisors and Commissioner of the Revenue
5. Preliminary Review Clarke's "Closer than you think" Brochure
6. Adjourn

In Packet:

EDAC Follow-up Items Status Report

Building Department New Single-family Homes Report

IDA Minutes June 13, 2019, Special Meeting

Call to Order

Adoption of Agenda

Proposed motion: Move to adopt agenda as [presented] or [as amended - title of agenda item[s] not listed on the published agenda provided to the public.]

Approval of Minutes:

May 15, 2019, Regular Meeting

Proposed Motion: I move to approve the minutes of May 15, 2019, as [presented] or [as amended citing specific amendment].

Clarke County Economic Development Advisory Committee
May 15, 2019 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, May 15, 2019, at 1:00 PM.

Board: Chris Bates, Christina Kraybill, John Milleson, Elizabeth "Betsy" Pritchard, Lee Sheaffer

Absent: Jim Barb, Christy Dunkle, Bev McKay

Staff: Len Capelli, Cathy Kuehner, Lora B. Walburn

Also Present: None

1. Call to Order

At 1:00 pm, Chairman Milleson called the meeting to order.

Lee Sheaffer was introduced as the new member assuming the seat formerly held by Eric Myer.

2. Adoption of Agenda

Betsy Pritchard, seconded by Chris Bates and Christina Kraybill, moved to approve the agenda as it stands. The motion carried by the following vote:

Jim Barb	-	Absent
Chris Bates	-	Aye
Christy Dunkle	-	Absent
Christina Kraybill	-	Aye
Beverly B. McKay	-	Absent
John Milleson	-	Aye
Elizabeth "Betsy" Pritchard	-	Aye
Lee Sheaffer	-	Aye

3. Approval of Minutes

Christina Kraybill, seconded by Chris Bates, moved to approve the March 20, 2019, minutes as presented. The motion carried as follows:

Jim Barb	-	Absent
Chris Bates	-	Aye
Christy Dunkle	-	Absent

Christina Kraybill	-	Aye
Beverly B. McKay	-	Absent
John Milleson	-	Aye
Elizabeth "Betsy" Pritchard	-	Aye
Lee Sheaffer	-	Aye

4. Director Economic Development Update

Hotel Feasibility Study

Christina Kraybill provided the following update:

- The Industrial Development Authority [IDA] agreed to cover up to \$10,000 for a hotel feasibility study initiated by Berryville Main Street [BMS]. The IDA is asking for reimbursement of these funds once a builder is identified.
- On May 14, Nathan Stalvey, Chair Berryville Main Street BMS Board, picked up the IDA's \$4,750 check to cover the consultant's retainer.
- BMS Treasurer will deposit the check today and request a cashier's check that will be submit with the contract.
- A brief history of the project was provided for new member, Lee Sheaffer.

Economic Development Strategic Plan

Highlights of review include:

- Requesting review and approval of the final draft of selected priorities and recommendation.
- Broadband
 - o While mentioned in several places in the draft priorities, decided to expand and create a separate listed item for broadband to acknowledge that access is critical to economic development and tourism.
 - o Len Capelli attended May 14 meeting of the Broadband Implementation Committee [BIC].
 - o Rappahannock Electric Cooperative [REC] representative provided an update to the BIC.
 - o REC is seeking a broadband partner to work with them to distribute along its right-of-way network.
 - o Shentel's plan to bring fiber through Clarke is slowly progressing.
 - o Clarke does not have the number of subscribers to substantiate a major investment; however, while Clarke is a rural county, it deserves consideration.
 - o Governor Northam supports expansion efforts.

- Industrial Development Authority
 - IDA has not taken a proactive stance in funding infrastructure projects. Further research would be required to determine what is allowable under state law.
 - Next week, Director Bill Waite and Len Capelli will attend IDA training conference presented by Virginia Tech.
 - IDA wants to explore ways it can be more pro-active.
 - IDA may consider acquiring properties and reselling, as it did with the Business Park or it could construct a flex building to lease or sell.
- Virginia Department of Economic Partnership suggested activities to stimulate development including:
 - Conducting an open house at the Business Park.
 - Conduct a 5K run around and through the Business Park. Contacted Tracey Pitcock, Parks and Recreation for assistance in coordinating this event for the fall.
- Plan Review
 - Every five years
 - Proposing quarterly updates provided to:
 - Berryville Area Development Authority
 - Berryville Town Council
 - Berryville Planning Commission
 - Boyce Town Council
 - Clarke County Board of Supervisors
 - Clarke County Planning Commission
 - Economic Development Advisory Committee
 - Industrial Development Authority
- Effort to locate a hotel included in occupancy tax section.
- Airbnb
 - Final contract template received May 14 and forwarded to the Commissioner of the Revenue.
 - On May 13, Commissioner of the Revenue and he participated in the last phone negotiation.
 - After seven months of discussion, anticipate having contract in by June 1 and collecting occupancy tax by July 1.
 - Occupancy tax, 2%, is to be assessed for the total amount charged.
 - Payments will be made quarterly by Airbnb not the individual businesses.
 - In the next two months, two Airbnb locations will be opening on Shepherds Mill Road.

- Some localities have opted not to tax these establishments and have created registries to ensure operators have, at a minimum, a business license.
- The County Administration has been tasked with compiling a list of pros and cons of creating a registry in Clarke.
- The additional work force required to implement, monitor, and maintain would exceed the amount of tax collected.
- Len Capelli has also made contact with Expedia and HomeAway, similar platforms to Airbnb.
- These platforms typically charge 18 to 20% commission.
- The Economic Development Advisory Committee instructed staff to draft a letter to the Board of Supervisors and the Commissioner of the Revenue requesting that occupancy taxes be directed to tourism.

By affirmation, the Economic Development agreed to the Economic Development Strategic Plan priorities and recommendations and approved forwarding to the Planning Commission for its review.

EDAC, IDA Priorities for 2019 Economic Development Strategic Plan

To: Brandon Stidham, Director Planning and Zoning, Clerk to the Clarke County Planning Commission

From: Len Capelli

Date: May 15, 2019

At its May 7, 2018, Work Session, the Board of Supervisors concurred on tasking review and recommendation of the Economic Development Strategic Plan to the Economic Development Advisory Committee [EDAC] and the Industrial Development Authority [IDA] with a final recommendation from these bodies presented to the Planning Commission for its consideration.

Subsequently, the EDAC and the IDA reviewed on:

Economic Development Advisory Committee <i>[Meets bi-monthly]</i>	Industrial Development Authority <i>[Meets quarterly]</i>
May 16, 2018	July 26, 2018
July 18, 2018	October 25, 2019
September 19, 2018	January 24, 2019
January 23, 2019	April 25, 2019
March 20, 2019	
May 15, 2019	

These public bodies, having duly reviewed the 2014 Economic Development Strategic Plan, submit the attached priorities selected for the 2019 Strategic Plan with proposed format. This plan is intended to be a “living document”/action plan. The majority of the items and text for this plan were taken from the 2014 Strategic Plan and presented here in a reduced / simplified version as suggested at the February 21, 2017, Board of Supervisors Regular Meeting.

The quarterly report section incorporates into the plan 20 quarterly updates of activities and accomplishments over the 5-year period by the dates listed for each item until completion / closure. Quarterly updates are intended to better document and to improve communication of economic development and tourism efforts. Providing a history of activities undertaken by staff is deemed the most effective means of communication with the public bodies to ensure continuity of operations during this transitory period.

Economic Development Advisory Committee & the Industrial Development Authority 2019 Priorities & Proposed Format Recommendations for Consideration by the Clarke County Planning Commission

[Proposed Distribution for Quarterly Updates]:
Berryville Area Development Authority
Berryville Town Council
Berryville Planning Commission
Boyce Town Council
Clarke County Board of Supervisors
Clarke County Planning Commission
Economic Development Advisory Committee
Industrial Development Authority

Director Economic Development and Tourism Focal Areas 2020 thru 2024

<i>Item</i>	<i>Description</i>
1. Activities to attract new and assist existing businesses [2014 Page 15, passim]	Engage in activities to attract new businesses and assist existing businesses with expansion efforts and other growth activities. Promote the retention, attraction, and expansion of businesses and industries that support the land use goals of the County, in particular, businesses that generate a relatively high level of local tax revenue in relation to the number of jobs, create minimal impact on public services, and are compatible with the County’s agricultural and natural resources.
<i>Quarterly Activities / Status Update</i>	
04-15-2020:	NOTES: This plan is intended to be a “living document”/action plan. The majority of the items and text for this plan were taken from the 2014 Strategic Plan and presented here in a reduced / simplified version.
07-15-2020:	This section incorporates into the plan 20 quarterly updates of activities and accomplishments over the 5-year period by the dates listed for each item until completion / closure.
10-15-2020:	Quarterly updates are intended to better document and to improve communication of economic development and tourism efforts.
01-15-2021:	The history of activities undertaken by staff is deemed the most effective

<i>Item</i>	<i>Description</i>
	means of communication with the public bodies to ensure continuity of operations during this transitory period.
04-15-2021:	
07-15-2021:	
10-15-2021:	
01-15-2022:	
04-15-2022:	
07-15-2022:	
10-15-2022:	
01-15-2023:	
04-15-2023:	
07-15-2023:	
10-15-2023:	
01-15-2024:	
04-15-2024:	
07-15-2024:	
10-15-2024:	
01-15-2025:	
2. Community communications [2014 Passim]	Expand targeted economic development promotional efforts through media relations, tours, brochures, flyers, visitations, and partner organizations. With the support / assistance of the Public Information Officer expand web presence and social media presence.
3. Coordinated economic efforts [2014 Page 25]	Support joint efforts between Clarke County and Town of Berryville: <ul style="list-style-type: none"> - Economic Development Advisory Committee (EDAC) activities - Industrial Development Authority (IDA) activities
4. Promotions, support, surveys of local businesses [2014 Passim]	Promotes, supports, performs surveys, as requested or apparent, of key businesses in various economic sectors, for example: <ul style="list-style-type: none"> - Agriculture: crops, equine, livestock, etc. - Auto restoration - Construction - Healthcare - Landscaping - Light industrial - Restaurants - Retail
5. Promote rural economic innovation [2014 Page 38]	Promotes rural economic innovation through efforts / activities: <ul style="list-style-type: none"> - Alternative energy: wind farms, solar farms, etc. - E-commerce and telework offer multiple business opportunities, from enabling professionals to work from a rural home to creating new e-commerce businesses that can link to global markets. High quality broadband infrastructure is critical. - Economic and demographic trends updates - Historic downtown, historic buildings, and/or sites - Regional food systems: growing interest in local fresh food supports this strategy, as well as the County's proximity to a large and relatively high-

<i>Item</i>	<i>Description</i>
	<p>income metropolitan population.</p> <ul style="list-style-type: none"> - Sustainable agricultural systems <p>Innovation includes a wide range of topics such as new markets for goods and services, new kinds of goods and services, new kinds of business operations and procedures, new locational opportunities for businesses, and new marketing techniques.</p>
6. Public water and sewer [2014 Pages 36, 49]	Assist efforts of businesses seeking access to public water and sewer in Waterloo Area and Double Toll Gate areas. Assist the IDA with its Waterloo Area Water and Sewer - Availability Fee Subsidy Program.
7. Resources [Pages 22, 2526, 33-34, 39, passim]	Report change in status of existing economic development resources including infrastructure, site availability and readiness, market demand, broadband / internet access, etc.
8. Tax: Transient occupancy [2014 Pages 9, 31, 48]	<p>Foster ongoing relationships with peer-to-peer, sharing economy, and/or two-sided marketplace.</p> <p>Provide support to the Commissioner of the Revenue and approving agencies, where appropriate, to ensure proper licensing, zoning, regulations, etc.</p>
9. Tourism / Economic Development regional associations [2014 Pages 19, 26-27, 30, 42, 100]	<p>Support efforts / activities:</p> <ul style="list-style-type: none"> - Appalachian Trail - Artisan Trail - LFCC Small Business Development Center - Northern Shenandoah Valley Regional Commission - People Inc. - Shenandoah Valley Tourism Partnership - Spirits Trail - Top of Virginia Regional Chamber
10. Tourism / Economic Development state associations [2014 Pages 19, 26-27, 29, 41-42]	<p>Support efforts / activities:</p> <ul style="list-style-type: none"> - Virginia Economic Developers Association [VEDA] - Virginia Economic Development Partnership [VEDP] - Virginia Department of Agriculture and Consumer Services [VDACS] - Virginia Tourism Corporation
11. Tourism strategic plan [2014 Pages 11-12, 42-44, 48]	Assist the Town in finalizing the Tourism Strategic Plan and aid implementation. The action would be a joint effort of the County and the Town of Berryville and would be done in conjunction with current efforts by the Town and through future implementation of the Tourism Strategic Plan, which is currently being prepared at the Town's initiative by the Town Planner.

Economic Development and Tourism Functions of Other Entities / Agencies

<i>Item</i>	<i>Description</i>	<i>Responsibility</i>
1. Business inventory / business license	Maintain updates to inventory of existing business through business license process. Liaise with new and existing	Commissioner of the Revenue

<i>Item</i>	<i>Description</i>	<i>Responsibility</i>
[2014 Pages 24 / 72]	businesses to bring them into compliance with County Code.	
2. Tax: Transient occupancy / business license [2014 Pages 9, 31, 48, 119, / 72]	Inventory / monitor participating owners / properties for overnight accommodations and notify appropriate departments / agencies to ensure proper licensing, zoning, regulations, etc.	Commissioner of the Revenue
3. Tax: Meals / Prepared food and beverage [New – Not in 2014]	Examine cost/benefit of establishing a prepared food and beverage tax. Prepared Food and Beverage / Meals Tax is a tax on prepared food or beverage served by a business. § 58.1-3833. County food and beverage tax. A. 1. Any county is hereby authorized to levy a tax on food and beverages sold, for human consumption, by a restaurant, as such term is defined in § 35.1-1, not to exceed four percent of the amount charged for such food and beverages. [2019: 3.5% Loudoun; 4% Augusta, Bath, Fauquier, Frederick, Page, Rockingham, Warren; Shenandoah - referendum under consideration for 2019]	Board of Supervisors
4. Tax: Vacancy tax [New – not in 2014]	Investigate the levy of a vacancy tax. Vacancy tax establishes a higher property tax rate on vacant properties as a way to encourage development / property use.	Board of Supervisors, Town Council
5. Task Force [2014 – Page 32]	Establish a task force of appointed officials and staff to respond, as appropriate and requested, to prospect visits, to review incentive requests, etc.	Board of Supervisors, Berryville, Town Council
6. Broadband Access [2014 Pages 39-40, 95, 106]	The Broadband Implementation Committee was formed by the Board of Supervisors to accomplish the following: <ul style="list-style-type: none"> - Coordinate the efforts of the Board of Supervisors and Planning Commission to improve fast broadband internet access for county residents and businesses. - Work with industry representatives to determine how to expand fast broadband internet availability and identify obstacles to this expansion. - Work with citizens, business owners, and stakeholders to identify individual or localized broadband needs. <p>Promote the enhancement, awareness of existing fast broadband availability. High speed internet service is widespread in the Towns of Boyce and Berryville, as well as the county's public schools and government buildings (Comcast or Shentel, and including some public Wi-Fi) and fiber lines run along Rt. 7, the length of Rt. 340, and Rt. 522 in the county, and a small section of Rt. 50 (Shentel). However, currently the remainder of the county residents must rely on either wireless or satellite broadband, which</p>	Broadband Implementation Committee

<i>Item</i>	<i>Description</i>	<i>Responsibility</i>
	<p>does not always meet the legal definition of “high-speed” internet (minimum 25 Mbps speed).</p> <p>Identify how the County might be able to promote the expansion of fast broadband access and quality countywide. Fiber broadband also needs to be highly promoted in Waterloo, where Shentel has already indicated they are willing to install it for free to Waterloo businesses, located reasonably close to Rt. 340/50.</p>	
7. Coordinated economic efforts [2014 Page 25, <i>passim</i>]	Coordinated economic efforts of the Berryville Area Development Authority (BADA), Berryville Planning Commission, Clarke County Planning Commission	Planning Directors Berryville, Clarke
8. Zoning and subdivision ordinances [2014 Pages 14, 23, 31, 49, 97-99]	Identify any regulatory and procedural provisions that have the potential to unduly restrict or encumber compatible economic development activities and suitable, realistic housing development, including review of current use lists of by-right and special uses, and the speed and complexity of the County’s and Town of Berryville’s review processes.	Planning Directors Berryville, Clarke
9. Branding strategy [2014 Page 9, 28, 30, 42, 48]	Develop branding strategy, with logo, style guide, etc.	Public Information Officer
10. Community communications [2014 Pages 19, 26, 115]	Under the guidance and direction of the Director of Economic Development, communicate with local community on economic development and tourism issues and activities, update website[s], update social media, prepare flyers, etc.	Public Information Officer

End of document.

Director of Economic Development and Tourism

Highlights of Len Capelli’s update include:

- Third Annual Farm Tour:
 - All participating farms indicated that the event was valuable for them.
 - J-Bit Ranch: Several signed up for lessons.
 - Oak Hart: Visitors, from as far away as Ashburn, made purchases and expressed interest in updates.
 - Hunt Club Farm: At least four persons signed up to volunteer for events.
 - Harvue Farm: Weather earlier in the morning impacted the number of visitors.
- Travel Writers – Shenandoah Valley Tourism Partnership

- On May 7, three writers visited Smithfield Farm, Veramar Vineyard, Oak Hart Farm, and Mackintosh Fruit Farm.
- Writers have written multiple articles and posted on Facebook, Instagram, Twitter and their websites and blogs about Veramar and Smithfield Farm Bed and Breakfast.
- Jenna French, committee member, chose the sites based on most attractive or available assets in Clarke.
- Local Farm to School Sales:
 - State wants at least \$22 million in sales from local farmers to schools by 2022.
 - Sodexo, contracted foodservice provider in Clarke County Public Schools, will follow up on requirements.
 - Products include produce, meat, eggs, and milk.
- Shenandoah Valley Tourism Partnership [SVTP] Event May 10 in Harrisonburg:
 - Attended by more than 200.
 - Invited members of Berryville Town Council and Board of Supervisors but none available to attend.
 - Kelsey's Cakes and Trey's Chips and Salsa were featured at the event and were a big hit.
 - Distributed presentation "What's New in the Shenandoah Valley."
 - Working with SVTP to ensure Clarke is recognized.
 - SVTP promoting the entire valley to increase the number and length of visits.
 - Expecting 2018 tourism report in August.
 - Action Videos:
 - Requested copies of action videos.
 - Features pillars: community, adventure, family, dining.
 - One wine and food video starts out at Twin Oaks Tavern Winery in Bluemont.
 - Featured in other action videos: Veramar Vineyard, Moose Apple Farm, Dinosaur Land.
 - Videos can be accessed on the SVTP website at <https://virginiasshenandoahvalley.com>.
- County-wide Food Tax:
 - Consideration of a food and beverage tax is included in the 2019 recommendations for the Economic Development Strategic Plan.
 - Conservatively, at 4% food and beverage tax, maximum allowable by State Code, the County could collect an estimated \$240,000 in tax just from three local convenience stores / food locations at one intersection in the County.

- Implementation of a food and beverage tax would require referendum.
- Virginia Economic Development Partnership [VEDP]:
 - VEDP continues to share leads on companies interested in the area.
 - Receives on average two to three leads per month.
 - Most recent contact was a processing facility needing a 100,000 square foot building within a six-month period.
- Memorandum of Understanding for 65-acre parcel in Double Tollgate: Mr. Capelli gave his position to David Ash and David Weiss.

Highlights of update by Christina Kraybill include:

- C2M: New location opens next month. Would welcome another visit from the EDAC.
- Battletown Inn Project: Moving along. Believe it will be an eatery with a bakery.

5. Next Meeting

The next meeting is scheduled for Wednesday, July 17, 2019.

6. Adjournment

Being no further business, at 1:47 pm, Chairman Milleson adjourned the meeting.

Minutes recorded and transcribed by Lora B. Walburn



County of Clarke
Economic Development Advisory Committee

Jim Barb, Chris Bates, Christy Dunkle, Christina Kraybill, Bev McKay, John Milleson, Betsy Pritchard, Lee Sheaffer; Staff Representative Len Capelli, Clerk Lora Walburn

Transient Occupancy Tax - DRAFT

To: Clarke County Board of Supervisors Barbara J. Byrd, Terri T. Catlett, Mary L.C. Daniel, Bev B. McKay, David S, Weiss
Clarke County Commissioner of the Revenue Donna Peake

Date: July 17, 2019

During the Economic Development Advisory Committee's [EDAC] review of the 2014 Economic Development Strategic Plan to make recommendation of priorities to the Planning Commission for its 2019 update, at its May 15, 2019, the Committee directed staff to request the Clarke County Board of Supervisors and the Clarke County Commissioner of the Revenue to consider directing transient occupancy tax to fund tourism.

FY2020 Budget:

County Revenues	FY18 Original Budget	FY18 Audited Actual	FY19 Adopted Budget	FY19 Revised Budget	FY20 Proposed Budget
Transient Occupancy Tax	\$23,564	\$16,882	\$23,564	\$23,564	\$23,564

Airbnb:

Commissioner of the Revenue Donna Peake entered into agreement with Airbnb for the collection of transient occupancy tax effective as of the date of the agreement May 16, 2019. Virginia Business Magazine reported in its April 2019 edition "Top localities for Airbnb host income in 2018" listing Clarke County with 1,100 guest arrivals at \$181,200 host income equating to approximately \$3,624 as set forth in *Code of Clarke County § 165-76. Tax levied; amount of tax. Such tax shall be 2% of the amount of charge for the occupancy of any room or space occupied.*

Proposal for Consideration:

Direct all or some portion of the transient occupancy tax revenue to the Office of Economic Development and Tourism to fund tourism efforts, such as:

- Brochures, flyers, posters
- County-logoed promotional items for distribution at events, such as Clarke County Fair, Farm Tour, Farmers' Market, Parks and Recreation events, Trail [Appalachian, Artisan, Spirit] events.
- Memberships / fees tourism partnerships
- Temporary signage for county-sponsored events, such as the farm tours, Parks and Recreation events, Trail [Appalachian, Artisan, Spirit] events.
- Travel / conference expense for tourism events sponsored by regional or state entities
- Tourism web site maintenance and hosting, and archive services.

§ 165-73. *Exemptions.* [2007-07-19] The following persons shall be exempt from the payment of the tax provided for herein:

- A. The United States of America, the commonwealth and all political subdivisions, boards, agencies, commissions and authorities of the state.
- B. Purchasers or lessees of local exchange telephone service who utilize coin-operated telephones.

§ 165-74. *Collection and remittance by seller.* [2007-07-19] It shall be the duty of every seller in acting as the tax collection agency for the county to collect from the purchaser for the use of the county the tax hereby imposed and levied at the time of collecting the purchase price charged, and the taxes imposed, levied and collected during each calendar month shall be reported and paid by each seller to the Treasurer on or before the 15th day of the second calendar month thereafter, together with the name and address of any purchaser who has refused to pay the tax. The required report shall be in a form prescribed by the County Administrator.

§ 165-75. *Records of seller.* [2007-07-19] Each seller shall keep complete records showing all purchases in the county, which shall show the price charged against each purchaser with respect to each purchase, the date thereof, the date of payment thereof and the amount of tax imposed hereunder. Such records shall be kept open for inspection by the county, and the county shall have the right to make transcripts thereof during such time as it may desire.

**Amendments Chapter
165-Article XVI**

1995-05-20 § 165-70. Amount of tax; purpose. Increase tax from \$1 to \$2 per line.

2004-04-04 § 165-70. Amount of tax; purpose. Increase tax from \$2 to \$3 per line

Article XVII Transient Occupancy Tax⁶³
[Adopted 04-16-1996]

§ 165-76. *Tax levied; amount of tax.* [2007-07-19] Pursuant to authority contained in § 58.1-3819 Transient occupancy tax of the Code of Virginia a transient occupancy tax is hereby levied on:

- Hotels,
- Motels,
- Boardinghouses,

⁶³Editor's Note: See § 58.1-3819 of the Code of Virginia, transient occupancy tax.

- Travel campgrounds and
- Other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days.

Such tax shall be 2% of the amount of charge for the occupancy of any room or space occupied.

§ 165-77. Exceptions.
[2007-07-19]

The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days in hotels, motels, boardinghouses, travel campgrounds and other facilities offering guest rooms.

§ 165-78. Collection and remittance.
[2007-07-19]

Each such hotel, motel, boardinghouse, travel campground and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days:

- Shall collect the tax levied herein, and;
- Shall by the 20th day of each month account for and remit to the Treasurer all such taxes collected the previous month;
- Provided, however, that in any month in which the total of all taxes previously collected but not remitted is less than \$25, there shall be no report or remitting of collections required.

§ 165-79. Commission.
[2007-07-19]

Each such hotel, motel, boardinghouse, travel campground or other facility collecting and remitting the tax by the due date shall:

- Be entitled to a commission of 3% of the tax collected and remitted by the due date.
- No commission shall be allowed if the amount due is delinquent.

§ 165-80. Collections held in trust.
[2007-07-19]

All transient occupancy tax collections shall be deemed to be held in trust for the county.

Article XVIII Assessment of Court Costs for Courthouse Security

§ 165-81. Fee imposed; collection; use.
[Added 2002-06-18, Amended 2007-07-17]

Pursuant to § 53.1-120. Sheriff to provide for courthouse and courtroom security; designation of deputies for such purpose; assessment (D) of the Code of Virginia there is hereby assessed a fee of \$10 as part of the costs in each criminal or traffic case which is tried in either one of the district courts of the County of Clarke or in the Circuit Court of the County of Clarke and which results in conviction of any statute or ordinance.

This fee shall be collected by the Clerk of the Court in which the case is

Article 6. Transient Occupancy Tax

§ 58.1-3819. Transient occupancy tax.

A. Any county, by duly adopted ordinance, may levy a transient occupancy tax on hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days. Such tax shall be in such amount and on such terms as the governing body may, by ordinance, prescribe. Such tax shall not exceed two percent of the amount of charge for the occupancy of any room or space occupied; however, Accomack County, Albemarle County, Alleghany County, Amherst County, Augusta County, Bedford County, Bland County, Botetourt County, Brunswick County, Campbell County, Caroline County, Carroll County, Craig County, Cumberland County, Dickenson County, Dinwiddie County, Floyd County, Franklin County, Frederick County, Giles County, Gloucester County, Goochland County, Grayson County, Greene County, Greensville County, Halifax County, Highland County, Isle of Wight County, James City County, King George County, Loudoun County, Madison County, Mecklenburg County, Montgomery County, Nelson County, Northampton County, Page County, Patrick County, Powhatan County, Prince Edward County, Prince George County, Prince William County, Pulaski County, Rockbridge County, Rockingham County, Russell County, Smyth County, Spotsylvania County, Stafford County, Tazewell County, Warren County, Washington County, Wise County, Wythe County, and York County may levy a transient occupancy tax not to exceed five percent, and any excess over two percent shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that, as determined after consultation with the local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality. If any locality has enacted an additional transient occupancy tax pursuant to subsection C of § 58.1-3823, then the governing body of the locality shall be deemed to have complied with the requirement that it consult with local tourism industry organizations, including lodging properties. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to attract travelers to the locality and generate tourism revenues in the locality.

B. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days in hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms. In addition, that portion of any tax imposed hereunder in excess of two percent shall not apply to travel campgrounds in Stafford County.

C. Nothing herein contained shall affect any authority heretofore granted to any county, city or town to levy such a transient occupancy tax. The county tax limitations imposed pursuant to § 58.1-3711 shall apply to any tax levied under this section, mutatis mutandis.

D. Any county, city or town that requires local hotel and motel businesses, or any class thereof, to collect, account for and remit to such locality a local tax imposed on the consumer may allow such businesses a commission for such service in the form of a deduction from the tax remitted. Such commission shall be provided for by ordinance, which shall set the rate thereof at no less than three percent and not to exceed five percent of the amount of tax due and accounted for. No

commission shall be allowed if the amount due was delinquent.

E. All transient occupancy tax collections shall be deemed to be held in trust for the county, city or town imposing the tax.

Code 1950, § 76.1; 1970, c. 443; 1971, Ex. Sess., c. 214; 1973, c. 433; 1974, c. 614; 1983, c. 313; 1984, c. 675; 1985, c. 556; 1992, cc. 263, 834; 1996, c. 833; 1997, cc. 757, 764; 1998, cc. 729, 733; 1999, cc. 233, 234, 241, 253, 260; 2000, c. 470; 2001, cc. 571, 585; 2003, c. 939; 2004, cc. 7, 610; 2005, cc. 76, 915; 2006, cc. 67, 376; 2007, cc. 86, 596, 767; 2008, c. 230; 2009, cc. 13, 31, 116, 497, 513, 524; 2010, c. 505; 2011, cc. 385, 606; 2012, c. 290; 2013, cc. 19, 200, 319, 378; 2014, c. 188; 2015, cc. 57, 78, 98; 2016, c. 51; 2017, c. 23; 2018, c. 293.

§ 58.1-3819.1. Transient occupancy tax; Roanoke County.

1. Notwithstanding any other provision of law, general or special, and in lieu of any authority to impose a transient occupancy tax in any other provision of law, general or special, Roanoke County may impose a total transient occupancy tax not to exceed seven percent of the amount of the charge for the occupancy of any room or space occupied or for the occupancy of any overnight guest room. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

2. The revenue generated and collected from the two percent tax rate increase shall be designated and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this subsection, "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay.

2012, c. 340.

§ 58.1-3820. Arlington County transient occupancy tax [Not set out].

Not set out. (1977, c. 265; 1984, c. 675; 1992, c. 834.)

§ 58.1-3821. Transient occupancy tax on certain rentals [Not set out].

(1990, c. 436; 1994, c. 896; 2006, c. 111.)

§ 58.1-3822. Repealed.

Repealed by Acts 2016, c. 305, cl. 2.

§ 58.1-3823. (For contingent effective date, see Acts 2018, c. 850) Additional transient occupancy tax for certain counties.

A. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, Hanover County, Chesterfield County and Henrico County may impose:

1. An additional transient occupancy tax not to exceed four percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for promoting tourism, travel or business that generates tourism or travel in the Richmond metropolitan area; and

2. An additional transient occupancy tax not to exceed two percent of the amount of the charge

for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for expanding the Richmond Centre, a convention and exhibition facility in the City of Richmond.

3. An additional transient occupancy tax not to exceed one percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for the development and improvement of the Virginia Performing Arts Foundation's facilities in Richmond, for promoting the use of the Richmond Centre and for promoting tourism, travel or business that generates tourism and travel in the Richmond metropolitan area.

B. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, any county with the county manager plan of government may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied, provided the county's governing body approves the construction of a county conference center. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for the design, construction, debt payment, and operation of such conference center.

C. 1. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, the Counties of James City and York may impose an additional transient occupancy tax not to exceed \$2 per room per night for the occupancy of any overnight guest room. The revenues collected from the additional tax shall be designated and expended solely for advertising the Historic Triangle area, which includes all of the City of Williamsburg and the Counties of James City and York, as an overnight tourism destination by the members of the Williamsburg Area Destination Marketing Committee of the Greater Williamsburg Chamber and Tourism Alliance. The tax imposed by this subsection shall not apply to travel campground sites or to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

2. The Williamsburg Area Destination Marketing Committee shall consist of the members as provided herein. The governing bodies of the City of Williamsburg, the County of James City, and the County of York shall each designate one of their members to serve as members of the Williamsburg Area Destination Marketing Committee. These three members of the Committee shall have two votes apiece. In no case shall a person who is a member of the Committee by virtue of the designation of a local governing body be eligible to be selected a member of the Committee pursuant to subdivision a.

a. Further, one member of the Committee shall be selected by the Board of Directors of the Williamsburg Hotel and Motel Association; one member of the Committee shall be from The Colonial Williamsburg Foundation and shall be selected by the Foundation; one member of the Committee shall be an employee of Busch Gardens Europe/Water Country USA and shall be selected by Busch Gardens Europe/Water Country USA; one member of the Committee shall be from the Jamestown-Yorktown Foundation and shall be selected by the Foundation; one member of the Committee shall be selected by the Executive Committee of the Greater Williamsburg Chamber and Tourism Alliance; and one member of the Committee shall be the President and

Chief Executive Officer of the Virginia Tourism Authority who shall serve ex officio. Each of these six members of the Committee shall have one vote apiece. The President of the Greater Williamsburg Chamber and Tourism Alliance shall serve ex officio with nonvoting privileges unless chosen by the Executive Committee of the Greater Williamsburg Chamber and Tourism Alliance to serve as its voting representative. The Executive Director of the Williamsburg Hotel and Motel Association shall serve ex officio with nonvoting privileges unless chosen by the Board of Directors of the Williamsburg Hotel and Motel Association to serve as its voting representative.

In no case shall more than one person of the same local government, including the governing body of the locality, serve as a member of the Committee at the same time.

If at any time a person who has been selected to the Committee by other than a local governing body becomes or is (a) a member of the local governing body of the City of Williamsburg, the County of James City, or the County of York, or (b) an employee of one of such local governments, the person shall be ineligible to serve as a member of the Committee while a member of the local governing body or an employee of one of such local governments. In such case, the body that selected the person to serve as a member of the Commission shall promptly select another person to serve as a member of the Committee.

3. The Williamsburg Area Destination Marketing Committee shall maintain all authorities granted by this section. The Greater Williamsburg Chamber and Tourism Alliance shall serve as the fiscal agent for the Williamsburg Area Destination Marketing Committee with specific responsibilities to be defined in a contract between such two entities. The contract shall include provisions to reimburse the Greater Williamsburg Chamber and Tourism Alliance for annual audits and any other agreed-upon expenditures. The Williamsburg Area Destination Marketing Committee shall also contract with the Greater Williamsburg Chamber and Tourism Alliance to provide administrative support services as the entities shall mutually agree.

4. The provisions in subdivision 2 relating to the composition and voting powers of the Williamsburg Area Destination Marketing Committee shall be a condition of the authority to impose the tax provided herein.

For purposes of this subsection, "advertising the Historic Triangle area " as an overnight tourism destination means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay of at least one night.

D. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3822, Bedford County may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

The revenues collected from the additional tax shall be designated and spent solely for tourism and travel; marketing of tourism; or initiatives that, as determined after consultation with local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality.

E. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3822, Botetourt County may impose an additional transient occupancy tax not to exceed two

percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

The revenue generated and collected from the two percent tax rate increase shall be designated and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this subsection, "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay.

F. The county tax limitations imposed pursuant to § 58.1-3711 shall apply to any tax levied under this section, mutatis mutandis.

1996, c. 712;1998, cc. 74, 444;2002, cc. 173, 259;2004, cc. 50, 610, 828;2006, c. 377;2008, c. 839; 2011, c. 677;2016, cc. 52, 56, 305.

§ 58.1-3823. (For contingent expiration date, see Acts 2018, c. 850) Additional transient occupancy tax for certain counties.

A. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, Hanover County, Chesterfield County and Henrico County may impose:

1. An additional transient occupancy tax not to exceed four percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for promoting tourism, travel or business that generates tourism or travel in the Richmond metropolitan area; and
2. An additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for expanding the Richmond Centre, a convention and exhibition facility in the City of Richmond.
3. An additional transient occupancy tax not to exceed one percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or group of individuals for 30 or more days. The revenues collected from the additional tax shall be designated and spent for the development and improvement of the Virginia Performing Arts Foundation's facilities in Richmond, for promoting the use of the Richmond Centre and for promoting tourism, travel or business that generates tourism and travel in the Richmond metropolitan area.

B. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, any county with the county manager plan of government may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied, provided the county's governing body approves the construction of a county conference center. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or

more days. The revenues collected from the additional tax shall be designated and spent for the design, construction, debt payment, and operation of such conference center.

C. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3821, the Counties of James City and York may impose an additional transient occupancy tax not to exceed \$2 per room per night for the occupancy of any overnight guest room. The tax imposed by this subsection shall not apply to travel campground sites or to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. Of the revenues generated by the tax authorized by this subsection, one-half of the revenues generated from each night of occupancy of an overnight guest room shall be deposited into the Historic Triangle Marketing Fund, created pursuant to subdivision E 1 of § 58.1-603.2, and one-half of the revenues shall be retained by the locality in which the tax is imposed.

D. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3822, Bedford County may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

The revenues collected from the additional tax shall be designated and spent solely for tourism and travel; marketing of tourism; or initiatives that, as determined after consultation with local tourism industry organizations, including representatives of lodging properties located in the county, attract travelers to the locality, increase occupancy at lodging properties, and generate tourism revenues in the locality.

E. In addition to such transient occupancy taxes as are authorized by §§ 58.1-3819 through 58.1-3822, Botetourt County may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

The revenue generated and collected from the two percent tax rate increase shall be designated and expended solely for advertising the Roanoke metropolitan area as an overnight tourist destination by members of the Roanoke Valley Convention and Visitors Bureau. For purposes of this subsection, "advertising the Roanoke metropolitan area as an overnight tourism destination" means advertising that is intended to attract visitors from a sufficient distance so as to require an overnight stay.

F. The county tax limitations imposed pursuant to § 58.1-3711 shall apply to any tax levied under this section, mutatis mutandis.

1996, c. 712;1998, cc. 74, 444;2002, cc. 173, 259;2004, cc. 50, 610, 828;2006, c. 377;2008, c. 839; 2011, c. 677;2016, cc. 52, 56, 305;2018, c. 850.

§ 58.1-3824. Additional transient occupancy tax in Fairfax County.

In addition to such transient occupancy taxes as are authorized by this chapter, beginning July 1, 2004, Fairfax County may impose an additional transient occupancy tax not to exceed two percent of the amount of charge for the occupancy of any room or space occupied; provided that the board of supervisors of the County appropriates the revenues collected from such tax as follows:

1. No more than 75 percent of such revenues shall be designated for and appropriated to Fairfax County to be spent for tourism promotion in the County after consultation with local tourism industry organizations and in support of the local tourism industry; and
2. The remaining portion of such revenues shall be designated for and appropriated to a nonprofit convention and visitor's bureau located in Fairfax County.

The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

For purposes of this section, "tourism promotion" means direct funding designated and spent solely for tourism, marketing of tourism or initiatives that, as determined in consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality.

2004, c. 9.

§ 58.1-3824.1. Transient occupancy tax; Fairfax County limitations.

Any additional transient occupancy tax or any increase in the rate of an existing transient occupancy tax in Fairfax County first imposed on or after July 1, 2010, shall not apply within the limits of any town located in such county, without the consent of the governing body of the town.

2010, cc. 116, 660.

§ 58.1-3825. Additional transient occupancy tax in Rockbridge County and the Cities of Lexington and Buena Vista.

In addition to such transient occupancy taxes as are authorized by this chapter, Rockbridge County and the Cities of Lexington and Buena Vista may impose an additional transient occupancy tax not to exceed two percent of the amount of charge for the occupancy of any room or space occupied. The authority to impose such tax is hereby individually granted to the local governing bodies of such county and cities. However, if such tax is adopted, the local governing body of such county or cities adopting the tax shall appropriate the revenues collected therefrom to the Virginia Horse Center Foundation to be used by the Foundation for the sole purpose of making principal and interest payments on a promissory note or notes signed or executed by the Virginia Horse Center Foundation or the Virginia Equine Center Foundation prior to January 1, 2004, with the Rockbridge Industrial Development Authority as the obligee or payee, as part of an agreement for the Authority to issue bonds on behalf of or for improvements at the Virginia Horse Center Foundation, Virginia Equine Center Foundation, or Virginia Equine Center.

For purposes of this section, such note or notes signed or executed prior to January 1, 2004, shall include any notes or other indebtedness incurred to refinance such note or notes, regardless of the date of refinancing, provided that such refinancing shall not include any debt or the payment of any debt for any activity relating to the Virginia Horse Center Foundation, Virginia Equine Center Foundation, or Virginia Equine Center that occurs on or after January 1, 2004.

The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days. Such tax may no longer be imposed in such county or such cities after final payment of the note or notes described herein.

2004, c. 598;2007, c. 61.

§ 58.1-3825.1. Repealed.

Repealed by Acts 2016, c. 305, cl. 2.

§ 58.1-3825.2. Additional transient occupancy tax in Bath County.

A. In addition to such transient occupancy tax as is authorized by § 58.1-3819, Bath County may impose an additional transient occupancy tax not to exceed two percent of the amount of the charge for the occupancy of any room or space occupied.

B. The revenues collected from the additional tax shall be designated and spent as follows:

1. One-half of such revenue shall be designated and spent solely for tourism and travel, marketing of tourism, or initiatives that, as determined after consultation with the local tourism industry organizations, attract travelers to the locality and generate tourism revenues in the locality. If there are no local tourism industry organizations in the locality, the governing body shall hold a public hearing prior to making any determination relating to how to attract travelers to the locality and generate tourism revenues in the locality.

2. One-half of such revenue shall be designated and spent solely for the design, operation, construction, improvement, acquisition, and debt service for such expenses on debt incurred after June 30, 2009, of tourism facilities, historic sites, beautification projects, promotion of the arts, regional tourism marketing efforts, capital costs related to travel and transportation including air service, public parks and recreation, and information centers that attract travelers to the locality and generate tourism revenues in the locality.

C. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days in hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms.

D. If Bath County requires local hotel and motel businesses, or any class thereof, to collect, account for, and remit the tax imposed pursuant to this section, the County may allow such businesses a commission for such service in the form of a deduction from the tax remitted. Such commission shall be provided for by ordinance, which shall set the rate thereof, no less than three percent and not to exceed five percent of the amount of tax due and accounted for. No commission shall be allowed if the amount due is delinquent.

E. All tax collections pursuant to this section shall be deemed to be held in trust for Bath County.

2009, c. 16.

§ 58.1-3825.2:1. Additional transient occupancy tax for historic lodging properties.

A. As used in this section:

"Eligible historic lodging property" means a structure (i) that contains 450 or more rooms for overnight lodging purposes, (ii) that is situated on one or more parcels of land exceeding 700 acres, and (iii) of which some or all portions of the structure were constructed prior to 1930.

"Qualified county" means a county in which at least 40 percent of the employment is in accommodations and food services, as set forth in the Quarterly Census of Employment and Wages for the second quarter of 2017, as published by the Virginia Employment Commission.

B. In addition to such transient occupancy taxes as are authorized by this chapter, a qualified county may impose an additional transient occupancy tax not to exceed five percent of the amount of the charge for the occupancy of any room or space occupied at an eligible historic lodging property. The qualified county may adopt an ordinance implementing the tax only after it holds a public hearing regarding the implementation of such a tax.

C. The revenues collected from the additional tax authorized by this section shall be designated solely as local funds to be used to incentivize other entities to invest in substantial rehabilitation, renovation, and expansion projects on eligible historic lodging properties that would enhance local economic development and tourism opportunities.

D. The tax imposed hereunder shall not apply to rooms or spaces rented and continuously occupied by the same individual or same group of individuals for 30 or more days.

2018, c. [626](#).

§ 58.1-3825.3. Additional transient occupancy tax in Arlington County.

In addition to such transient occupancy taxes as are authorized by §§ [58.1-3819](#) and [58.1-3820](#), beginning July 1, 2018, and ending July 1, 2021, Arlington County may impose an additional transient occupancy tax not to exceed one-fourth of one percent of the amount of the charge for the occupancy of any room or space occupied. The revenues collected from the additional tax shall be designated and spent for the purpose of promoting tourism and business travel in the county.

2016, cc. [316](#), [365](#);2018, c. [611](#).

§ 58.1-3826. Scope of transient occupancy tax.

The transient occupancy tax imposed pursuant to the authority of this article shall be imposed only for the occupancy of any room or space that is suitable or intended for occupancy by transients for dwelling, lodging, or sleeping purposes.

2005, c. [20](#).

interesting places such as the Josephine Community School Museum in Berryville, Historic Long Branch, or the Burwell-Morgan Mill in the quaint village of Millwood.

Perhaps you are looking for Arts and Entertainment.

Clarke County offers something for you just about any time of the year. Weekly entertainment is offered at Barns of Rose Hill, Clarke County's new arts center located in Berryville. In the spring and the



fall you can enjoy the fantastic art show at the Burwell-Morgan Mill in Millwood. If you are

into live music, you can check out local venues that offer everything from blues to bluegrass year round. No summer would be complete without visiting the Clarke County Fair held in August in Berryville. It is one of the last real country fairs left in this area. Every fall Watermelon Park holds an annual bluegrass and old-time music festival along the river.

What about food and Wineries?

Clarke County offers the entire range from luxurious gourmet meals to a quick burger or ice cream. The variety is amazing.—



French, Mexican, Chinese, Italian and American food awaits! Or if your want, relax at one of our wineries sampling some of the area's fine wines.

For more information to plan your visit to beautiful Clarke County, Virginia, log on to www.clarkecounty.gov/visitors.



For more information log on to www.clarkecounty.gov/visitors

Other helpful information:
www.berryvilleva.gov
www.berryvillemainstreet.org
www.barnsofrosehills.org



SHENANDOAH VALLEY

Clarke County

VIRGINIA

Closer than you think



Clarke County, Virginia, has something for everybody. Whether you are an outdoor adrenaline junky or just someone looking for a quiet weekend get-away—you will find something to like here.

Let's begin with the great outdoors. If you like to hike, Clarke County has the Appalachian Trail where you can catch a breathtaking view of the Valley from Bears Den. There are also hiking

trails that meander through the trees and gardens of Blandy Farm, the State



Arboretum. If you are into biking, you can cycle along miles and miles of rolling farmland or down along the lazy Shenandoah River. Speaking of the river, come paddle, kayak, fish or tube. Whatever your pace, the river is waiting. Clarke County is also horse county. You will find horse shows nearly all year round and fox hunting in the fall. So come, stroll, bike or canoe over and through beautiful Clarke County, Virginia.

Maybe you are a history buff.



Young George Washington came to what is now Clarke County as a 16-year-old surveyor. Famed Revolutionary War general, Daniel Morgan spent most of his life here, and Clarke County was at the

crossroads of many of Virginia's most important battles. Begin your exploration of history at the Clarke County Historical Association Museum located on Main Street in Berryville (the County seat). From there you can go off on your own to

www.clarkecounty.gov/visitors
540-955-5131

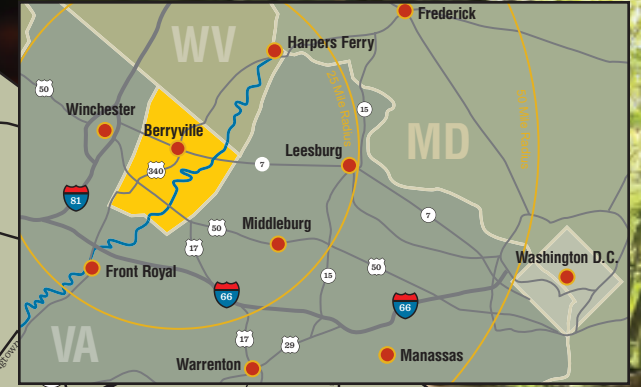
OUTDOOR ADVENTURE



DINING



ARTS & ENTERTAINMENT



Located just 60 miles west of Washington but worlds away from the traffic jams & high-rise buildings. Explore the wonders of Clarke County by going to www.clarkecounty.gov/visitors and check out all we have to offer on:

- ADVENTURE** ❖ **DINING** ❖ **ARTS AND ENTERTAINMENT** ❖ **MUSEUMS**
- HISTORIC ATTRACTIONS** ❖ **WINERIES** ❖ **PLACES TO STAY**



WINERIES

PLACES TO STAY

HISTORIC ATTRACTIONS

Clarke County Economic Development Advisory Committee

Adjournment

Clarke County Economic Development Advisory Committee

Supporting Material:

EDAC Follow-up Items Status Report

Building Department

IDA June 13, 2019, Special Meeting Minutes

Economic Development Advisory Committee
Follow Up Items Status Report

<i>Year</i>	<i>Meeting Date</i>	<i>Item</i>	<i>Description</i>	<i>Follow Up</i>	<i>Status</i>	<i>Date Complete</i>
2019	5/15/2019	35	Process approved minutes and post to website	Lora B. Walburn	Complete	5/16/2019
2019	5/15/2019	36	Draft letter to BoS & CoR requesting occupancy taxes be directed to tourism; Add to July agenda for review	Lora B. Walburn	Complete	6/3/2019
2019	5/15/2019	37	Forward EDSP priorities and recommendations to the Planning Commissior	Lora B. Walburn	Complete	5/16/2019

Industrial Development Authority of the Clarke County Virginia
Board of Directors
June 13, 2019, Minutes

A special meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville-Clarke County Government Center, Berryville, Virginia, on Thursday, June 13, 2019, at 1:00 PM.

Directors Present: Mark Cochran, English Koontz, Rodney Pierce, Isreal Preston, William Waite

Directors Absent: Brian Ferrell, Paul Jones – deceased

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Cathy Kuehner, Lora Walburn

Press Present: Mickey Powell

Others Present: Stefan Donner, Mike Graff, Philip Evans

1. Call to Order

At 1:00 pm, Mark Cochran called the meeting to order.

2. Adoption of Agenda

Director Koontz, seconded by Director Pierce, moved to adopt the agenda as presented. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Absent
Paul Jones	-	Absent - Deceased
English Koontz	-	Aye
Rodney Pierce	-	Aye
William Waite	-	Aye

3. Shenandoah University Bond Modification

Mike Graff, Partner – McGuireWood LLP, and Philip Evans, General Counsel - Shenandoah University [SU], appeared before the Board to request a modification to the Educational Facilities Revenue Bonds Series 2011. Highlights of overview include:

– Mike Graff affirmed that McGuireWood represents the IDA.

- Currently, the IDA holds a revenue bond for SU.
- The IDA serves as a pass through under the federal tax law that allows certain types of projects to be incentivized through tax-advantage financing.
- Federal tax law allows for certain types of projects and the bond under review is related to a 501c3 non-profit organization.
- SU is an educational non-profit and entitled under the federal tax law to borrow money for a capital project to do a tax-exempt bond.
- Under the applicable tax laws, SU must find a governmental entity to help it achieve the tax advantage on financing.
- The economic driver is that the lenders that buy tax exempt bonds do not have to pay income tax on the interest earned on the loan allowing them to offer the loan at a lower interest rate.
- No credit of the IDA nor Clarke County is required on the bond issue.
- All costs and expenses, including fees charged to provide the service, are paid by the applicant.
- SU has negotiated with BB&T changes to the financing that are advantageous including pushing the term of the loan out and lowered interest rate. These modifications, under federal tax law, result in the bond being treated as if it were reissued for tax purposes.
- The IDA is asked to approve the modifications via resolution and authorize its officers to sign the modification documents.

Highlights of Board questions and responses from Mike Graff and Mr. Evans include:

- Director Pierce asked how much was currently owed on the existing bond.
 - o \$7.9 million outstanding.
 - o IDA fees from SU are current and would continue under the modification.
 - o Annual IDA fee is 1/20th of one percent of the outstanding balance.
- Director Pierce asked for clarification as to the reason why SU initially came to Clarke County whether it should return to Frederick.
 - o Frederick County was over its limit and could not process the bond request. It must have issued \$10 million, which is the limit.
 - o There is a subset of tax-exempt bonds called bank-qualified tax-exempt bonds that means that the lender on the bonds does not have to pay income tax on the interest earned and it also gets to deduct a percentage of the carry cost on the loan.
 - o There are limits on the number of bank-qualified bonds that can be issued within any particular jurisdiction.
 - o Clarke has no plans to issue debt this year.
 - o Clarke, with \$7.9MM outstanding, would have \$2.1MM left for calendar year 2019.

- Director Waite inquired about the competitiveness of rate received by Clarke's IDA.
 - Clarke's rate is "in the ballpark." Rates are more commonly seen at one eighth of a percent annual or a tenth of a percent annual.
 - Changing the annual fee from SU at this stage would present some challenges.
 - It would make sense, going forward, for the IDA to review its fees.
 - Mike Graff offered to assist the Board in compiling bond fees from neighboring jurisdictions for comparison.
- Chairman Cochran and Director Waite asked for the new term of the bond.
 - 2029 – ten years.
 - Concern expressed that the IDA would be locked into a low rate for a decade.
 - Bond originated 2011.
 - SU and BB&T, via letter agreement, extended the loan from 2021 to 2025. This extension did not result in a significant enough change to require coming back to the IDA.
 - Director Koontz provided the following:
 - Typically, if changing one thing about a debt issue, it is a minor modification.
 - In SU's request before the Board, the term and rate were being modified that qualifies it as a major modification requiring involvement by the IDA.
 - For the IDA's purposes, it should use 2021 since it was the last date the IDA was officially involved.
 - Mike Graff and Philip Evans indicated that they would confirm the date of the extension.
 - Mike Graff added that the type of modification determines whether the borrower has to go back to the issuing authority; and, the triggering change for this modification is the lowering of the interest rate by more than 25 basis points or a quarter of a percent.
- Directors Preston and Waite asked for clarification for the purpose of the meeting.
 - Approve the terms of the modification in the form of the modification agreement.
 - Authorize officers to sign the necessary documents. Mr. Graff noted that some of the paperwork for the bond modification was not yet ready for signature.
 - The agreement deals only with the lowering of the interest rate.
- Fees:
 - David Weiss opined that while the fee structure was a legitimate issue it might be a separate question.
 - Director Waite asked for a review of fees from other localities.
 - Mike Graff offered to assist in compiling fee schedules for Board review.
- Director Koontz asked if the IDA would be charging a fee for modification.

- Mike Graff stated that typically an application fee would not be charged; however, if the IDA's fee document provided otherwise, SU would, in due course, pay the fee provided for in the IDA's current policy.

Director Waite stated for the record that as IDA Secretary he would be signing the documents; therefore, he would not make the motion to approve the resolution nor authorize the officers to sign the necessary documents.

David Weiss clarified that all things were staying the same within the document and the agreement other than the interest rate and the put date.

Mike Graff affirmed noting that the IDA was being asked to approve the resolution to authorize the described changes in the form of the document provided along with the resolution.

Chairman Cochran asked for clarification from Director Waite on his willingness to move forward.

Director Waite opined that the concept, extension, and purpose were fine; however, due to the number of years the loan was being extended, he would have liked to have some comparison on the rate.

Philip Evans explained that the loan was only being extended four years.

Director Koontz remarked that the IDA did not know that the loan was previously extended from 2021 to 2025.

Director Waite commented that he was not willing to stand on a couple hundred dollars per year and hold the matter up. He stated that moving forward the IDA should re-evaluate the fee structure to ensure that it is constantly competitive; and, when renegotiating loans, it must ensure that there is policy and procedure in place.

Mike Graff, in response to questions from several Directors, stated that the IDA could raise its fees without notice; but, it would need to decide whether that was the right policy.

Director Waite asked if the two issues could be separated, moving forward with the terms while recognizing that the IDA wants some type of competitive fee.

Mike Graff responded that for the purpose of closing on the modification that SU and BB&T would want to know that the modification had been fully approved. He suggested that the IDA might want to make SU aware that it could be subject to increased fees in future. He recommended adding a note in the document that going forward extensions must be approved by the IDA, which would provide it the ability to impose other conditions.

Mike Graff proposed that the IDA adopt the resolution as presented subject to Director's Waite's amendment and he would work to put the language in the final resolution.

Philip Evans added that any extension beyond 2029 SU would have to pay the then-current fee.

Director Koontz, seconded by Director Preston, moved to adopt the resolution provided that the amendments suggested by Director Waite are incorporated. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Absent
Paul Jones	-	Absent - Deceased
English Koontz	-	Aye
Rodney Pierce	-	Aye
William Waite	-	Aye

Mike Graff assured that he would provide the revised resolution as soon as possible to staff and would be in touch on the execution of the final documents by IDA officers.

RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF CLARKE COUNTY, VIRGINIA RELATING TO THE AMENDMENT OF ITS EDUCATIONAL FACILITIES REVENUE BOND (SHENANDOAH UNIVERSITY), SERIES 2011

WHEREAS, the Industrial Development Authority of Clarke County, Virginia (the "Authority"), has previously issued its Educational Facilities Revenue Bond (Shenandoah University), Series 2011 (the "Bond"), and loaned the proceeds to Shenandoah University (the "University") pursuant to a Bond Purchase and Loan Agreement dated as of December 15, 2011 (the "Loan Agreement"), between the Authority, the University and Branch Banking and Trust Company, as purchaser of the Bond (the "Bank");

WHEREAS, the Bond is secured by a promissory note of the University dated December 27, 2011 (the "Note"), in an amount equal to the principal amount of the Bond;

WHEREAS, the Borrower and the Bank have determined that it is desirable to make certain amendments to the interest rate provisions and other modifications to the Bond, the Note and the Loan Agreement; and

WHEREAS, there have been presented to this meeting drafts of a First Amendment to Bond Purchase and Loan Agreement (the "Amendment Agreement"), between the Authority, the Borrower and the Bank, together with the forms of the Authority's Allonge to the Bond (the "Allonge to the Bond") and the Borrower's Allonge to the Promissory Note (the "Allonge to the Note" and, together with the Amendment Agreement and the Allonge to the Bond, the "Documents"), which Documents the Authority proposes to execute or approve to carry out the modifications of the Bond, copies of which Documents shall be filed with the records of the Authority;

BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF CLARKE COUNTY, VIRGINIA:

1. The changes to the interest rate provisions and other modifications as set forth in the Documents are hereby approved.

2. The forms of the Documents submitted to this meeting are hereby approved. The Chair and Vice Chair of the Authority, either of whom may act, are hereby authorized to execute and deliver the Amendment Agreement.

3. The Chair and Vice Chair of the Authority, either of whom may act, are hereby authorized and directed to execute the Allonge to the Bond by manual or facsimile signature, and the Secretary and Assistant Secretary of the Authority, either of whom may act, are authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by manual or facsimile signature. The Chair and Vice Chair of the Authority, either of whom may act, are authorized and directed to deliver the Allonge to the Bond to the Bank upon terms provided in the Loan Agreement, as amended by the Amendment Agreement.

4. The Documents shall be in substantially the forms presented to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as the Authority counsel and the executing officer of the Authority may approve, with execution constituting conclusive evidence of approval of any such completions, omissions, insertions and changes.

5. The Chair and Vice Chair of the Authority, either of whom may act, are hereby authorized and directed to execute, deliver and file all documents, certificates and instruments, including, without limitation, the execution and filing of an Internal Revenue Service Form 8038, and to take all such further action as they may consider necessary or desirable in connection with the issuance, execution and delivery of the Allonge to the Bond.

6. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto.

7. All fees, costs and expenses of the Authority and its counsel incurred in connection with the review, approval and execution of the Documents shall be paid by the Borrower, including, but not limited to, the Authority's modification fee of \$1,000. The Borrower shall continue to pay the Authority's annual, ongoing administrative fee of 1/20th of one percent of the outstanding principal amount of the Bond through December 31, 2029, upon which date such annual administrative fee on the Bond shall be subject to change.

8. The Borrower shall indemnify and save harmless the Authority, its officers, directors, employees and agents, from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Documents.

9. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this resolution and in furtherance of the execution and delivery of the Allonge to the Bond are hereby ratified, approved and confirmed.

10. This resolution shall take effect immediately upon its adoption.

CERTIFICATE

The undersigned Secretary of the Industrial Development Authority of Clarke County, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority present and voting at a meeting duly called and held on June 13, 2019, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS the following signature this ___ day of _____, 2019.

(SEAL)

Secretary, Industrial Development Authority of
Clarke County, Virginia

Director Preston asked staff to provide him the current fee schedule.

Director Waite asked staff to add fee schedule review to the July agenda.

Next Meeting

The next meeting is scheduled for Thursday, July 25, 2019, 1:00 pm.

4. Adjournment

At 1:38 pm, **Director Waite, seconded by Director Koontz, moved to adjourn the meeting. The motion carried by the following vote:**

Mark Cochran	-	Aye
Brian Ferrell	-	Absent
Paul Jones	-	Absent - Deceased
English Koontz	-	Aye
Rodney Pierce	-	Aye
William Waite	-	Aye

Minutes recorded and transcribed by: Lora B. Walburn, Executive Assistant - County Administration